



2019

CAFR

FOR THE YEAR ENDED **JUNE 30**

COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT



ASHEVILLE CITY  
SCHOOLS

Asheville, NC



# ASHEVILLE CITY SCHOOLS

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

Asheville, North Carolina  
For the Fiscal Year Ended June 30, 2019



ASHEVILLE CITY SCHOOLS

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Prepared by Finance Department  
Timothy F. Amos, MBA, CPA, CGMA, Interim Finance Officer  
Christy House, CSBM, Financial Services Manager



# ASHEVILLE CITY SCHOOLS

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## INTRODUCTORY SECTION



# ASHEVILLE CITY SCHOOLS

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## LETTER OF TRANSMITTAL

**January 13, 2020**

**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, 2019, 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 2019, 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 2018-19 school year was 4,281 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 259,103 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 growing tourism industry and a thriving arts and culture industry. Buncombe County's average unemployment rate for fiscal year 2018-19 was 3.0%, the lowest among the 100 counties in North Carolina. Further, the Asheville Metro added over 8,200 jobs July 2018-2019 an increase of 4.3%.

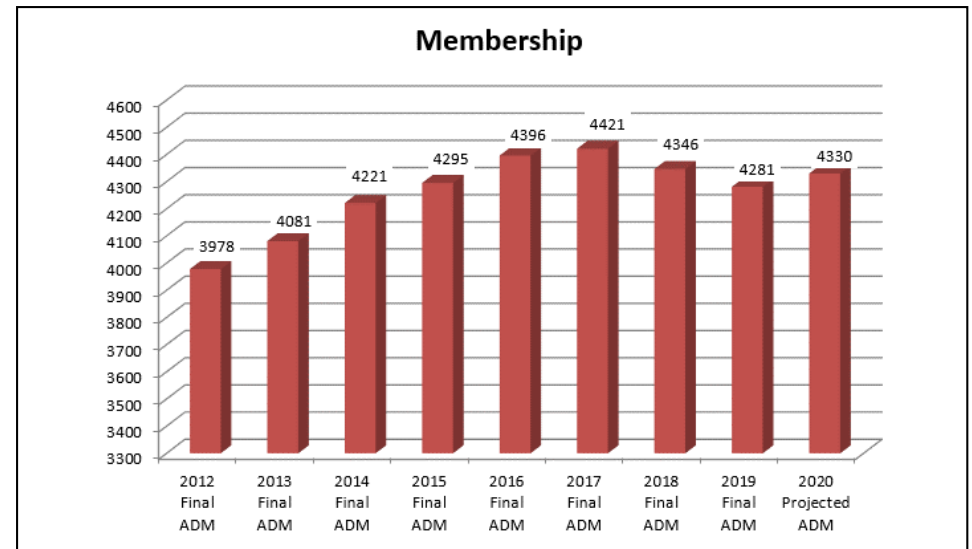
While operating within the above economic environment, Asheville City Schools has continued to enjoy the commitment to quality education for

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 3.7%, from \$11,681,164 to \$12,112,621. This trend continued into fiscal year 2020 with a 4.2% increase, bringing the total county general appropriation to over \$12.6 million for fiscal year 2020.

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 decrease in student population for fiscal year 2019. Many state funding formulas are driven by student population, but Asheville City Schools still experienced an increase in funding received through the State Public School Fund for fiscal year 2019. Following is a graph comparing final average daily membership for fiscal years 2012 through 2019 and projected average daily membership for fiscal year 2020.



## MAJOR ACCOMPLISHMENTS AND INITIATIVES

As the 2018-19 school year concluded, Asheville City Schools entered a period of transition as an intensive superintendent search began. The year contained a number of milestones for Asheville City Schools with the district entering the fourth year of its five-year strategic plan focusing on early childhood, academic achievement and the whole child.

- The District's high school graduation rate for the Class of 2019 was 90.7 percent and its our highest rate yet.
- The Class of 2019 received \$9,474,994 in scholarships and grants.
- 1:1 is the District's computer-to-student ratio for grades 5-12; for grades K-4, it is 1:3 or better.
- 82 Asheville City Schools' staff members hold the distinction of National Board Certification, the highest credential in the teaching profession.

- The Asheville City Schools Preschool and Hall Fletcher Elementary Preschool continue to operate with a 5-star child care facility rating from the North Carolina Department of Child Development.
- Two schools were recognized at the North Carolina Department of Public Instruction's annual Positive Behavior Intervention and Support Recognition Celebration. Ira B Jones Elementary was named a Green Ribbon School and Claxton Elementary School earned the distinction of Model.
- The Asheville Middle School Lady Cougars Volleyball team took 1<sup>st</sup> place in their conference championship.
- On average, our 29 yellow school buses drive approximately 1,700 miles every day.
- 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 Advancement Via Individual Determination Program (AVID), graduated its 16th class while celebrating 20 years of AVID. Just as every other class had achieved over the years, every 2019 graduate was extended an offer at either a college or university or military service. Many received scholarship offers.

## **INDEPENDENT AUDIT**

The financial statements have been audited by Dixon Hughes Goodman LLP, 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, 2019, 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, 2019, 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-two 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, 2019.

## 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,



Bobbie Short, Ph.D.  
Interim Superintendent



Timothy F. Amos, MBA, CPA, CGMA  
Interim Finance Officer



Christy W. House, CSMB  
Financial Services Manager



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, 2018.

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



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSRM  
President

A handwritten signature in black ink, appearing to read 'Siobhán McMahon'.

Siobhán McMahon, CAE  
Chief Operating Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Asheville City Schools  
North Carolina**

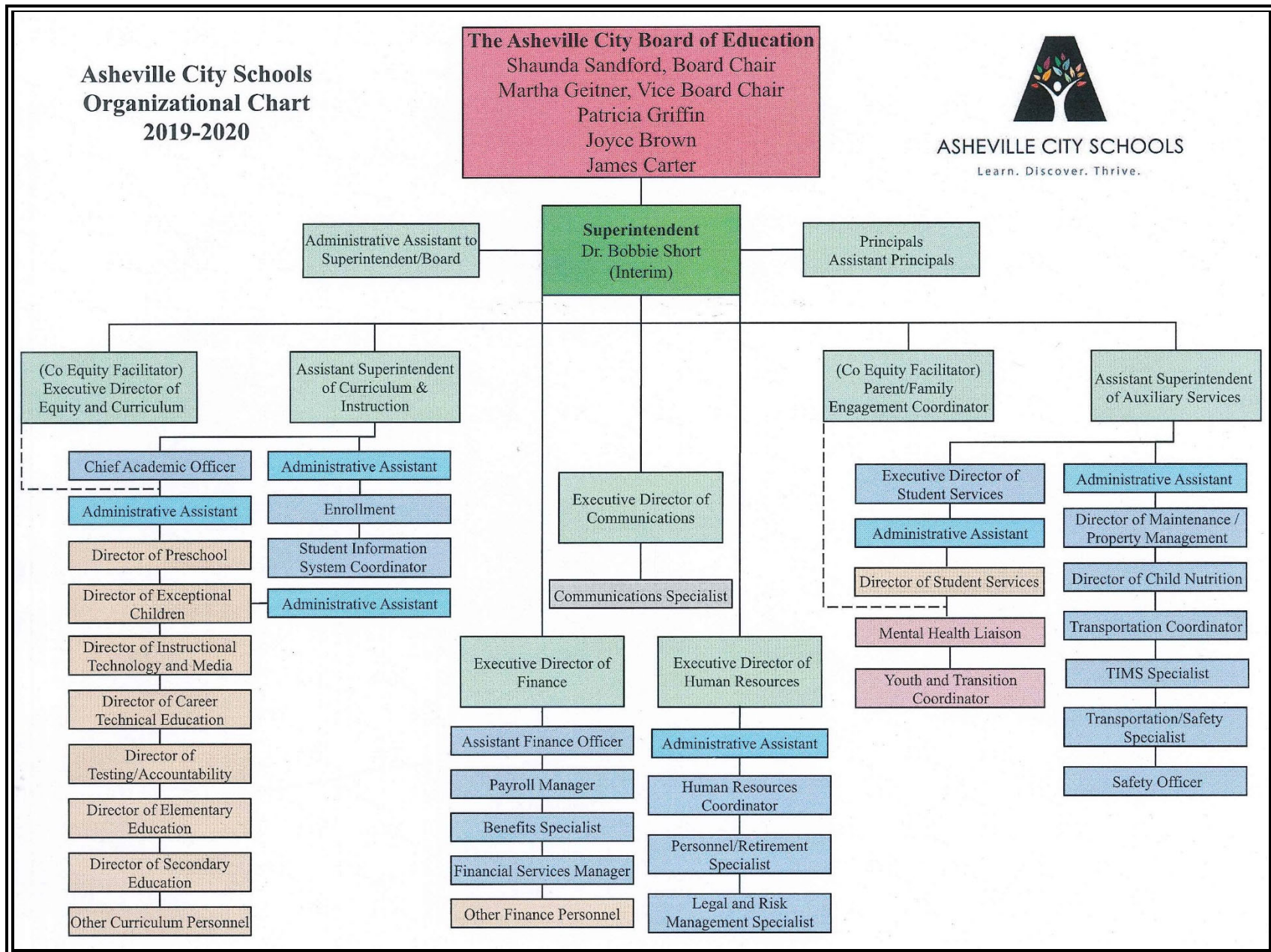
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrell*

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

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 Asheville City Schools, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Asheville City Schools' 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.

### ***Auditors' 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 from 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 auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of Asheville City Schools as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the State Public School Fund, and the Other Specific Revenue Fund for the year then ended in accordance 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 the Management's Discussion and Analysis, on pages 4-10, and the Net Pension and OPEB Liabilities, as identified in the table of contents, on pages 44-49, 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 Asheville City Schools' basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary schedules, other schedules, and statistical section 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 as a whole.

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2020 on our consideration of Asheville City Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

*Dixon Hughes Goodman LLP*

**Asheville, North Carolina  
January 13, 2020**



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Asheville City Schools' (the Board) financial performance provides a narrative overview of the Board's financial activities for the fiscal year ended June 30, 2019. This information should be read in conjunction with the audited financial statements included in this report.

### Financial Highlights

- The assets and deferred outflows of resources of the Board exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$567,339.
- The Board's total net position decreased by \$2,332,780.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of \$12,438,667, a decrease of \$1,680,738.

### Overview of the Financial Statements

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

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplementary information that presents the Board's share of the net pension liability and retirement system contributions*
- *Supplementary information that presents combining and budgetary schedules for non-major governmental funds, budgetary schedules for capital outlay and enterprise funds, and a combining statement for the 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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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, deferred outflows of resources, deferred inflows of resources, 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 set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, proprietary fund, and fiduciary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary fund and fiduciary fund are presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on the financial resources of each of the Board's major funds.

## Government-wide Statements

The government-wide statements report information about the unit 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, deferred outflows of resources, liabilities, and deferred inflows or resources. 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 they have changed. Net position – the difference between the Board's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the unit's financial health or position.

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

The Board'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 cover the costs of certain services it provides. Child nutrition is included here.

## Fund Financial Statements

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds. 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, such as the Federal Grants Fund, to control and manage money for a particular purpose or to show that it is properly using certain revenues.

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 – how cash and other assets can readily be converted to cash flow in and out, and 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, a reconciliation following the governmental funds statements 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 Specific Revenue Fund, the Capital Outlay Fund and the Individual Schools Fund.



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

*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 Agency Fund. Since the resources of the Agency Fund are not available to support government programs, they are excluded from the government-wide statements.

### Financial Analysis of the Schools as a Whole

Net position may serve over time as one useful indicator of the fiscal health of the Board. The Board's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$567,339 as of June 30, 2019, a decrease of \$2,332,780 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 \$86,054,827 at June 30, 2019, a decrease of \$2,657,909 compared to June 30, 2018. Restricted net position accounted for \$5,985,294 of net position, an increase of \$466,884. There was a deficit of unrestricted net position at year-end totaling \$91,472,782, a decrease of \$141,755 compared to the prior fiscal year. Following is a summary of the Statement of Net Position:

**Table 1**  
**Condensed Statement of Net Position**  
**June 30, 2019 and 2018**

	2019			2018		
	Governmental Activities	Business-type Activities	Total Government- wide	Governmental Activities	Business-type Activities	Total Government- wide
Current assets	\$ 13,228,384	\$ 213,258	\$ 13,441,642	\$ 14,663,027	\$ 342,008	\$ 15,005,035
Capital assets	85,504,639	596,534	86,101,173	88,306,518	602,286	88,908,804
Total assets	98,733,023	809,792	99,542,815	102,969,545	944,294	103,913,839
Deferred outflows of resources	17,785,662	225,639	18,011,301	13,140,762	158,113	13,298,875
Current liabilities	949,461	30,972	980,433	773,916	28,073	801,989
Long-term liabilities	84,316,969	1,078,161	85,395,130	87,290,533	1,340,101	88,630,634
Total liabilities	85,266,430	1,109,133	86,375,563	88,064,449	1,368,174	89,432,623
Deferred inflows of resources	30,223,033	388,181	30,611,214	24,494,582	385,390	24,879,972
Net investment in capital assets	85,458,293	596,534	86,054,827	88,110,450	602,286	88,712,736
Restricted net position	5,985,294	-	5,985,294	5,518,410	-	5,518,410
Unrestricted net position (deficit)	(90,414,365)	(1,058,417)	(91,472,782)	(90,077,584)	(1,253,443)	(91,331,027)
Total net position	\$ 1,029,222	\$ (461,883)	\$ 567,339	\$ 3,551,276	\$ (651,157)	\$ 2,900,119

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

**Table 2**  
**Condensed Statement of Activities**  
**Years Ended June 30, 2019 and 2018**

	2019			2018		
	Governmental Activities	Business-type Activities	Total Government- wide	Governmental Activities	Business-type Activities	Total Government- wide
Revenues:						
Program revenues:						
Charges for services	\$ 2,344,347	\$ 420,795	\$ 2,765,142	\$ 2,216,002	\$ 399,451	\$ 2,615,453
Operating grants and contributions	31,733,496	1,173,117	32,906,613	30,293,504	1,205,685	31,499,189
Capital grants and contributions	149,722	-	149,722	210,246	-	210,246
General revenues:						
U.S. Government	80,139	-	80,139	88,893	-	88,893
Buncombe County	14,759,478	-	14,759,478	14,230,670	-	14,230,670
Supplemental city school tax	9,394,257	-	9,394,257	8,928,186	-	8,928,186
Local option sales tax	2,963,968	-	2,963,968	2,991,931	-	2,991,931
Other revenues	616,982	-	616,982	649,429	-	649,429
Total revenues	<u>62,042,389</u>	<u>1,593,912</u>	<u>63,636,301</u>	<u>59,608,861</u>	<u>1,605,136</u>	<u>61,213,997</u>
Expenses:						
Governmental activities:						
Instructional programs	47,876,328	-	47,876,328	51,343,852	-	51,343,852
Support services	12,137,295	-	12,137,295	11,847,744	-	11,847,744
Ancillary services	498,526	-	498,526	863,356	-	863,356
Non-programmed charges	1,201,678	-	1,201,678	1,100,895	-	1,100,895
Unallocated depreciation expense	2,647,408	-	2,647,408	5,505,964	-	5,505,964
Business-type activities:						
Child Nutrition	-	1,607,846	1,607,846	-	1,912,226	1,912,226
Total expenses	<u>64,361,235</u>	<u>1,607,846</u>	<u>65,969,081</u>	<u>70,661,811</u>	<u>1,912,226</u>	<u>72,574,037</u>
Revenues over (under) expenses	(2,318,846)	(13,934)	( 2,332,780)	(11,052,950)	(307,090)	(11,360,040)
Transfers in (out)	(203,208)	203,208	-	(247,223)	247,223	-
Change in net position	(2,522,054)	189,274	(2,332,780)	(11,300,173)	(59,867)	(11,360,040)
Net position—beginning	3,551,276	(651,157)	2,900,119	99,370,234	747,996	100,118,230
Net position—restatement	-	-	-	(84,518,785)	(1,339,286)	(85,858,071)
Net position—ending	<u>\$ 1,029,222</u>	<u>\$ (461,883)</u>	<u>\$ 567,339</u>	<u>\$ 3,551,276</u>	<u>\$ (651,157)</u>	<u>\$ 2,900,119</u>

Governmental activities generated revenues of \$62.0 million for fiscal year 2019 compared to \$59.6 million for the previous year. Governmental activities expenses totaled \$64.4 million for fiscal year 2019 compared to \$70.7 million for the previous year. After transfers to the business-type activities, the decrease in net position stands at \$2,332,780 at June 30, 2019 compared to a decrease of \$11,360,040 in 2018.

County funding decreased from 23.9% of total governmental revenues in fiscal year 2018 to 23.8% in fiscal year 2019 maintaining close consistency with the previous year. The amount of the Asheville City Schools supplemental city school tax received remained constant for both fiscal years at 15.0% of total governmental revenues. Much of the remaining governmental revenues consist of restricted state and federal money. Instructional expenses comprised 74.4% of total governmental expenses for fiscal year 2019 compared to 72.7% for fiscal year 2018. Support services accounted for 18.9% and 16.8% of expenses in fiscal years 2019 and 2018, respectively.

Business-type activities generated revenues of \$1.59 million for fiscal year 2019 and \$1.61 million for fiscal year 2018. At the same time, expenses for the business-type activities were \$1.6 million for fiscal year 2019 compared to \$1.9 million for fiscal year 2018. Thus, net position increased in the business-type activities by \$189,274, after transfers in from the governmental activities of \$203,208.

**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, 2019 and 2018 for the General Fund, the Other Specific Revenue Fund, the Capital Outlay Fund and the Non-Major Fund (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  
June 30, 2019 and 2018**

	2019					2018				
	General Fund	Other Specific Revenue Fund	Capital Outlay Fund	Non-Major Fund	Total	General Fund	Other Specific Revenue Fund	Capital Outlay Fund	Non-Major Fund	Total
Fund balances:										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	47,770	1,043,451	3,860,491	760,463	5,712,175	91,245	929,122	3,485,560	748,720	5,254,647
Assigned	-	621,308	-	-	621,308	2,858,864	1,332,818	-	-	4,191,682
Unassigned	6,105,184	-	-	-	6,105,184	4,673,076	-	-	-	4,673,076
<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>	<b>\$7,623,185</b>	<b>\$2,261,940</b>	<b>\$ 3,485,560</b>	<b>\$ 748,720</b>	<b>\$14,119,405</b>

The Capital Outlay Fund and the Non-Major Fund for individual schools both ended the year with a surplus of revenues and other financing sources over expenditures and other financing uses. The Board appropriated \$953,336 of fund balance to balance the budget but ended the fiscal year with only a \$597,181 decrease in the fund balance recorded in the Other Specific Revenue Fund. This resulted in a combined net increase of \$386,874 in the aforementioned funds. The decrease experienced

by the General Fund is explained under General Fund Budgetary Highlights below. Assigned fund balance in the General Fund is explained under Economic Factors Affecting Next Year's Budget on the following page.

Overall, revenues recorded within the governmental funds increased \$2.4 million and expenditures decreased \$6.3 million when compared to the prior year. Completion of capital projects accounted for most of the decrease. However, state funding received through the State Public School increased by \$1.3 million in both revenues and expenditures. This increase was largely due to salary increases for certified staff. Likewise, the Buncombe County general appropriation increased \$431 thousand due to an increase in the overall county-wide appropriation.

Proprietary Fund: The Board's proprietary fund reflected an increase in net position of \$189,274 for 2019 compared to a decrease of \$59,867 for 2018 due to a decrease in overall expenses. Participation and food sales rebounded slightly in 2019 after a decline in recent years following the implementation of the Healthy Hunger Free Kids Act (the Act) as the higher nutrition standards required by the Act resulted in meals and other food choices that were not as popular with students.

### General Fund Budgetary Highlights

Actual General Fund revenues for the supplemental city school tax and interest earned all exceeded budgeted amounts. The Board appropriated \$1,935,093 of fund balance to balance the budget but ended the fiscal year with a \$1,470,231 decrease in the fund balance recorded in the General Fund.

### Capital Assets

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

**Table 4**  
**Summary of Capital Assets**  
**June 30, 2019 and 2018**

	2019			2018		
	Governmental Activities	Business-type Activities	Total Government-wide	Governmental Activities	Business-type Activities	Total Government-wide
Land	\$ 1,307,576	\$ -	\$ 1,307,576	\$ 1,307,576	\$ -	\$ 1,307,576
Land improvements	1,321,597	-	1,321,597	1,204,444	-	1,204,444
Buildings	80,869,046	-	80,869,046	83,912,432	-	83,912,432
Construction in progress	294,340	-	294,340	13,591	-	13,591
Equipment and furniture	1,165,778	596,534	1,762,312	1,249,707	602,285	1,851,992
Vehicles	546,302	-	546,302	618,769	-	618,769
<b>Total</b>	<b>\$ 85,504,639</b>	<b>\$ 596,534</b>	<b>\$ 86,101,173</b>	<b>\$ 88,306,519</b>	<b>\$ 602,285</b>	<b>\$ 88,908,804</b>

Capital assets decreased \$2,807,631 or -3.16% over the previous year. Additional information regarding the Board's capital assets can be found in the notes to the basic financial statements on Pages 30 through 34 of this report.

## Debt Outstanding

The 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 2019, 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 the notes to the basic financial statements on Pages 31 and 35 of the report.

## Economic Factors Affecting Next Year's Budget

At the time the Fiscal Year 2019 Comprehensive Annual Financial Report was completed, 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' 2020 budget:

- The North Carolina General Assembly is expected to provide step increases for teachers and instructional support who earned a year of experience.
- The retirement matching rate as set by the North Carolina General Assembly is expected to increase from 18.86% to 19.70%.
- The annual cost of employer provided hospitalization insurance is expected to increase from \$6,104 to \$6,306, per employee.
- The Asheville City Schools supplemental tax rate for 2019 is set at 12 cents per \$100 of assessed taxable valuation. An increase of \$497,636 is projected.
- Assigned fund balance for the General Fund will be determined upon completion of Asheville City Schools' 2020 budget.

### 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:

Executive Director of Finance  
Asheville City Schools  
Post Office Box 7347  
Asheville, NC 28802

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## **BASIC FINANCIAL STATEMENTS**

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**ASHEVILLE CITY SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,388,226	\$ 46,852	\$ 11,435,078
Due from other governments	1,691,996	52,217	1,744,213
Accounts receivable (net)	84,984	443	85,427
Net OPEB asset	63,178	812	63,990
Inventories	-	112,934	112,934
Capital assets:			
Land and construction in progress	1,601,916	-	1,601,916
Other capital assets, net of depreciation	83,902,723	596,534	84,499,257
Total capital assets	<u>85,504,639</u>	<u>596,534</u>	<u>86,101,173</u>
Total assets	<u>98,733,023</u>	<u>809,792</u>	<u>99,542,815</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>17,785,662</u>	<u>225,639</u>	<u>18,011,301</u>
<b>LIABILITIES</b>			
Accounts payable	396,773	2,336	399,109
Accrued salaries and wages payable	229,897	-	229,897
Unearned revenue	99,869	24,636	124,505
Long-term liabilities:			
Due in one year	222,922	4,000	226,922
Due in more than one year	84,316,969	1,078,161	85,395,130
Total liabilities	<u>85,266,430</u>	<u>1,109,133</u>	<u>86,375,563</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>30,223,033</u>	<u>388,181</u>	<u>30,611,214</u>
<b>NET POSITION</b>			
Net investment in capital assets	85,458,293	596,534	86,054,827
Restricted for:			
Stabilization by State Statute	1,091,221	-	1,091,221
School capital outlay	3,860,491	-	3,860,491
Individual school activities	760,463	-	760,463
Net OPEB Asset	273,119	-	273,119
Unrestricted	<u>(90,414,365)</u>	<u>(1,058,417)</u>	<u>(91,472,782)</u>
Total net position	<u>\$ 1,029,222</u>	<u>\$ (461,883)</u>	<u>\$ 567,339</u>

See accompanying notes to the basic financial statements.

**ASHEVILLE CITY SCHOOLS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:							
Instructional services:							
Regular instructional	\$ 26,503,871	\$ 121,111	\$ 17,570,718	\$ -	\$ (8,812,042)	\$ -	\$ (8,812,042)
Special populations	6,577,969	-	5,965,136	-	(612,833)	-	(612,833)
Alternative programs	4,301,465	739,781	2,168,406	-	(1,393,278)	-	(1,393,278)
School leadership	3,426,736	-	1,279,996	-	(2,146,740)	-	(2,146,740)
Co-curricular	1,933,366	1,379,343	66,052	-	(487,971)	-	(487,971)
School-based support	5,132,921	-	2,251,794	-	(2,881,127)	-	(2,881,127)
System-wide support services:							
Support and development	744,112	-	297,303	-	(446,809)	-	(446,809)
Special populations support and development	242,341	-	138,470	-	(103,871)	-	(103,871)
Alternative programs and services support and development	389,552	-	109,293	-	(280,259)	-	(280,259)
Technology support	1,012,635	-	187,248	-	(825,387)	-	(825,387)
Operational support	6,561,530	-	798,783	149,722	(5,613,025)	-	(5,613,025)
Financial and human resource	970,038	-	230,754	-	(739,284)	-	(739,284)
Accountability	90,300	-	99,191	-	8,891	-	8,891
System-wide pupil support	446,067	-	56,923	-	(389,144)	-	(389,144)
Policy, leadership and public relations	1,680,720	-	432,356	-	(1,248,364)	-	(1,248,364)
Ancillary services	498,526	104,112	81,073	-	(313,341)	-	(313,341)
Non-programmed charges	1,201,678	-	-	-	(1,201,678)	-	(1,201,678)
Unallocated depreciation expense*	2,647,408	-	-	-	(2,647,408)	-	(2,647,408)
Total governmental activities	<u>64,361,235</u>	<u>2,344,347</u>	<u>31,733,496</u>	<u>149,722</u>	<u>(30,133,670)</u>	<u>-</u>	<u>(30,133,670)</u>



FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Business-type activities:						
Child Nutrition	\$ 1,607,846	\$ 420,795	\$ 1,173,117	\$ -	\$ (13,934)	\$ (13,934)
Total government-wide	<u>\$ 65,969,081</u>	<u>\$ 2,765,142</u>	<u>\$ 32,906,613</u>	<u>\$ 149,722</u>	<u>(30,133,670)</u>	<u>(13,934)</u>
General revenues:						
U.S. Government				80,139	-	80,139
Buncombe County				14,759,478	-	14,759,478
Supplemental city school tax				9,394,257	-	9,394,257
Local option sales tax				2,963,968	-	2,963,968
Interest earned on investments				219,855	-	219,855
Other revenues				397,127	-	397,127
Transfers				(203,208)	203,208	-
Total general revenues and transfers				<u>27,611,616</u>	<u>203,208</u>	<u>27,814,824</u>
Change in net position				(2,522,054)	189,274	(2,332,780)
Net position—beginning of year				<u>3,551,276</u>	<u>(651,157)</u>	<u>2,900,119</u>
Net position—end of year				<u>\$ 1,029,222</u>	<u>\$ (461,883)</u>	<u>\$ 567,339</u>

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

See accompanying notes to the basic financial statements.

**ASHEVILLE CITY SCHOOLS  
BALANCE SHEET—GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<u>Major Funds</u>					<u>Total Governmental Funds</u>
	<u>General</u>	<u>State Public School</u>	<u>Other Specific Revenue</u>	<u>Capital Outlay</u>	<u>Non-Major Funds</u>	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,727,149	\$ -	\$ 719,193	\$ 3,181,421	\$ 760,463	\$ 11,388,226
Due from other governments	46,758	2,417	959,826	680,833	2,162	1,691,996
Accounts receivable (net)	1,012	-	83,625	347	-	84,984
Total assets	<u>\$ 6,774,919</u>	<u>\$ 2,417</u>	<u>\$ 1,762,644</u>	<u>\$ 3,862,601</u>	<u>\$ 762,625</u>	<u>\$ 13,165,206</u>
<b>LIABILITES</b>						
Accounts payable	\$ 392,068	\$ -	\$ 2,595	\$ 2,110	\$ -	\$ 396,773
Accrued salaries and wages payable	229,897	-	-	-	-	229,897
Unearned revenue	-	2,417	95,290	-	2,162	99,869
Total liabilities	<u>621,965</u>	<u>2,417</u>	<u>97,885</u>	<u>2,110</u>	<u>2,162</u>	<u>726,539</u>
<b>FUND BALANCES</b>						
Restricted:						
Stabilization by State Statute	47,770	-	1,043,451	-	-	1,091,221
School capital outlay	-	-	-	3,860,491	-	3,860,491
Individual school activities	-	-	-	-	760,463	760,463

	<b>Major Funds</b>					<b>Total Governmental Funds</b>
	<b><u>General</u></b>	<b><u>State Public School</u></b>	<b><u>Other Specific Revenue</u></b>	<b><u>Capital Outlay</u></b>	<b><u>Non-major Funds</u></b>	
Assigned:						
Special programs	\$ -	\$ -	\$ 621,308	\$ -	\$ -	\$ 621,308
Unassigned	<u>6,105,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,105,184</u>
Total fund balances	<u>6,152,954</u>	<u>-</u>	<u>1,664,759</u>	<u>3,860,491</u>	<u>760,463</u>	<u>12,438,667</u>
Total liabilities and fund balances	<u>\$ 6,774,919</u>	<u>\$ 2,417</u>	<u>\$ 1,762,644</u>	<u>\$ 3,862,601</u>	<u>\$ 762,625</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Net OPEB Asset	63,178
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	85,504,639
Deferred outflows of resources are not available to satisfy current obligations in the fund statements. However, they are considered a consumption of net position that applies to a future period and are included in the Statement of Net Position:	
Contributions to the pension plan in the current fiscal year	4,322,561
Pension related deferrals	8,885,575
Contributions to the OPEB plan in the current fiscal year	2,310,587
OPEB related deferrals	2,266,939
Deferred inflows of resources related to pension	(623,663)
Deferred inflows of resources related to OPEB	(29,599,370)
Liabilities for long-term debt are not payable with current financial resources and therefore are not reported in the funds:	
Installment purchase obligations	(46,346)
Net pension liability	(23,171,839)
Net OPEB Liability	(58,982,510)
Compensated absences	<u>(2,339,196)</u>
Net position of governmental activities	<u>\$ 1,029,222</u>

See accompanying notes to the basic financial statements.

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	<u>Major Funds</u>					<u>Total Governmental Funds</u>
	<u>General</u>	<u>State Public School</u>	<u>Other Specific Revenue</u>	<u>Capital Outlay</u>	<u>Non-Major Funds</u>	
<b>REVENUES</b>						
Intergovernmental:						
State of North Carolina	\$ -	\$ 27,749,913	\$ 618,876	\$ 149,722	\$ -	\$ 28,518,511
U.S. Government	-	-	453,322	-	2,908,726	3,362,048
Buncombe County	12,112,621	-	-	2,646,857	-	14,759,478
Supplemental city school tax	9,394,257	-	-	-	-	9,394,257
Local option sales tax	-	-	2,963,968	-	-	2,963,968
Charges for services	-	-	965,004	-	-	965,004
Miscellaneous	306,858	-	336,129	101,570	1,445,395	2,189,952
	<u>21,813,736</u>	<u>27,749,913</u>	<u>5,337,299</u>	<u>2,898,149</u>	<u>4,354,121</u>	<u>62,153,218</u>
Total revenues						
<b>EXPENDITURES</b>						
Current:						
Instructional services:						
Regular instructional	7,154,032	17,412,368	2,224,054	158,144	99,379	27,047,977
Special populations	365,393	4,401,999	675,753	-	1,248,925	6,692,070
Alternative programs	1,579,297	503,076	1,433,001	-	918,879	4,434,253
School leadership	1,908,551	1,279,996	327,765	-	-	3,516,312
Co-curricular	239,716	-	-	-	1,584,602	1,824,318
School-based support	1,598,784	2,151,364	350,624	675,163	100,430	4,876,365
System-wide support services:						
Support and development	432,197	204,065	61,138	-	93,238	790,638
Special populations support and development	98,060	50	15,415	-	138,420	251,945
Alternative programs and services support and development	257,959	-	25,472	-	109,293	392,724
Technology support	778,797	187,248	46,772	9,658	-	1,022,475
Operational support	5,226,491	794,187	252,468	90,145	4,596	6,367,887
Financial and human resource	674,130	214,244	103,049	-	16,510	1,007,933
Accountability	63,019	30,964	9,602	-	-	103,585
System-wide pupil support	360,656	56,923	43,056	-	-	460,635
Policy, leadership and public relations	1,122,528	432,356	113,557	3,306	68,227	1,739,974
Ancillary services	31,729	-	252,754	-	-	284,483

	<b>Major Funds</b>				<b>Non-Major Funds</b>	<b>Total Governmental Funds</b>
	<b><u>General</u></b>	<b><u>State Public School</u></b>	<b><u>Other Specific Revenue</u></b>	<b><u>Capital Outlay</u></b>		
<b>EXPENDITURES</b>						
Current, continued:						
Non-programmed charges:						
Payments to charter schools	\$ 1,201,678	\$ -	\$ -	\$ -	\$ -	\$ 1,201,678
Other	-	-	-	-	110,829	110,829
Debt service	-	-	-	149,722	-	149,722
Capital outlay	-	-	-	1,354,945	-	1,354,945
Total expenditures	<u>23,093,017</u>	<u>27,668,840</u>	<u>5,934,480</u>	<u>2,441,083</u>	<u>4,493,328</u>	<u>63,630,748</u>
Revenues over (under) expenditures	<u>(1,279,281)</u>	<u>81,073</u>	<u>(597,181)</u>	<u>457,066</u>	<u>(139,207)</u>	<u>(1,477,530)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	-	-	-	-	150,950	150,950
Transfers to other funds	(190,950)	(81,073)	-	(82,135)	-	(354,158)
Total other financing sources (uses)	<u>(190,950)</u>	<u>(81,073)</u>	<u>-</u>	<u>(82,135)</u>	<u>150,950</u>	<u>(203,208)</u>
Net change in fund balances	(1,470,231)	-	(597,181)	374,931	11,743	(1,680,738)
Fund balance—beginning of year	<u>7,623,185</u>	<u>-</u>	<u>2,261,940</u>	<u>3,485,560</u>	<u>748,720</u>	<u>14,119,405</u>
Fund balance—end of year	<u>\$ 6,152,954</u>	<u>\$ -</u>	<u>\$ 1,664,759</u>	<u>\$ 3,860,491</u>	<u>\$ 760,463</u>	<u>\$ 12,438,667</u>

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

Net changes in fund balances—total governmental funds	\$ (1,680,738)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Depreciation expense	(4,016,131)
Capital outlay	1,214,252
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	4,322,561
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	2,310,587
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:	
Repayment on long-term debt	149,722
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 the governmental funds:	
Net change in compensated absences	446,884
Pension expense	(5,204,409)
Net OPEB expense	(64,782)
Total changes in net position of governmental activities	<u>\$ (2,522,054)</u>

See accompanying notes to the basic financial statements.

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2019**

	<b>General Fund</b>			
	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Positive (Negative) Variance</u></b>
<b>REVENUES</b>				
Intergovernmental:				
Buncombe County	\$ 12,112,621	\$ 12,112,621	\$ 12,112,621	\$ -
Supplemental city school tax	9,337,944	9,337,944	9,394,257	56,313
Miscellaneous	300,501	300,501	306,858	6,357
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	21,751,066	21,751,066	21,813,736	62,670
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Regular instructional	7,197,853	7,197,853	7,154,032	43,821
Special populations	262,813	262,813	365,393	(102,580)
Alternative programs	1,615,915	1,615,915	1,579,297	36,618
School leadership	2,057,747	2,057,747	1,908,551	149,196
Co-curricular	250,910	250,910	239,716	11,194
School based support	1,804,523	1,804,523	1,598,784	205,739
System-wide support services:				
Support and development	458,845	458,845	432,197	26,648
Special populations support and development	98,185	98,185	98,060	125
Alternative programs and services support and development	233,721	233,721	257,959	(24,238)
Technology support	782,187	782,187	778,797	3,390
Operational support	5,491,836	5,491,836	5,226,491	265,345
Financial and human resource	638,249	638,249	674,130	(35,881)
Accountability	57,889	57,889	63,019	(5,130)
System-wide pupil support	358,360	358,360	360,656	(2,296)
Policy, leadership and public relations	1,035,843	1,035,843	1,122,528	(86,685)

	<b>General Fund</b>			
	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Positive (Negative) Variance</u></b>
<b>EXPENDITURES</b>				
Current, continued:				
Ancillary services	\$ 46,833	\$ 46,833	\$ 31,729	\$ 15,104
Non-programmed charges:				
Payments to charter schools	1,103,500	1,103,500	1,201,678	(98,178)
Total expenditures	<u>23,495,209</u>	<u>23,495,209</u>	<u>23,093,017</u>	<u>402,192</u>
Revenues under expenditures	<u>(1,744,143)</u>	<u>(1,744,143)</u>	<u>(1,279,281)</u>	<u>464,862</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(190,950)	(190,950)	(190,950)	-
Appropriated fund balance	1,935,093	1,935,093	-	(1,935,093)
Total other financing sources (uses)	<u>1,744,143</u>	<u>1,744,143</u>	<u>(190,950)</u>	<u>(1,935,093)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,470,231)	<u>\$ (1,470,231)</u>
Fund balance—beginning of year			<u>7,623,185</u>	
Fund balance—end of year			<u>\$ 6,152,954</u>	

See accompanying notes to the basic financial statements.

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL**  
**STATE PUBLIC SCHOOL FUND**  
**YEAR ENDED JUNE 30, 2019**

	<u>State Public School Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>REVENUES</b>				
Intergovernmental:				
State of North Carolina	\$ 29,495,917	\$ 29,495,917	\$ 27,749,913	\$ (1,746,004)
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Regular instructional	18,408,423	18,408,423	17,412,368	996,055
Special populations	4,446,064	4,446,064	4,401,999	44,065
Alternative programs	753,479	753,479	503,076	250,403
School leadership	1,311,948	1,311,948	1,279,996	31,952
School based support	2,097,913	2,097,913	2,151,364	(53,451)
System-wide support services:				
Support and development	406,704	406,704	204,065	202,639
Special populations support and development	50	50	50	-
Technology support	187,247	187,247	187,248	(1)
Operational support	752,427	752,427	794,187	(41,760)
Financial and human resource	448,088	448,088	214,244	233,844
System-wide pupil support	46,105	46,105	56,923	(10,818)
Policy, leadership and public relations	418,480	418,480	432,356	(13,876)
Accountability	18,135	18,135	30,964	(12,829)
Ancillary services	100,000	100,000	-	100,000
Total expenditures	<u>29,395,063</u>	<u>29,395,063</u>	<u>27,668,840</u>	<u>1,726,223</u>
Revenues over expenditures	100,854	100,854	81,073	(19,781)
<b>OTHER FINANCING USES</b>				
Transfers to other funds	(100,854)	(100,854)	(81,073)	19,781
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance—beginning of year			<u>-</u>	
Fund balance—end of year			<u>\$ -</u>	

See accompanying notes to the basic financial statements.





# ASHEVILLE CITY SCHOOLS

Learn. Discover. Thrive.

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL**  
**OTHER SPECIFIC REVENUE FUND**  
**YEAR ENDED JUNE 30, 2019**

	<u>Other Specific Revenue Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>REVENUES</b>				
Intergovernmental:				
State of North Carolina	\$ 578,470	\$ 578,470	\$ 618,876	\$ 40,406
U.S. Government	352,777	352,777	453,322	100,545
Local option sales tax	3,269,773	3,269,773	2,963,968	(305,805)
Charges for services	892,524	892,524	965,004	72,480
Miscellaneous	287,870	287,870	336,129	48,259
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	5,381,414	5,381,414	5,337,299	(44,115)
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Regular instructional	2,315,010	2,315,010	2,224,054	90,956
Special populations	830,203	830,203	675,753	154,450
Alternative programs	1,311,134	1,311,134	1,433,001	(121,867)
School leadership	382,678	382,678	327,765	54,913
School based support	450,000	450,000	350,624	99,376
System-wide support services:				
Support and development	88,054	88,054	61,138	26,916
Special populations support and development	15,415	15,415	15,415	-
Alternative programs	53,949	53,949	25,472	28,477
Technology support	49,329	49,329	46,772	2,557
Operational support	274,675	274,675	252,468	22,207
Financial and human resource	106,901	106,901	103,049	3,852
Accountability	15,824	15,824	9,602	6,222
System-wide pupil support	45,387	45,387	43,056	2,331
Policy, leadership and public relations	123,575	123,575	113,557	10,018
Ancillary services	272,616	272,616	252,754	19,862
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	6,334,750	6,334,750	5,934,480	400,270

	<b>Other Specific Revenue Fund</b>			
	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Positive (Negative) Variance</u></b>
Revenues under expenditures	\$ (953,336)	\$ (953,336)	\$ (597,181)	\$ 356,155
<b>OTHER FINANCING SOURCES</b>				
Appropriated fund balance	<u>953,336</u>	<u>953,336</u>	<u>-</u>	<u>(953,336)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(597,181)	<u>\$ (597,181)</u>
Fund balance—beginning of year			<u>2,261,940</u>	
Fund balance—end of year			<u>\$ 1,664,759</u>	

See accompanying notes to the basic financial statements.

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF NET POSITION—PROPRIETARY FUND**  
**JUNE 30, 2019**

	<b>Child Nutrition Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 46,852
Due from other governments	52,217
Accounts receivable (net)	443
Net OPEB asset	812
Inventories	112,934
Total current assets	213,258
Non-current assets:	
Capital assets:	
Furniture and equipment, net	596,534
Total assets	809,792
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	225,639
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	2,336
Unearned revenue	24,636
Compensated absences, current portion	4,000
Total current liabilities	30,972
Non-current liabilities:	
Net pension liability	292,672
Net OPEB liability	757,829
Compensated absences, less current portion	27,660
Total non-current liabilities	1,078,161
Total liabilities	1,109,133
<b>DEFERRED INFLOWS OF RESOURCES</b>	388,181
<b>NET POSITION</b>	
Investment in capital assets	596,534
Unrestricted	(1,058,417)
Total net position	\$ (461,883)

See accompanying notes to the basic financial statements.

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION—PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2019**

	<b>Child Nutrition Fund</b>
<b>OPERATING REVENUES</b>	
Food sales	\$ 420,795
<b>OPERATING EXPENSES</b>	
Food cost	731,576
Salaries and benefits	704,327
Materials and supplies	59,261
Depreciation	62,688
Other	49,994
Total operating expenses	1,607,846
Operating loss	(1,187,051)
<b>NON-OPERATING REVENUES</b>	
Federal reimbursements and grants	1,075,696
Federal commodities	94,529
State reimbursements	2,892
Total non-operating revenues	1,173,117
Loss before transfers	(13,934)
<b>TRANSFERS FROM OTHER FUNDS</b>	203,208
Change in net position	189,274
Net position—beginning of year	(651,157)
Net position—end of year	\$ (461,883)

See accompanying notes to the basic financial statements.

**ASHEVILLE CITY SCHOOLS  
STATEMENT OF CASH FLOWS—PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2019**

	<b>Child Nutrition Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 426,135
Cash paid for goods and services	(610,658)
Cash paid to employees for services	<u>(948,841)</u>
Net cash used for operating activities	<u>(1,133,364)</u>
<b>Cash flows from non-capital financing activities:</b>	
State reimbursements	2,892
Federal reimbursements	<u>1,077,093</u>
Net cash provided by non-capital financing activities	<u>1,079,985</u>
<b>Cash flows for capital and related financing activities:</b>	
Acquisition of capital assets	<u>(56,936)</u>
Net decrease in cash and cash equivalents	(110,315)
Cash and cash equivalents—beginning of year	<u>157,167</u>
Cash and cash equivalents—end of year	<u><u>\$ 46,852</u></u>

	<b>Child Nutrition Fund</b>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (1,187,051)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	62,688
Donated commodities consumed	94,529
Expenses paid by General Fund	40,000
Salaries paid by State Public School Fund	81,073
Expenses paid by Capital Outlay Fund	82,135
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Decrease in accounts receivable	3,562
Decrease in net OPEB asset	1,088
Decrease in inventories of food and supplies	12,388
Increase in deferred outflows of resources	(67,526)
Increase in accounts payable and accrued salaries and wages payable	1,121
Increase in net pension liability	52,348
Decrease in net OPEB liability	(304,599)
Increase in unearned revenue	1,778
Decrease in compensated absences	(9,689)
Increase in deferred inflows of resources	2,791
Net cash used for operating activities	<u>\$ (1,133,364)</u>
Non-cash investing, capital, and financing activities:	
Donated commodities received, reflected as a non-operating revenue and operating expense	<u>\$ 94,529</u>
Transfer for food purchases and salaries paid by the General Fund, reflected as a transfer and operating expense	<u>\$ 40,000</u>
Equipment purchased by the Capital Outlay Fund, reflected as a capital contribution and an addition to capital assets	<u>\$ 82,135</u>

See accompanying notes to the basic financial statements.

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES—FIDUCIARY FUND**  
**June 30, 2019**

	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>63,503</u>
<b>LIABILITIES</b>	
Due to other sources	\$ <u>63,503</u>

See accompanying notes to the basic financial statements.



**1. REPORTING ENTITY**

The reporting entity is comprised of the primary government and its component units. Component units are legally separate organizations for which the Board is financially accountable. The Board is financially accountable if the Board appoints a voting majority of the organization's governing board and (1) the Board is able to significantly influence the programs or services performed or provided by the organization; or (2) the Board is legally entitled to or can otherwise access the organizations' resources; the Board is legally obligated or has assumed responsibility to finance the deficits of, or provide financial support to, the organization; or the Board is obligated for the debt of the organization. The Board is a primary government because it is a special purpose government that is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the Board for financial statement presentation purposes, and it is not included in any other governmental reporting entity.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Asheville City Schools (the "Board") is a Local Education Agency empowered by North Carolina ("State") law [Chapter 115C of the North Carolina General Statutes, hereafter referred to as G.S. or State Statute] with the responsibility to oversee

and control all activities related to public school education in Asheville, North Carolina. The Board receives state, local, and federal government funding and must adhere to the legal requirements of each funding entity.

**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; however, interfund services provided and used are not eliminated in the process of consolidation. 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, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported in one column 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. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses result from normal day-to-day transactions associated with the fund. Non-operating expenses, such as loss on disposal of capital assets, result from unusual transactions not associated with the day-to-day transactions of the fund.

The Board reports the following major governmental funds:

- ✓ **General Fund:** The General Fund is the general operating fund of the Board. This fund is the "Local Current Expense Fund," which is mandated by State Statute [G.S. 115C-426].
- ✓ **State Public School Fund:** The State Public School Fund includes appropriations from the

## ASHEVILLE CITY SCHOOLS

North Carolina Department of Public Instruction for the current operating expenditures of the public school system.

- ✓ **Other Specific Revenue Fund:** The Other Specific Revenue Fund accounts for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs that are not accounted for in the General Fund or other special revenue funds pursuant to G.S. 115C-426(c).
- ✓ **Capital Outlay Fund:** The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities and the acquisition of vehicles and equipment (other than those financed by proprietary funds). It is mandated by State Statute [G.S. 115C-426]. Major capital projects are funded by Buncombe County and the State of North Carolina (the "State").

The Board reports the following non-major funds:

- ✓ **Federal Grants Fund:** The Federal Grants Fund accounts for appropriations for the expenditure of federal categorical grants made available through the North Carolina Department of Public Instruction.
- ✓ **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 fundraising activities. The primary expenditures are for the athletic teams, club programs, student activities, and instructional needs.

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:

- ✓ **Agency Fund:** The Agency Fund is used to account for assets held by the Board as an agent for other organizations. The Agency 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 and Proprietary Fund Financial Statements:** The government-wide and proprietary 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

## NOTES TO THE FINANCIAL STATEMENTS

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 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.

**Fiduciary Fund Financial Statements:** The Fiduciary Fund financial statements use the accrual basis of accounting. The Board's only fiduciary fund is its Agency Fund. An agency fund is custodial in nature (assets equal liabilities) and does not involve measuring the results of operations, and therefore has no measurement focus.

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 are 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 Fund, as required by the North Carolina General Statutes. No budget is required by State law for the Individual Schools Fund. All appropriations, except where construction project budgets have been approved in the Capital Outlay Fund or grants whose funding period does not coincide with the fiscal year end, 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.

During the current the Board adopted a new budgeting policy. The new policy allows the Board to budget at the functional level as opposed to budgeting at the account level.

**ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCES**

**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); 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. The STIF 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 NCCMT Cash Portfolio, a SEC-registered 2a7 external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Ownership interest of 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. 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. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

**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.

**Prepays:** Prepays are recorded using the purchases method and consist of Workers' Compensation insurance premiums paid one month in advance of the coverage period in order to bind coverage effective the first day of the new policy period.

**Capital Assets:** Donated assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after July 1, 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

## ASHEVILLE CITY SCHOOLS

estimated useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is 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:

Buildings	50 years
Improvements	20 years
Equipment and furniture	5-20 years
Vehicles	8 years

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

**Deferred Outflows of Resources:** In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The Board has two items that meet this criterion: a pension related deferral and contributions made to the pension plan in the current fiscal year.

**Long-Term Obligations:** In the government-wide financial statements, 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. In addition, certain employees may accumulate up to twenty-five (25) additional bonus vacation leave days, which are fully vested when earned. The Board records compensated absences on a FIFO basis. The liability as of June 30, 2019, represents the value of accumulated unpaid vacation leave and salary related payments as of that date (See Table VI).

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.

**Deferred Inflows of Resources:** The Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has one item that meets this criterion: pension related deferrals.

**Net Position/Fund Balances:** Net position in the government-wide and proprietary fund financial statements are classified as investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that

## NOTES TO THE FINANCIAL STATEMENTS

are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through State Statute.

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:

**Non-spendable Fund Balance:** The portion of fund balance that cannot be spent because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

✓ Prepaid items - portion of fund balance not available for appropriation because it represents the year-end balance of prepaid items that are not expendable available resources.

**Restricted Fund Balance:** The portion of fund balance that is restricted to specific purposes externally imposed by creditors or imposed by law.

✓ Restricted for Stabilization by State Statute - portion of fund balance not available for appropriation under State law. State law [G.S. 115C-425a] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities and encumbrances at the close of the fiscal year preceding the budget year.

✓ 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:** The portion of fund balance that the Board intends to use for specific purposes.

- ✓ Special programs – portion of total fund balance that is appropriated for prekindergarten and other special programs not accounted for in other special revenue funds.
- ✓ Subsequent year’s expenditures – portion of total fund balance that is appropriated in the 2019-2020 budget ordinance that is not already classified as restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the superintendent to modify the appropriations by resource or appropriation within funds as long as the amounts transferred do not exceed a cumulative total of plus or minus ten percent in any purpose, function or project.

**Unassigned Fund Balance:** The positive portion of fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund. A positive unassigned fund balance may not be reported in any fund other than the General Fund. However, a negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted or committed to those purposes.

The Board has a revenue spending policy 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.

**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 fiduciary net position have been determined on the same basis as they are reported by TSERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board’s employers contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS. Investments are reported at fair value.

**3. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

**ASSETS**

**Deposits:** All of the Board's deposits are either insured or collateralized by using the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are

collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the 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, 2019, the Board had deposits with carrying amounts of \$1,465,787 at financial institutions and \$-0- at the State Treasurer. The bank balances with the financial institutions and the State Treasurer were \$2,700,200 and \$302,682, respectively. Of these balances, \$968,708 was covered by federal depository insurance, \$1,731,492 was covered by collateral under the Pooling Method, and \$302,682 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The Board’s petty cash at June 30, 2019 was \$30.

**Investments:** The Board’s investment balances at June 30, 2019 are summarized in Table I. All investments are measured using the market approach. Debt securities classified in Level 1 of

the fair value hierarchy are valued using quoted market prices in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Board has no formal policy for managing interest rate risk or credit risk. The Board follows State law.

**Due from Other Governments:** Amounts due from other governments at June 30, 2019, are summarized in Table II. 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 State Funds

from State appropriations. Amounts due from state governments to the Child Nutrition fund are related to USDA funds and NCDHHS Food Program funds.

**Construction Commitments:** At June 30, 2019, the Board had no commitments with contractors for school construction projects.

Table I INVESTMENTS				
Investment Type	Valuation Measurement Method	Balance at June 30, 2019	Maturity	Rating
NC Capital Management Trust – Term Portfolio	Fair Value – Level 1	\$ 25,166	Duration of .09 years	Unrated
NC Capital Management Trust – Government Portfolio	Amortized Cost	345,034	N/A	AAAm
NC State Treasurer's Short Term Investment Fund (STIF)	Fair Value – Level 2	9,662,564	Duration of 1.6 years	Unrated
		<u>\$ 10,032,764</u>		

Table II DUE FROM OTHER GOVERNMENTS							
	Governmental Activities					Business-type Activities	
	General	State Public School	Other Specific Revenue	Capital Outlay	Non-Major	Total	Child Nutrition
State government	\$ -	\$ 2,417	\$ 57,882	\$ 27,596	\$ 2,162	\$ 90,057	\$ 52,217
Federal government	-	-	110,830	-	-	110,830	-
Local governments	46,758	-	791,114	653,237	-	1,491,109	-
	<u>\$46,758</u>	<u>\$ 2,417</u>	<u>\$ 959,826</u>	<u>\$ 680,833</u>	<u>\$ 2,162</u>	<u>\$ 1,691,996</u>	<u>\$ 52,217</u>

**Capital Assets:** Capital asset activity for the year ended June 30, 2019, is summarized in Table III.

Regular instructional	\$ 370,138
Special populations	125,161
Alternative programs	5,490
School leadership	2,276
Co-curricular	112,958
School-based support	219,934
Technology support	12,522
Operational support	295,807
Policy, leadership and public relations	371
Ancillary	224,066
Unallocated	2,647,408
	<u>\$ 4,016,131</u>

**DEFERRED OUTFLOWS OF RESOURCES**

The balance of deferred outflows of resources, as of June 30, 2019, consisted of pension and OPEB related deferrals in the amounts of \$13,208,136 and \$4,577,526, respectively.

**LIABILITIES**

**Accounts Payable:** The balance in accounts payable at June 30, 2019 is summarized in Table IV.

<b>Table III</b>					
<b>CAPITAL ASSETS</b>					
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,307,576	\$ -	\$ -	\$ -	\$ 1,307,576
Construction in progress	13,590	534,423	-	(253,673)	294,340
Total capital assets not being depreciated	1,321,166	534,423	-	(253,673)	1,601,916
Capital assets being depreciated:					
Buildings	129,126,544	444,062	-	-	129,570,606
Equipment and furniture	5,078,010	198,497	-	-	5,276,507
Vehicles	3,651,788	37,270	(78,408)	-	3,610,650
Land improvements	3,583,614	-	-	253,673	3,837,287
Total capital assets being depreciated	141,439,956	679,829	(78,408)	253,673	142,295,050
Less accumulated depreciation for:					
Buildings	(45,214,112)	(3,487,448)	-	-	(48,701,560)
Equipment and furniture	(3,828,303)	(282,426)	-	-	(4,110,729)
Vehicles	(3,033,019)	(109,737)	78,408	-	(3,064,348)
Land improvements	(2,379,170)	(136,520)	-	-	(2,515,690)
Total accumulated depreciation	(54,454,604)	(4,016,131)	78,408	-	(58,392,327)
Total capital assets being depreciated, net	86,985,352	(3,336,302)	-	253,673	83,902,723
Governmental activities capital assets, net	\$ 88,306,518	\$ (2,801,879)	\$ -	\$ -	\$ 85,504,639
Business-type activities:					
Child Nutrition Fund:					
Capital assets being depreciated:					
Equipment	\$ 1,281,991	\$ 56,936	\$ (16,963)	\$ -	\$ 1,321,964
Less accumulated depreciation for:					
Equipment	(679,706)	(62,687)	16,963	-	(725,430)
Business-type activities capital assets, net	\$ 602,285	\$ (5,751)	\$ -	\$ -	\$ 596,534

<b>Table IV</b>					
<b>ACCOUNTS PAYABLE</b>					
	<u>Governmental Activities</u>				<u>Business-type Activities</u>
	<u>General</u>	<u>Other Specific Revenue</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Child Nutrition</u>
Vendors	\$ 268,528	\$ 2,595	\$ 2,110	\$ 273,233	\$ 2,336
Charter schools	123,540	-	-	123,540	-
	<u>\$ 392,068</u>	<u>\$ 2,595</u>	<u>\$ 2,110</u>	<u>\$ 396,773</u>	<u>\$ 2,336</u>

**Unearned Revenue:** The balance in unearned revenue at June 30, 2019 is summarized in Table V.

**Long-Term Obligations:** The summary of changes in the Board's long-term obligations for the year ended June 30, 2019, is shown in Table VI.

Compensated absences, net pension, and net OPEB liability are typically liquidated by the general and other governmental funds.

The Board is authorized by State law [G.S. 115C-528(a)] to finance the purchase of school buses. Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement by Bank of America Public Capital Corp at total payments less than the purchase price. In July 2016, the Board entered into an installment purchase contract to finance the purchase of six school buses. The financing contract requires only principal payments of \$127,304 due at the beginning of each contract year. In February 2018, the Board entered into an installment purchase contract to finance the purchase of one school bus. The financing contract requires only principal payments of \$22,922 due within 30 days of delivery and at the beginning of each contract year.

The future minimum payments of the installment purchase contracts as of June 30, 2019 is as follows:

	<b>UNEARNED REVENUE</b>					<b>Business-type Activities</b>
	<b>Governmental Activities</b>					
	<b>State Public School</b>	<b>Other Specific Revenue</b>	<b>Capital Outlay</b>	<b>Non-Major</b>	<b>Total</b>	<b>Child Nutrition</b>
Grants and contracts	\$ 2,417	\$ 95,290	\$ -	\$ 2,162	\$ 99,869	\$ -
Prepaid lunch sales	-	-	-	-	-	24,636
	<u>\$ 2,417</u>	<u>\$ 95,290</u>	<u>\$ -</u>	<u>\$ 2,162</u>	<u>\$ 99,869</u>	<u>\$ 24,636</u>

	<b>LONG-TERM OBLIGATIONS</b>				
	<b>Beginning Balances (as adjusted)</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>	<b>Due in One Year</b>
<b>Governmental activities:</b>					
Installment purchase obligation	\$ 196,068	\$ -	\$ 149,722	\$ 46,346	\$ 22,922
Compensated absences	2,786,081	1,289,007	1,735,892	2,339,196	200,000
Net OPEB liability	67,077,385	-	8,094,875	58,982,510	-
Net pension liability	17,581,224	5,590,615	-	23,171,839	-
	<u>\$ 87,640,758</u>	<u>\$ 6,879,622</u>	<u>\$ 9,980,489</u>	<u>\$84,539,891</u>	<u>\$ 222,922</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 41,349	\$ 29,265	\$ 38,954	\$ 31,660	\$ 4,000
Net OPEB liability	1,062,428	-	304,599	757,829	-
Net pension liability	240,324	52,348	-	292,672	-
	<u>\$ 1,344,101</u>	<u>\$ 81,613</u>	<u>\$ 343,553</u>	<u>\$ 1,082,161</u>	<u>\$ 4,000</u>

	<b>Governmental Activities</b>
	<b>Principal</b>
Year ending June 30:	
2020	\$ 22,922
2021	23,424
<b>Total</b>	<u>\$ 46,346</u>

**DEFERRED INFLOWS OF RESOURCES**

The balance of deferred inflows of resources, as of June 30, 2019, consisted of OPEB and pension related deferrals in the amounts of \$29,599,370 and \$623,663, respectively.

**FUND BALANCE**

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. At June 30, 2019, outstanding encumbrances in the Capital Outlay Fund amounted to \$119,323.



#### 4. EMPLOYEE BENEFITS

##### PENSION PLAN 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 (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), 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 (or 10 years of creditable service for members joining TSERS on or after August 1, 2011). 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 (10 years for members joining on or after August 1, 2011). 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.

*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, 2019, was 11.72% 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 \$4,377,157 for the year ended June 30, 2019.

*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, 2019, the Board reported a liability of \$23,464,511 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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 0.23568% and 0.22461%, respectively.

Table VII DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,712,456	\$ 235,482
Changes of assumptions	4,708,724	-
Net difference between projected and actual earnings on pension plan investments	2,236,172	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	340,452	396,058
Board contributions subsequent to the measurement date	4,377,157	-
	<u>\$13,374,961</u>	<u>\$ 631,540</u>

For the year ended June 30, 2019, the Board recognized pension expense of \$5,260,059. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources described in Table VII.

An amount equal to \$4,377,157, reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ 4,874,375
2021	3,041,458
2022	491,492
2023	(41,063)
	<u>\$ 8,366,262</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial

assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, 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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 2016 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 7.20%. 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 Liability 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 it were 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:

	<b>Board’s Proportionate Share of the Net Pension Liability</b>
1% Decrease (6.00%)	\$ 44,750,798
Discount Rate (7.00%)	\$ 23,464,511
1% Increase (8.00%)	\$ 5,603,207

*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.

**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 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 6.13% of covered payroll which amounted to \$2,290,405.

At June 30, 2019, Board reported a liability of \$59,740,339 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The total OPEB liability was then rolled forward to the measurement date of June 30, 2018 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, the Board's proportion was 0.2097%.

\$2,290,405 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, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2020	\$ (6,446,705)
2021	(6,446,705)
2022	(6,446,705)
2023	(6,446,705)
2024	(2,063,250)
	<u>\$ (27,850,070)</u>

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

Inflation	2.75%
Salary increases	3.50-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	7.20%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate – medical	5.00-6.50%
Healthcare cost trend rate – prescription drug	5.00-7.25%
Healthcare cost trend rate – Medicare advantage	4.00-5.00%
Healthcare cost trend rate – administrative	3.00%

*Discount rate.* The discount rate used to measure the total OPEB liability for the RHBF was 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 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 3.87% was used as the discount rate used to measure the total OPEB liability. The 3.87% 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-

## ASHEVILLE CITY SCHOOLS

percentage-point lower (2.87 percent) or 1-percentage point higher (4.87 percent) than the current discount rate:

	<b>Board's Proportionate Share of the Net OPEB Liability</b>
1% Decrease (2.87%)	\$ 70,583,813
Discount Rate (3.87%)	\$ 59,740,339
1% Increase (4.87%)	\$ 51,048,131

*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 a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	<b>Board's Proportionate Share of the Net OPEB Liability</b>
1% Decrease (Medical 6.50%, Pharmacy 7.25%, Administrative 3.00%)	\$ 49,284,224
Healthcare Trend Rates (Medical 6.50%, Pharmacy 7.25%, Administrative 3.00%)	\$ 59,740,339
1% Increase (Medical 6.50%, Pharmacy 7.25%, Administrative 3.00%)	\$73,467,169

*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.

## NOTES TO THE FINANCIAL STATEMENTS

### LONG-TERM 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 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, 2019, employers made a statutory contribution of 0.14% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$49,869 for the year ended June 30, 2019.

## ASHEVILLE CITY SCHOOLS

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.

### **OPEB Assets, OPEB Expense, and Deferred Outflows and Inflows of Resources of Related to OPEB**

At June 30, 2019, Board reported an asset of \$63,990 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The total OPEB asset was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2019, the Board's proportion was 0.21066%.

\$49,869 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:		
2020	\$	39,907
2021		39,899
2022		28,939
2023		21,893
2024		14,722

Thereafter	14,716
	<u>\$ 160,076</u>

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

Inflation	3.00%
Salary increases	3.50-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan 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:

	<b>Board's Proportionate Share of the Net OPEB Asset</b>
1% Decrease (2.75%)	\$ 49,031
Discount Rate (3.75%)	\$ 63,990
1% Increase (4.75%)	\$ 78,340

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2017 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, 2018. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

## NOTES TO THE FINANCIAL STATEMENTS

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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>	

<b>Table VIII OPEB Expense, OPEB Liability, OPEB Asset, and Deferred Outflows and Inflows of Resources of Related to OPEB</b>			
	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense	\$ (236,003)	\$ 41,451	\$ (194,552)
OPEB liability (asset)	59,740,339	(63,990)	59,676,349
Proportionate share of net OPEB liability (asset)	0.20970%	0.21066%	
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	-	111,625	111,625
Changes of assumptions	-	12,083	12,083
Net difference between projected and actual earnings on plan investments	6,425	49,836	56,261
Changes in proportion and difference between Board contributions and proportionate share of contributions	2,116,097	-	2,116,097
Board contributions subsequent to the measurement date	2,290,405	49,869	2,340,274
<b>Deferred inflow of resources</b>			
Differences between expected and actual experience	4,085,308	-	4,085,308
Changes of assumptions	25,880,894	-	25,880,894
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and difference between Board Contributions and proportionate share of contributions	-	13,472	13,472

**Total OPEB Expense, OPEB Liability, OPEB Asset, and Deferred Outflows and Inflows of Resources of Related to OPEB**

See table VIII about for information related to the proportionate share and pension expense.

**5. 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, \$5.15 million per coverage period aggregate. In addition, the Board maintains automobile liability and uninsured/underinsured motorists coverage limits of \$2 million per accident through the Trust. The Trust retention per claim for 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. The Board also

participates in the Public School Insurance Fund (the Fund). This is a voluntary, self-insured risk control and risk-financing fund administered by the North Carolina Department of Public Instruction. The Fund insures tangible property assets of the Board. Coverage is provided on an “all risk” perils contract. Building and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the case of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on Flood, Earthquake, Business Interruption, and Extra Expense. Increased cost of construction is provided at \$10 million per occurrence. Additionally, the Board maintains an insurance policy to protect itself from cyber-crimes and data theft. The policy carries coverage up to \$1 million per occurrence.

Statutory workers’ compensation is purchased through a commercial carrier. Coverage is provided to the extent that employees are paid from federal or local funds. Workers’ Compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent that employees are paid from State funds.

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 full cost of coverage for eligible employees enrolled in the basic Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board has purchased a commercial surety bond as a public official bond for employees who have custody of

the Board's monies at any given time. The Finance Officer is bonded for \$200,000. All other 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.

### **6. INTERFUND ACTIVITY**

#### **TRANSFERS TO/FROM OTHER FUNDS**

Transfers to/from other funds for the year-ended June 30, 2019 consist of \$40,000 transferred from the General Fund to the Child Nutrition Fund for food purchases and salaries; \$81,073 transferred from the State Public School Fund to the Child Nutrition Fund for the Child Nutrition Director's salary; \$82,135 transferred from the Capital Outlay Fund to the Child Nutrition Fund for the purchase of capital assets and equipment; and \$150,950 transferred from the General Fund to the non-major governmental fund for individual schools for operating expenditures.

### **7. 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.

### **8. SUMMARY DISCLOSURE OF 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 monies.





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**SUPPLEMENTARY INFORMATION**



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## **REQUIRED SUPPLEMENTARY INFORMATION**

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Required Supplementary Information (“RSI”) is not a required part of the basic financial statements but is information required by the Governmental Accounting Standards Board. This section includes the following RSI regarding Asheville City Schools’ participation in the North Carolina Teachers’ and State Employees’ Retirement System (“TSERS”), Retiree Health Benefit Fund (“RHBF”), and Disability Income Plan of North Carolina (“DIPNC”):

- Schedule of the Board’s Proportionate Share of the Net Pension Liability – TSERS
- Schedule of the Board’s Contributions – TSERS
- Schedule of the Board’s Proportionate Share of the Net OPEB Liability – RHBF
- Schedule of the Board’s Contributions – RHBF
- Schedule of the Board’s Proportionate Share of the Net OPEB Asset – DIPNC
- Schedule of the Board’s Contributions – DIPNC

Management’s Discussion and Analysis is also RSI. It is presented immediately before the basic financial statements.

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**ASHEVILLE CITY SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (%)	0.23568%	0.22461%	0.23018%	0.23462%	0.22456%	0.22050%
Board's proportionate share of the net pension liability (\$)	\$ 23,464,511	\$ 17,821,548	\$ 21,155,920	\$ 8,646,212	\$ 2,632,789	\$ 13,386,597
Board's covered payroll	\$ 33,201,503	\$ 30,183,001	\$ 29,076,240	\$ 29,795,108	\$ 28,048,113	\$ 28,106,647
Board's proportionate share of the net pension liability as a percentage of its covered payroll	70.67%	59.04%	72.76%	29.02%	9.39%	47.63%
Plan fiduciary net position as a percentage of total pension liability	87.61%	89.51%	87.32%	94.64%	98.24%	90.60%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.  
This schedule will build to a 10 year schedule as information becomes available.

**ASHEVILLE CITY SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S CONTRIBUTIONS  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 4,377,157	\$ 3,446,316	\$ 3,012,263	\$ 2,660,476	\$ 2,726,252	\$ 2,437,006
Contributions in relation to the contractually required contributions	<u>4,377,157</u>	<u>3,446,316</u>	<u>3,012,263</u>	<u>2,660,476</u>	<u>2,726,252</u>	<u>2,437,006</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	<u>\$ 37,335,632</u>	<u>\$ 33,201,503</u>	<u>\$ 30,183,001</u>	<u>\$ 29,076,240</u>	<u>\$ 29,795,108</u>	<u>\$ 28,048,113</u>
Contributions as a percentage of covered payroll	11.72%	10.38%	9.98%	9.15%	9.15%	8.69%

\* This schedule is intended to show information for ten years.  
Additional years' information will be displayed as it becomes available.

**ASHEVILLE CITY SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF NET OPEB LIABILITY  
RETIREE HEALTH BENEFIT FUND  
LAST THREE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (%)	0.20970%	0.20783%	0.20198%
Board's proportionate share of the net OPEB liability (\$)	\$ 59,740,339	\$ 68,139,813	\$ 87,886,274
Board's covered payroll	\$ 33,201,503	\$ 30,183,001	\$ 29,076,240
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	179.93%	225.76%	302.26%
Plan fiduciary net position as a percentage of total OPEB liability	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 will build to a 10 year schedule as information becomes available.

**ASHEVILLE CITY SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S CONTRIBUTIONS  
RETIREE HEALTH BENEFIT FUND  
LAST THREE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,290,405	\$ 2,049,162	\$ 1,764,773
Contributions in relation to the contractually required contributions	<u>2,290,405</u>	<u>2,049,162</u>	<u>1,764,773</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Board's covered payroll	 <u>\$ 37,335,632</u>	 <u>\$ 33,201,503</u>	 <u>\$ 30,183,001</u>
 Contributions as a percentage of covered payroll	 6.13%	 6.17%	 5.85%

\* This schedule is intended to show information for ten years.  
Additional years' information will be displayed as it becomes available.



**ASHEVILLE CITY SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB ASSET  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST THREE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2018</u>
Board's proportion of the net OPEB asset (%)	0.21066%	0.19933%	0.20669%
Board's proportionate share of the net OPEB asset (\$)	\$ 63,990	\$ 121,830	\$ 128,354
Board's covered payroll	\$ 33,201,503	\$ 30,183,001	\$ 29,076,240
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.19%	0.40%	0.44%
Plan fiduciary net position as a percentage of total OPEB asset	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 will build to a 10 year schedule as information becomes available.

**ASHEVILLE CITY SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S CONTRIBUTIONS  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST THREE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 49,869	\$ 86,002	\$ 115,075
Contributions in relation to the contractually required contributions	<u>49,869</u>	<u>86,002</u>	<u>115,075</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Board's covered payroll	 <u>\$ 37,335,632</u>	 <u>\$ 33,201,503</u>	 <u>\$ 30,183,001</u>
 Contributions as a percentage of covered payroll	 0.13%	 0.26%	 0.38%

\* This schedule is intended to show information for ten years.  
Additional years' information will be displayed as it becomes available.

## **NON-MAJOR GOVERNMENTAL FUNDS**

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Asheville City Schools has two non-major special revenue funds: the Federal Grants Fund and the Individual Schools Fund. Both of these funds are accounted for using the modified accrual basis of accounting. However, Asheville City Schools is only legally required to adopt an annual budget for the Federal Grants Fund. The Federal Grants Fund accounts for appropriations for the expenditure of federal categorical grants made available from the North Carolina Department of Public Instruction. The Individual Schools Fund accounts for contributions from the local parent and booster organizations, fund-raising activities, funds held on behalf of various clubs and organizations, and school athletic teams and events.

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**ASHEVILLE CITY SCHOOLS  
 COMBINING BALANCE SHEET—NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019**

	<u>Federal Grants</u>	<u>Individual Schools</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 760,463	\$ 760,463
Due from other governments	2,162	-	2,162
Total assets	\$ 2,162	\$ 760,463	\$ 762,625
<b>LIABILITIES</b>			
Unearned revenue	\$ 2,162	\$ -	\$ 2,162
<b>FUND BALANCES</b>			
Restricted:			
Individual school activities	-	760,463	760,463
Total liabilities and fund balances	\$ 2,162	\$ 760,463	\$ 762,625

**ASHEVILLE CITY SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES—NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019**

	<u>Federal Grants</u>	<u>Individual Schools</u>	<u>Total</u>
<b>REVENUES</b>			
Intergovernmental:			
U.S. Government	\$ 2,908,726	\$ -	\$ 2,908,726
Miscellaneous	-	1,445,395	1,445,395
	<hr/>	<hr/>	<hr/>
Total revenues	2,908,726	1,445,395	4,354,121
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
Instructional Services:			
Regular instructional	99,379	-	99,379
Special populations	1,248,925	-	1,248,925
Alternative programs	918,879	-	918,879
Co-curricular	-	1,584,602	1,584,602
School-based support	100,430	-	100,430
System-wide Support Services:			
Support and development	93,238	-	93,238
Special populations support and development	138,420	-	138,420
Alternative programs and services support and development	109,293	-	109,293
Operational support	4,596	-	4,596
Financial and human resource	16,510	-	16,510
Policy, leadership, and public relations	68,227	-	68,227
Non-programmed charges:			
Other	110,829	-	110,829
	<hr/>	<hr/>	<hr/>
Total expenditures	2,908,726	1,584,602	4,493,328
	<hr/>	<hr/>	<hr/>
Revenues under expenditures	-	(139,207)	(139,207)
	<hr/>	<hr/>	<hr/>

	<b><u>Federal Grants</u></b>	<b><u>Individual Schools</u></b>	<b><u>Total</u></b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	\$ -	\$ 150,950	\$ 150,950
Total other financing sources	<u>-</u>	<u>150,950</u>	<u>150,950</u>
Net change in fund balances	-	11,743	11,743
Fund balances—beginning of year	<u>-</u>	<u>748,720</u>	<u>748,720</u>
Fund balances—end of year	<u><u>\$ -</u></u>	<u><u>\$ 760,463</u></u>	<u><u>\$ 760,463</u></u>

**ASHEVILLE CITY SCHOOLS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL  
FEDERAL GRANTS FUND  
YEAR ENDED JUNE 30, 2019**

	<u>Federal Grants Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>REVENUES</b>			
Intergovernmental:			
U.S. Government	\$ 3,650,924	\$ 2,908,726	\$ (742,198)
<b>EXPENDITURES</b>			
Current:			
Instructional services:			
Regular instructional	217,493	99,379	118,114
Special populations	1,609,393	1,248,925	360,468
Alternative programs	1,126,350	918,879	207,471
School-based support	103,554	100,430	3,124
System-wide support services:			
Support and development	102,916	93,238	9,678
Special populations support and development	140,973	138,420	2,553
Alternative programs and services support and development	109,689	109,293	396
Operational support	5,000	4,596	404
Financial and human resource	28,253	16,510	11,743
Policy, leadership, and public relations	68,554	68,227	327
Non-programmed charges:			
Other	138,749	110,829	27,920
Total expenditures	<u>3,650,924</u>	<u>2,908,726</u>	<u>742,198</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance—beginning of year		<u>-</u>	
Fund balance—end of year		<u>\$ -</u>	



## **CAPITAL OUTLAY FUND**

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The Capital Outlay Fund accounts for resources used in the construction, acquisition, repair, and replacement of Asheville City Schools' capital assets. Buncombe County is the major revenue source for the Capital Outlay Fund. The Capital Outlay Fund is accounted for using the modified accrual basis of accounting.

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**ASHEVILLE CITY SCHOOLS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL**  
**CAPITAL OUTLAY FUND**  
**YEAR ENDED JUNE 30, 2019**

	<u>Capital Outlay Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>REVENUES</b>			
Intergovernmental:			
State of North Carolina	\$ 1,731,210	\$ 149,722	\$ (1,581,488)
Buncombe County	2,588,020	2,646,857	58,837
Miscellaneous	82,726	101,570	18,844
Total revenues	<u>4,401,956</u>	<u>2,898,149</u>	<u>(1,503,807)</u>
<b>EXPENDITURES</b>			
Current:			
Instructional Services:			
Regular instructional	294,168	158,144	136,024
School-based support	1,017,044	675,163	341,881
System-wide Support Services:			
Technology support	15,000	9,658	5,342
Operational support	165,000	90,145	74,855
Policy, Leadership, & PR	3,500	3,306	194
Debt service	187,828	149,722	38,106
Capital outlay	4,326,269	1,354,945	2,971,324
Total expenditures	<u>6,008,809</u>	<u>2,441,083</u>	<u>3,567,726</u>
Revenues over (under) expenditures	<u>(1,606,853)</u>	<u>457,066</u>	<u>2,063,919</u>

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Appropriated fund balance	\$ 1,591,853	\$ -	\$ (1,591,853)
Installment purchase obligations issued	90,000	-	(90,000)
Transfers to other funds	(75,000)	(82,135)	(7,135)
	<u>1,606,853</u>	<u>(82,135)</u>	<u>(1,688,988)</u>
Total other financing sources (uses)			
Net change in fund balance	<u>\$ -</u>	374,931	<u>\$ 374,931</u>
Fund balance—beginning of year		<u>3,485,560</u>	
Fund balance—end of year		<u>\$ 3,860,491</u>	



# ASHEVILLE CITY SCHOOLS

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## **ENTERPRISE FUND**

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Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Enterprise fund accounting is designed to highlight the extent to which fees and charges are sufficient to cover the costs of providing goods and services. It is often used for subsidized activities to highlight the cost of the subsidy.

Asheville City Schools has one Enterprise Fund. The Child Nutrition Fund accounts for Asheville City Schools' "Child Nutrition Program" (the "Program") which provides breakfast and lunch to students attending Asheville City Schools. The primary operating revenue is meal charges and the Program is subsidized by cash assistance and non-cash federal commodities provided by the U.S. Department of Agriculture. The following section contains the budgetary schedule for the Child Nutrition Fund to demonstrate legal compliance with state law (G.S. 115C-450).

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**ASHEVILLE CITY SCHOOLS**  
**SCHEDULE OF REVENUES AND EXPENDITURES—BUDGET AND ACTUAL (Non-GAAP)**  
**CHILD NUTRITION FUND**  
**YEAR ENDED JUNE 30, 2019**

	<b>Child Nutrition Fund</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Positive (Negative) Variance</b>
<b>Operating revenues:</b>			
Food sales	\$ 465,500	\$ 422,573	\$ (42,927)
<b>Operating expenditures:</b>			
Purchase of food	680,000	720,939	(40,939)
Salaries and benefits	1,088,450	726,403	362,047
Materials and supplies	165,500	57,510	107,990
Other	39,500	49,994	(10,494)
Total operating expenditures	1,973,450	1,554,846	418,604
Operating loss	(1,507,950)	(1,132,273)	375,677
<b>Non-operating revenues:</b>			
Federal reimbursements	1,149,450	1,075,696	(73,754)
Federal commodities	135,000	94,529	(40,471)
State reimbursement	5,000	2,892	(2,108)
Total non-operating revenues	1,289,450	1,173,117	(116,333)
Revenues over (under) expenditures before other financing sources	(218,500)	40,844	259,344
<b>Other financing sources:</b>			
Transfers from other funds	218,500	203,208	(15,292)
Revenues and other financing sources over expenditures	\$ -	244,052	\$ 244,052
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(62,688)	
Increase in deferred outflows of resources - pension		67,526	
Increase in compensated absences		9,689	
Decrease in net pension liability		(52,348)	
Increase in deferred inflows of resources - pension		(2,791)	
Decrease in inventories of food and supplies		(12,388)	
Increase in unearned revenue		(1,778)	
Change in net position		\$ 189,274	

## **AGENCY FUND**

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The Agency Fund is custodial in nature and is used to account for assets held by Asheville City Schools as an agent for the benefit of various scholarship and award funds and the Educational Access Channel Consortium.

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**ASHEVILLE CITY SCHOOLS  
 AGENCY FUND  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 YEAR ENDED JUNE 30, 2019**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASHEVILLE HIGH AWARDS:</b>				
Assets:				
Cash and cash equivalents	\$ 20,027	\$ 7	\$ -	\$ 20,034
Liabilities:				
Due to other sources	\$ 20,027	\$ 7	\$ -	\$ 20,034
<b>EDUCATIONAL ACCESS CHANNEL CONSORTIUM:</b>				
Assets:				
Cash and cash equivalents	\$ 46,472	\$ -	\$ 3,003	\$ 43,469
Liabilities:				
Due to other sources	\$ 46,472	\$ -	\$ 3,003	\$ 43,469
<b>TOTAL—AGENCY FUND:</b>				
Assets:				
Cash and cash equivalents	\$ 66,499	\$ 7	\$ 3,003	\$ 63,503
Liabilities:				
Due to other sources	\$ 66,499	\$ 7	\$ 3,003	\$ 63,503





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)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:										
Net investment in capital assets	\$ 85,458,293	\$ 88,110,450	\$ 96,159,018	\$ 92,132,950	\$ 65,327,482	\$ 46,045,342	\$ 42,654,073	\$ 42,221,159	\$ 42,016,915	\$ 40,720,471
Restricted	5,985,294	5,518,410	5,065,963	3,919,228	2,850,499	2,901,699	2,274,248	2,264,680	2,057,659	2,573,030
Unrestricted	<u>(90,414,365)</u>	<u>(90,077,584)</u>	<u>(86,373,532)</u>	<u>(1,677,945)</u>	<u>(4,358,156)</u>	<u>(6,355,759)</u>	<u>5,104,518</u>	<u>3,624,664</u>	<u>1,652,123</u>	<u>1,803,925</u>
Total governmental activities net position	<u>\$ 1,029,222</u>	<u>\$ 3,551,276</u>	<u>\$ 14,851,449</u>	<u>\$ 94,374,233</u>	<u>\$ 63,819,825</u>	<u>\$ 42,591,282</u>	<u>\$ 50,032,839</u>	<u>\$ 48,110,503</u>	<u>\$ 45,726,697</u>	<u>\$ 45,097,426</u>
Business-type activities:										
Net investment in capital assets	\$ 596,534	\$ 602,286	\$ 569,741	\$ 123,337	\$ 118,879	\$ 141,939	\$ 171,380	\$ 187,768	\$ 201,042	\$ 230,279
Unrestricted	<u>(1,058,417)</u>	<u>(1,253,443)</u>	<u>(1,161,031)</u>	<u>220,315</u>	<u>193,735</u>	<u>119,554</u>	<u>252,012</u>	<u>237,496</u>	<u>168,156</u>	<u>62,506</u>
Total business-type activities net position	<u>\$ (461,883)</u>	<u>\$ (651,157)</u>	<u>\$ (591,290)</u>	<u>\$ 343,652</u>	<u>\$ 312,614</u>	<u>\$ 261,493</u>	<u>\$ 423,392</u>	<u>\$ 425,264</u>	<u>\$ 369,198</u>	<u>\$ 292,785</u>
Government-wide:										
Net investment in capital assets	\$ 86,054,827	\$ 88,712,736	\$ 96,728,759	\$ 92,256,287	\$ 65,446,361	\$ 46,187,281	\$ 42,825,453	\$ 42,408,927	\$ 42,217,957	\$ 40,950,750
Restricted	5,985,294	5,518,410	5,065,963	3,919,228	2,850,499	2,901,699	2,274,248	2,264,680	2,057,659	2,573,030
Unrestricted	<u>(91,472,782)</u>	<u>(91,331,027)</u>	<u>(87,534,563)</u>	<u>(1,457,630)</u>	<u>(4,164,421)</u>	<u>(6,236,205)</u>	<u>5,356,530</u>	<u>3,862,160</u>	<u>1,820,279</u>	<u>1,866,431</u>
Total government-wide net position	<u>\$ 567,339</u>	<u>\$ 2,900,119</u>	<u>\$ 14,260,159</u>	<u>\$ 94,717,885</u>	<u>\$ 64,132,439</u>	<u>\$ 42,852,775</u>	<u>\$ 50,456,231</u>	<u>\$ 48,535,767</u>	<u>\$ 46,095,895</u>	<u>\$ 45,390,211</u>

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

Financial Trends  
Schedule 2

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses:										
Governmental activities:										
Instructional programs	\$ 47,876,328	\$ 51,343,852	\$ 41,493,734	\$ 38,490,269	\$ 38,968,670	\$ 39,284,689	\$ 38,788,317	\$ 37,987,862	\$ 38,127,000	\$ 37,844,471
Support services	12,137,295	11,847,744	11,149,123	10,128,150	10,094,897	11,875,229	9,824,061	9,708,344	9,934,044	9,728,867
Unallocated depreciation expense	2,647,408	5,505,964	2,057,342	1,877,018	1,878,711	1,846,895	1,562,032	1,589,990	1,533,209	1,622,375
Other	1,700,204	1,964,251	1,336,330	1,240,178	1,289,089	1,096,795	942,551	1,252,726	1,422,066	875,589
Total governmental activities expenses	<u>64,361,235</u>	<u>70,661,811</u>	<u>56,036,529</u>	<u>51,735,615</u>	<u>52,231,367</u>	<u>54,103,608</u>	<u>51,116,961</u>	<u>50,538,922</u>	<u>51,016,319</u>	<u>50,071,302</u>
Business-type activities:										
Child nutrition	1,607,846	1,912,226	1,772,923	1,694,619	1,614,687	1,757,338	1,774,637	1,694,725	1,658,572	1,682,677
Total government-wide expenses	<u>65,969,081</u>	<u>72,574,037</u>	<u>57,809,452</u>	<u>53,430,234</u>	<u>53,846,054</u>	<u>55,860,946</u>	<u>52,891,598</u>	<u>52,233,647</u>	<u>52,674,891</u>	<u>51,753,979</u>
Program revenues:										
Governmental activities:										
Charges for services										
Instructional programs	2,240,235	2,094,830	1,837,575	1,776,922	1,639,846	1,562,955		1,607,598	1,469,840	1,520,984
Support programs	-	32,822	22,774	15,200	32,889	64,396	50,292	1,892	-	-
Ancillary services	104,112	88,350	35,505	28,998	31,586	14,045	17,300	5,604	2,015	4,465
Operating grants and contributions	31,733,496	30,293,504	29,112,643	28,229,960	29,085,274	28,058,038	28,601,518	28,736,584	28,669,673	28,054,706
Capital grants and contributions	149,722	210,246	1,014,667	1,390,435	28,187	200,196	377,774	908,591	536,628	386,673
Total governmental activities program revenues	<u>34,227,565</u>	<u>32,719,752</u>	<u>32,023,164</u>	<u>31,441,515</u>	<u>30,817,782</u>	<u>29,899,630</u>	<u>29,046,884</u>	<u>31,260,269</u>	<u>30,678,156</u>	<u>29,966,828</u>
Business-type activities:										
Charges for services	420,795	399,451	337,050	316,455	321,557	364,834	424,615	466,232	468,500	469,799
Operating grants and contributions	1,173,117	1,205,685	1,252,454	1,283,646	1,234,519	1,265,815	1,252,965	1,201,310	1,199,626	1,099,164
Total business-type activities program revenues	<u>1,593,912</u>	<u>1,605,136</u>	<u>1,589,504</u>	<u>1,600,101</u>	<u>1,556,076</u>	<u>1,630,649</u>	<u>1,677,580</u>	<u>1,667,542</u>	<u>1,668,126</u>	<u>1,568,963</u>
Total government-wide program revenues	<u>35,821,477</u>	<u>34,324,888</u>	<u>33,612,668</u>	<u>33,041,616</u>	<u>32,373,858</u>	<u>31,530,279</u>	<u>30,724,464</u>	<u>32,927,811</u>	<u>32,346,282</u>	<u>31,535,791</u>
Net (expense)	<u>\$ (30,147,604)</u>	<u>\$ (38,249,149)</u>	<u>\$ (24,196,784)</u>	<u>\$ (20,388,618)</u>	<u>\$ (21,472,196)</u>	<u>\$ (24,330,667)</u>	<u>\$ (22,167,134)</u>	<u>\$ (19,305,836)</u>	<u>\$ (20,328,609)</u>	<u>\$ (20,218,188)</u>

Notes: A state-wide chart of accounts change was implemented during fiscal year 2008, which reclassified certain expenses between the categories above. Asheville City Schools implemented GASB Statement No. 65 in 2013. The amounts shown above have been restated beginning in 2012. Asheville City Schools implemented GASB Statement No. 68 in 2015. Asheville City Schools implemented GASB Statement No. 75 in 2017.

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

Financial Trends  
Schedule 3

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net (expense):										
Government-wide net (expense)	\$ (30,147,604)	\$ (38,249,149)	\$ (24,196,784)	\$ (20,388,618)	\$ (21,472,196)	\$ (24,330,667)	\$ (22,167,134)	\$ (19,305,836)	\$ (20,328,609)	\$ (20,218,188)
General revenues and transfers:										
Governmental activities:										
U.S. Government	80,139	88,893	68,364	75,632	65,162	46,421	59,184	65,869	72,516	-
Buncombe County--General Fund appropriation	11,681,164	11,681,164	10,743,742	9,562,424	8,997,929	8,526,806	8,115,790	7,779,035	6,945,191	6,856,336
Buncombe County--capital outlay	3,078,314	2,549,506	6,774,435	29,269,456	22,562,902	8,024,347	3,539,607	2,917,618	3,262,842	3,220,867
Supplemental city school tax	9,394,257	8,928,186	8,620,247	8,330,977	8,136,173	8,142,348	8,104,621	8,093,877	8,053,018	7,816,953
Local option sales tax	2,963,968	2,991,931	2,940,136	3,024,676	2,495,436	2,540,159	2,364,755	2,228,877	2,273,028	2,162,868
Other revenues	616,982	649,429	450,205	710,899	489,960	396,721	332,403	335,010	427,631	498,423
Transfers (out)	(203,208)	(247,223)	(587,763)	(125,556)	(105,434)	(115,785)	(93,236)	(83,077)	(66,792)	(116,047)
Total governmental activities general revenues and transfers	<u>27,611,616</u>	<u>26,641,886</u>	<u>29,009,366</u>	<u>50,848,508</u>	<u>42,642,128</u>	<u>27,561,017</u>	<u>22,423,124</u>	<u>21,337,209</u>	<u>20,967,434</u>	<u>20,439,400</u>
Business-type activities:										
Other revenues	-	-	-	-	4,298	-		172	67	490
Transfers in	203,208	247,223	587,763	125,556	105,434	115,785	93,236	83,077	66,792	116,047
Total business-type activities general revenues and transfers	<u>203,208</u>	<u>247,223</u>	<u>587,763</u>	<u>125,556</u>	<u>109,732</u>	<u>115,785</u>	<u>93,236</u>	<u>83,249</u>	<u>66,859</u>	<u>116,537</u>
Total government-wide general revenues and transfers	<u>27,814,824</u>	<u>26,889,109</u>	<u>29,597,129</u>	<u>50,974,064</u>	<u>42,751,860</u>	<u>27,676,802</u>	<u>22,516,360</u>	<u>21,420,458</u>	<u>21,034,293</u>	<u>20,555,937</u>
Change in net position	<u>\$ (2,332,780)</u>	<u>\$ (11,360,040)</u>	<u>\$ 5,400,345</u>	<u>\$ 30,585,446</u>	<u>\$ 21,279,664</u>	<u>\$ 3,346,135</u>	<u>\$ 349,226</u>	<u>\$ 2,114,622</u>	<u>\$ 705,684</u>	<u>\$ 337,749</u>

Notes: Asheville City Schools implemented GASB Statement No. 65 in 2013. The amounts shown above have been restated beginning in 2012.  
Asheville City Schools implemented GASB Statement No. 68 in 2015.  
Asheville City Schools implemented GASB Statement No. 75 in 2018.

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

Financial Trends  
Schedule 4

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Non-spendable	\$ -	\$ -	\$ 39,984	\$ 35,807	\$ 38,082	\$ 33,187	\$ 32,531	\$ 28,256	\$ 27,797	\$ 29,828
Restricted—Stabilization by State Statute	47,770	91,245	148,271	146,060	199,640	186,514	128,223	138,553	187,726	313,718
Assigned	-	2,858,864	1,754,667	1,418,182	1,219,032	1,300,000	1,301,415	625,000	227,000	1,900,000
Unassigned	6,105,184	4,673,076	5,970,838	5,420,843	5,066,723	4,676,509	4,979,955	4,441,328	3,370,258	1,913,092
Total General Fund	<u>\$ 6,152,954</u>	<u>\$7,623,185</u>	<u>\$ 7,913,760</u>	<u>\$ 7,020,892</u>	<u>\$ 6,523,477</u>	<u>\$ 6,196,210</u>	<u>\$ 6,442,124</u>	<u>\$ 5,233,137</u>	<u>\$ 3,812,781</u>	<u>\$ 4,156,638</u>
All other governmental funds:										
Restricted—Stabilization by State Statute	\$ 1,043,451	\$ 929,122	\$ 869,040	\$ 836,069	\$ 1,084,178	\$ 982,770	\$ 1,161,832	\$ 911,754	\$ 815,694	\$ 578,609
Restricted—School capital outlay	3,860,491	3,485,560	3,336,780	2,194,235	902,135	1,194,346	588,343	730,539	670,873	1,329,522
Restricted—Individual schools activities	760,463	748,720	711,872	742,864	664,546	538,069	395,850	483,834	383,366	351,181
Assigned—Special programs	621,308	1,332,818	1,373,473	1,383,769	1,138,951	1,029,201	1,215,303	670,384	64,058	-
Total all other governmental funds	<u>\$ 6,285,713</u>	<u>\$ 6,496,220</u>	<u>\$ 6,291,165</u>	<u>\$ 5,156,937</u>	<u>\$ 3,789,810</u>	<u>\$ 3,744,386</u>	<u>\$ 3,361,328</u>	<u>\$ 2,796,511</u>	<u>\$ 1,933,991</u>	<u>\$ 2,259,312</u>



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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues:										
Intergovernmental:										
State of North Carolina	\$ 28,518,511	\$ 27,269,376	\$27,073,291	\$ 25,843,608	\$ 23,733,552	\$ 23,219,272	\$ 23,355,556	\$ 22,403,838	\$ 21,339,952	\$ 20,262,065
U. S. Government	3,362,048	3,183,007	2,855,283	3,469,360	5,254,811	4,871,479	5,577,328	7,318,404	7,728,067	8,062,245
Buncombe County - General Fund appropriation	11,681,164	11,681,164	10,743,742	9,562,424	8,997,929	8,526,806	8,115,790	7,779,035	6,945,191	6,856,336
Buncombe County - capital outlay	3,078,314	2,549,506	6,774,435	29,269,456	22,562,902	8,024,347	3,539,607	2,917,618	3,262,842	3,220,867
Supplemental city school tax	9,394,257	8,928,186	8,620,247	8,330,977	8,136,173	8,142,348	8,104,621	8,093,877	8,053,018	7,816,953
Local option sales tax	2,963,968	2,991,931	2,940,136	3,024,676	2,495,436	2,540,159	2,364,755	2,228,877	2,273,028	2,162,868
Charges for services	965,004	804,981	606,442	514,387	418,756	434,276	492,668	467,284	577,132	675,457
Miscellaneous	2,189,952	2,304,313	2,107,965	2,527,206	2,121,695	1,947,461	1,693,743	1,895,776	1,722,931	1,636,721
Total revenues	<u>62,153,218</u>	<u>59,712,464</u>	<u>61,721,541</u>	<u>82,542,094</u>	<u>73,721,254</u>	<u>57,706,148</u>	<u>53,244,068</u>	<u>53,104,709</u>	<u>51,902,161</u>	<u>50,693,512</u>
Expenditures:										
Current:										
Instructional programs	48,391,295	44,812,327	41,235,600	39,323,369	39,702,599	38,358,386	37,692,061	37,295,578	37,519,981	37,152,716
Support services	12,137,796	11,645,934	10,828,359	10,191,353	10,172,186	10,363,778	9,516,968	9,337,488	9,617,311	9,889,095
Other	1,596,990	1,492,347	1,305,765	1,207,686	1,247,840	1,054,626	884,179	1,180,820	1,439,111	901,992
Capital Outlay	1,354,945	1,479,577	5,931,040	29,950,637	22,120,504	7,676,429	3,186,048	2,827,093	3,648,756	3,302,053
Debt service:										
Principal	149,722	210,246	315,132	121,048	-	-	97,772	97,777	279,388	247,136
Total expenditures	<u>63,630,748</u>	<u>59,640,431</u>	<u>59,615,896</u>	<u>80,794,093</u>	<u>73,243,129</u>	<u>57,453,219</u>	<u>51,377,028</u>	<u>50,738,756</u>	<u>52,504,547</u>	<u>51,492,992</u>
Revenues over (under) expenditures	<u>(1,477,530)</u>	<u>72,033</u>	<u>2,105,645</u>	<u>1,748,001</u>	<u>478,125</u>	<u>252,929</u>	<u>1,867,040</u>	<u>2,365,953</u>	<u>(602,386)</u>	<u>(799,480)</u>
Other financing sources (uses):										
Transfers from other funds	150,950	493,000	178,399	189,436	138,343	122,100	131,500	120,500	124,247	253,156
Transfers to other funds	(354,158)	(740,223)	(766,162)	(314,992)	(243,777)	(237,885)	(224,736)	(203,577)	(191,039)	(369,203)
Installment purchase obligations issued	-	89,670	509,214	242,097	-	-	-	-	-	391,105
Total other financing sources (uses)	<u>(203,208)</u>	<u>(157,553)</u>	<u>(78,549)</u>	<u>116,541</u>	<u>(105,434)</u>	<u>(115,785)</u>	<u>(93,236)</u>	<u>(83,077)</u>	<u>(66,792)</u>	<u>275,058</u>
Net change in fund balances	<u>\$ (1,680,738)</u>	<u>\$ (85,520)</u>	<u>\$ 2,027,096</u>	<u>\$ 1,864,542</u>	<u>\$ 372,691</u>	<u>\$ 137,144</u>	<u>\$ 1,773,804</u>	<u>\$ 2,282,876</u>	<u>\$ (669,178)</u>	<u>\$ (524,422)</u>
Debt service as a percentage of non-capital expenditures	0.24%	0.36%	0.59%	0.24%	0.00%	0.00%	0.20%	0.20%	0.57%	0.51%

Notes: A state-wide chart of accounts change was implemented during fiscal year 2008 which reclassified certain expenditures between the categories above. Asheville City Schools implemented GASB Statement No. 65 in 2013. The amounts shown above have been restated beginning in 2012.

**ASHEVILLE CITY SCHOOLS  
ASSESSED VALUE OF TAXABLE PROPERTY  
Supplemental City School Tax  
Last Ten Fiscal Years  
(in thousands)**

<b>Fiscal Year</b>	<b>Actual Value - Asheville City School District</b>				<b>Direct Tax Rate</b>
	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Companies</b>	<b>Total Taxable Value</b>	
2019	\$ 7,072,888	\$ 589,756	\$ 109,119	\$ 7,771,763	0.12
2018	6,792,624	572,552	105,597	7,470,773	0.12
2017	5,077,724	539,424	126,227	5,743,376	0.15
2016	4,911,352	481,689	126,976	5,520,017	0.15
2015	4,805,548	478,313	102,170	5,386,031	0.15
2014	4,796,994	521,160	98,759	5,416,913	0.15
2013	4,859,559	445,996	97,865	5,403,420	0.15
2012	4,846,221	431,310	99,201	5,376,732	0.15
2011	4,813,441	412,260	101,106	5,326,807	0.15
2010	4,735,398	439,940	82,152	5,257,490	0.15

Source: Buncombe County Tax Department

Notes: Property is assessed at market value.

The tax rate is per \$100 of assessed value.

**ASHEVILLE CITY SCHOOLS**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Direct</u>		<u>Overlapping Rates</u>		<u>Total Combined Rate</u>
	<u>Supplemental City School Tax</u>		<u>Buncombe County</u>	<u>City of Asheville</u>	
2019	\$ 0.1200		\$ 0.5290	\$ 0.4289	\$ 1.0779
2018	0.1200		0.5390	0.4289	1.0879
2017	0.1500		0.6040	0.4750	1.2290
2016	0.1500		0.6040	0.4750	1.2290
2015	0.1500		0.6040	0.4750	1.2290
2014	0.1500		0.6000	0.4600	1.2100
2013	0.1500		0.5250	0.4200	1.0950
2012	0.1500		0.5250	0.4200	1.0950
2011	0.1500		0.5250	0.4200	1.0950
2010	0.1500		0.5250	0.4200	1.0950

Source: Buncombe County Tax Department.  
Note: Rates are per \$100 of assessed valuation.

**ASHEVILLE CITY SCHOOLS  
PRINCIPAL PROPERTY TAX PAYERS  
Supplemental City School Tax  
Current Year and Ten Years Ago**

Taxpayer	Business	2019			2010		
		Taxable Value (in thousands)	Rank	Percentage of Total Taxable Value	Taxable Value (in thousands)	Rank	Percentage of Total Taxable Value
GPI Resort Holdings LLC	Hotels/Convention Services	\$ 121,526	1	1.62%	\$ 24,000	4	0.48%
New Belgium Brewing Company Inc	Brewery	105,478	2	1.41%			
Duke Energy Progress	Electric Utility	64,670	3	0.86%			
MHG Asheville	Real Estate	53,948	4	0.72%			
FRIC Haywood Park Holdings LLC	Real Estate	37,414	5	0.50%	15,023	10	0.30%
Summit Hospitality 123 LLC	Hotel/Restaurant Management	27,750	6	0.37%			
HP Asheville LLC	Real Estate Development	24,300	7	0.32%			
Campus Crest at Asheville	Real Estate	17,515	8	0.23%			
Ingles Markets Inc	Hotels/Convention Services	17,255	9	0.23%	16,029	8	0.32%
Hawthorne-Midway Bear Creek LLC	Real Estate	15,500	10	0.21%			
Jack Tar/Grove Park Inn	Hotels/Convention Services				102,511	1	2.04%
Progress Energy	Electric Utility				59,162	2	1.18%
Power Development	Real Estate Development				28,922	3	0.58%
Nesbitt Asheville Venture LLC	Hotels/Convention Services				20,373	5	0.41%
Market Street Development	Real Estate Development				19,944	6	0.40%
Grove Park Inn Resort Inc	Hotels/Convention Services				17,132	7	0.34%
Country Club of Asheville Inc.	Real Estate/Private Golf Club				15,268	9	0.30%
	Totals	<u>\$ 485,356</u>		<u>6.47%</u>	<u>\$ 318,364</u>		<u>6.35%</u>

Source: Buncombe County Tax Department.

**ASHEVILLE CITY SCHOOLS  
PROPERTY TAX LEVIES AND COLLECTIONS  
Supplemental City School Tax  
Last Ten Fiscal Years  
(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
2019	\$ 9,336	\$ 8,927	95.62%	-	\$ 8,927	95.62%
2018	8,964	8,565	95.55%	4	8,569	95.59%
2017	8,622	8,619	99.97%	2	8,621	99.99%
2016	8,285	8,281	99.95%	4	8,285	100.00%
2015	8,078	8,067	99.86%	9	8,076	99.98%
2014	8,125	8,099	99.68%	19	8,118	99.91%
2013	8,099	8,052	99.42%	40	8,092	99.91%
2012	8,056	8,007	99.39%	42	8,049	99.91%
2011	8,000	7,926	99.08%	72	7,998	99.98%
2010	7,849	7,734	98.53%	114	7,848	99.99%

Sources: Buncombe County Tax Department

Note: Property was revalued and effective in 2006, 2013 and 2017.

**ASHEVILLE CITY SCHOOLS**  
**Demographic and Economic Statistics for Buncombe County**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Estimated Population (in thousands)</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Estimated Median Age</b>	<b>County-wide School Enrollment</b>	<b>Unemployment Rate</b>
2019	266	Unavailable	Unavailable	41.9	31,435	4.2
2018	262	Unavailable	Unavailable	41.7	31,828	4.1
2017	258	Unavailable	Unavailable	41.1	31,966	4.1
2016	256	\$ 11,071,174	\$ 43,232	41.0	32,008	3.5
2015	253	10,378,772	40,994	40.1	30,232	4.8
2014	252	9,552,676	37,908	40.8	31,003	6.3
2013	249	9,282,566	37,290	40.7	30,535	7.1
2012	241	8,884,892	36,803	40.7	29,238	7.9
2011	244	8,459,317	34,716	40.7	29,113	8.2
2010	239	8,100,049	33,908	40.7	28,979	8.3

Sources: Buncombe County Finance Department.

Note: Information presented is not separately identifiable for Asheville City Schools.

**ASHEVILLE CITY SCHOOLS  
PRINCIPAL EMPLOYERS FOR BUNCOMBE COUNTY  
Current Year and Ten Years Ago**

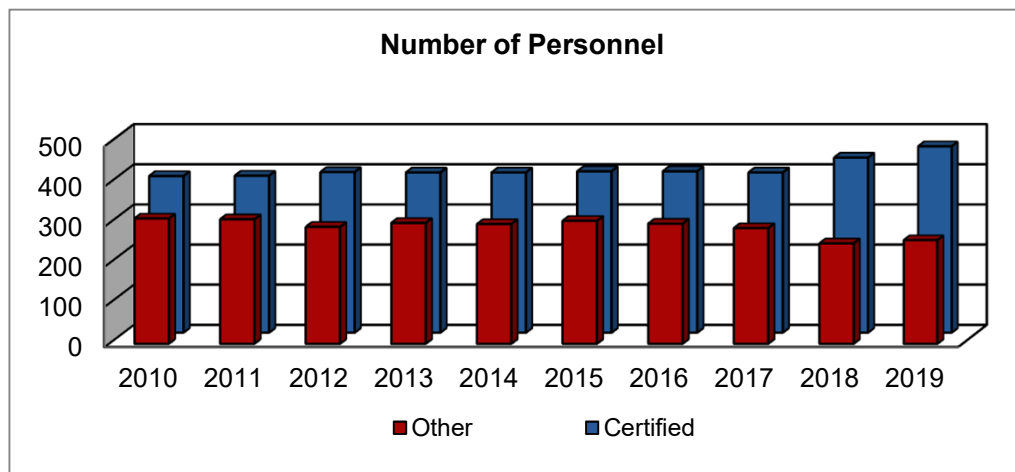
<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Mission Health System and Hospital	3,000+	1	2.14%	6,994	1	6.35%
Buncombe County Public Schools	3,000+	2	2.14%	4,000	2	3.64%
Asheville-Buncombe Technical Community College	1,000-2,999	3	0.72%-2.14%			
The Biltmore Company	1,000-2,999	4	0.72%-2.14%	1,583	4	1.43%
Buncombe County Government	1,000-2,999	5	0.72%-2.14%	1,673	3	1.52%
City of Asheville	1,000-2,999	6	0.72%-2.14%	1,000	8	0.91%
Ingles Markets, Inc.	1,000-2,999	7	0.72%-2.14%	1,137	6	2.77%
Omni Grove Park Inn	1,000-2,999	8	0.72%-2.14%	1,100	7	1.00%
VA Medical Center - Asheville	1,000-2,999	9	0.72%-2.14%	1,139	5	1.04%
CarePartners	500-999	10	0.36%-0.71%	917	9	0.68%
Asheville City Schools	500-999		0.36%-0.71%	728	10	0.66%
Total	<u>14,000-28,991</u>		<u>10.0%-20.80%</u>			

Source: Buncombe County Finance Department

Notes: Labor Force Estimate for 2018 per NCESC: 139,319

Labor Force Estimate for 2009 per NCESC: 124,694

**ASHEVILLE CITY SCHOOLS  
NUMBER OF PERSONNEL  
Last Ten Fiscal Years**



<u>Year Ended June 30:</u>	<u>Certified Personnel</u>	<u>Other Personnel</u>	<u>Total</u>	<u>Average Daily Membership</u>	<u>Ratio of Pupils to Certified Personnel</u>
2010	390	312	702	3,693	9.5
2011	391	310	701	3,855	9.9
2012	400	291	691	3,978	9.9
2013	399	301	700	4,081	10.2
2014	399	298	697	4,221	10.6
2015	402	306	708	4,295	10.7
2016	402	299	701	4,396	10.9
2017	399	288	687	4,421	11.1
2018	436	250	686	4,346	10.0
2019	464	258	722	4,281	9.2

Source: Asheville City Schools Human Resources Department.

Note: Other personnel includes school and system level administrators, teacher assistants, custodians, clerical positions, food service employees, maintenance positions and technical support positions.



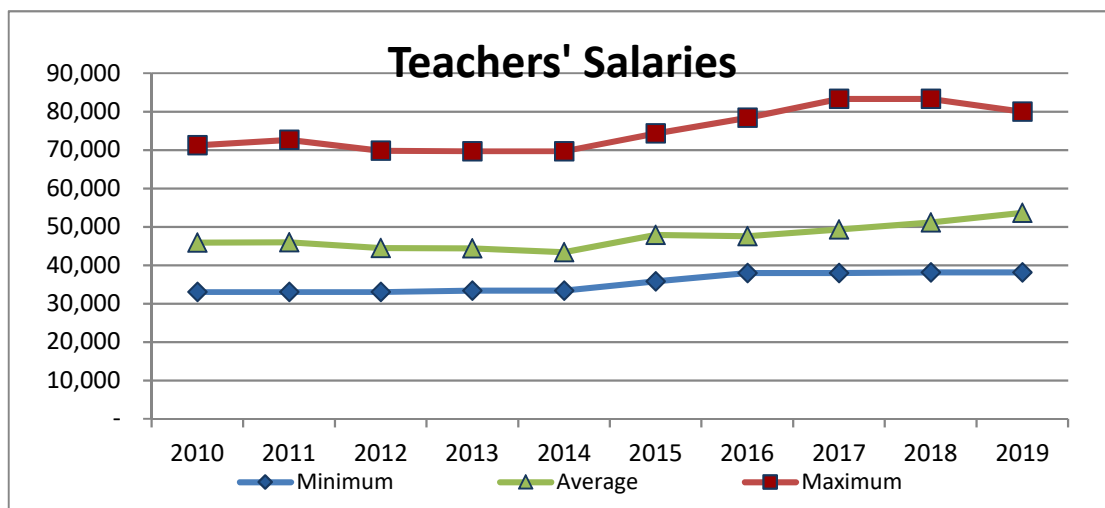
**ASHEVILLE CITY SCHOOLS  
OPERATING STATISTICS  
Last Ten Fiscal Years**

Fiscal Year	Average Daily Membership	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
2019	4,281	Unavailable	\$ 13,394	Eleventh	36.7%	20.0%	62.8%	17.2%
2018	4,346	4,096	12,790	Tenth	38.4%	20.3%	63.1%	16.6%
2017	4,421	4,183	11,601	Fourteenth	39.8%	22.4%	60.6%	17.0%
2016	4,396	4,164	11,150	Seventeenth	43.2%	22.8%	61.2%	16.0%
2015	4,295	4,066	11,260	Fifteenth	43.7%	23.6%	60.8%	15.6%
2014	4,221	4,002	11,213	Ninth	46.5%	23.5%	60.9%	15.6%
2013	4,081	3,854	11,243	Ninth	46.0%	26.0%	59.0%	15.0%
2012	3,978	3,769	11,334	Fifth	47.9%	27.9%	57.5%	14.6%
2011	3,855	3,640	11,894	Sixth	48.4%	28.7%	55.7%	15.6%
2010	3,693	3,463	12,513	Fourth	47.1%	39.3%	54.7%	6.0%

Sources: Asheville City Schools Child Nutrition Department, Students Receiving Free or Reduced-Price Meals.  
North Carolina Department of Public Instruction, all other information reported.

Notes: 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 outlay 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. This computation is considered the official per pupil expenditure reported for 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>
2010	33,017	71,225	45,854
2011	33,017	72,611	46,008
2012	33,017	69,828	44,476
2013	33,418	69,674	44,424
2014	33,418	69,674	43,396
2015	35,805	74,306	47,921
2016	37,975	78,352	47,599
2017	37,975	83,294	49,316
2018	38,150	83,294	51,113
2019	38,150	79,966	53,665

Source: Asheville City Schools Business and Financial Services.

Note: The above table includes base pay from the state salary schedule and the systemwide local salary supplement.

**ASHEVILLE CITY SCHOOLS  
SCHOOL BUILDING INFORMATION  
Last Ten Fiscal Years**

<b>School</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Elementary:</b>										
Asheville Primary School										
Square feet	59,132	59,132	See below	See below	See below	See below	See below	See below	See below	See below
First month membership	104	47	See below	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	473	493	478	469	450	439	455	431	419
Dickson (see below):										
Square feet	77,169	77,169	77,169	56,819	56,819	75,926	75,926	75,926	75,926	75,926
First month membership	432	491	525	508	488	465	470	445	423	419
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	315	347	392	349	347	302	302	306	309
Jones:										
Square Feet	85,730	85,730	85,730	85,730	85,730	85,730	85,730	85,730	85,730	85,162
First month membership	416	448	501	498	482	444	415	390	405	376
Vance:										
Square Feet	70,665	70,665	70,665	70,665	70,665	70,665	70,665	70,665	69,965	69,965
First month membership	350	422	470	467	464	462	459	441	405	379

**ASHEVILLE CITY SCHOOLS  
SCHOOL BUILDING INFORMATION  
Last Ten Fiscal Years**

School	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Middle:</b>										
Asheville Middle:										
Square Feet	174,695	174,695	174,695	170,418	170,418	170,418	170,418	170,418	170,418	170,418
First month membership	662	769	796	704	721	747	787	766	719	661
<b>Middle/High:</b>										
Montford North Star Academy, Formerly Randolph Learning Center/William Randolph School:										
Square Feet	57,374	57,374	See below	See below	See below	See below	56,819	56,819	56,819	56,819
First month membership	221	82	See below	See below	See below	See below	See below	See below	48	84
Asheville High/SILSA:										
Square Feet	354,803	354,803	367,803	367,803	367,803	367,803	365,441	365,441	365,441	365,441
First month membership	1,380	1,374	1,372	1,376	1,385	1,332	1,273	1,228	1,135	1,111

Sources: District records and North Carolina Department of Public Instruction, Insurance Section

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

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*Board Chair*



MARTHA  
GEITNER  
*Vice Chair*



PATRICIA  
GRIFFIN



JOYCE  
BROWN



JAMES  
CARTER



## 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.