

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## 2025 ANNUAL REPORT

FOR THE YEAR ENDED **JUNE 30**

## ASHEVILLE CITY SCHOOLS

ASHEVILLE, NC



# ASHEVILLE CITY SCHOOLS

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Annual Comprehensive Financial Report of
the

# Asheville City Schools

Asheville, North Carolina
For the Fiscal Year Ended June 30, 2025

ASHEVILLE CITY SCHOOLS

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



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# INTRODUCTORY SECTION



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# Asheville City Schools

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

## LETTER OF TRANSMITTAL

**December 9, 2025**

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

In compliance with the *Public School Laws of North Carolina* (State), the Annual Comprehensive Financial Report of the Asheville City Board of Education (Board), operating as the "Asheville City Schools," for the fiscal year ended June 30, 2025, is herewith submitted. Responsibility for the accuracy, completeness, and clarity of the report rests with the Superintendent and the Chief Finance Officer.

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

### REPORTING ENTITY

The Board is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes (G.S.)] with the responsibility to oversee and control all activities related to public school education in Asheville, North Carolina. It was established in 1887 by action of the North Carolina General Assembly. For fiscal year 2025, the Board operated eight 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); one middle school; five elementary schools; and several alternative classrooms/programs including the preschool program. Building ages range from 8 to 103; information pertaining to individual school buildings is provided in the statistical section. The average daily membership for the 2024-25 school year was 3,771 students.

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

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

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

## ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Accounting records of the school system must be maintained in a uniform state format. Monthly reports of transactions of state and federal funds and details of disbursements from these funds are submitted to the North Carolina Department of Public Instruction for review. Financial activities throughout the year are controlled in accordance with the North Carolina School Budget and Fiscal Control Act which requires a pre-audit procedure to ensure availability of funds prior to the issuance of purchase orders or payment of claims. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

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

## ECONOMIC CONDITION AND OUTLOOK

•Asheville City Schools operates within Buncombe County, the most populous county in Western North Carolina. With over 280,000 residents, Buncombe County accounts for over half of the population in the three-county Asheville Metropolitan Area and serves as the region's economic and service center. Its economy is supported by a robust healthcare system, a strong business and professional services sector, a popular tourism industry, and a thriving arts and outdoor culture.

•Buncombe County's average unemployment rate for fiscal year 2024-25 was estimated at 5.4%. The Buncombe County unemployment rate increased from 3.2% in July 2024 to 4.1 % in July 2025. Buncombe County's July 2025 unemployment rate of 4.1 % was above the state (3.8%) but below the national (4.6%) unemployment rates at that time.

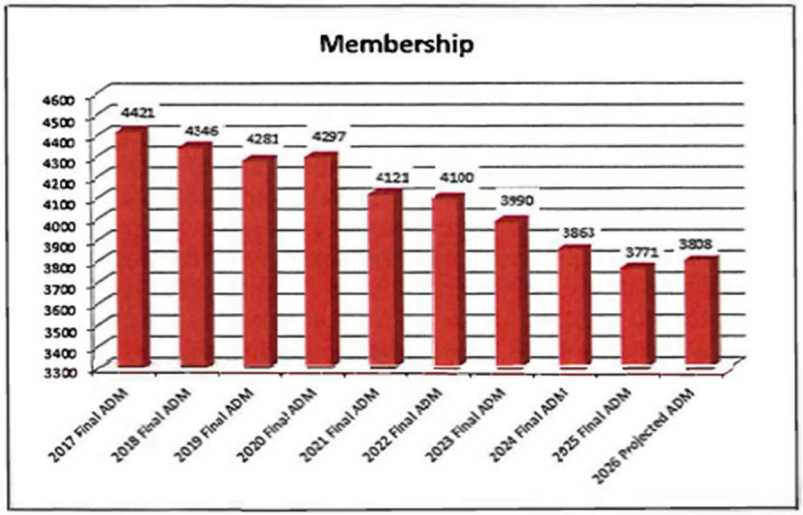
•The Asheville Metro lost 500 total nonfarm jobs in July 2024-25, a year-over-year loss of 0.2%. July 2024-25 major industry employment gains were led by Education and Health Services (+1, 700 jobs), Construction (+500 jobs) and Professional & Business Services (+500 jobs). Leisure & Hospitality (-3,000 jobs), Financial Activities (-200 jobs), Transportation & Warehousing (-100 jobs), Manufacturing (-100 jobs), Wholesale Trade (-100 jobs), and Retail Trade (-100 jobs) all experienced a decline in employment in July 2025 as compared to July 2024.

•For the housing market in the Asheville Metro, closed sales and prices continued to rise year-over-year. July 2024-25 year-over-year closed home sales were up 3.8% and the average price of homes increased from $578,746 to $588,659 ( + 1. 7%). Days on Market Until Sale have risen 47.4% from 38 days in July 2024 to 56 days in July 2025.

While operating within the above economic environment, Asheville City Schools has enjoyed the commitment to quality education for its citizens and the Buncombe County Commissioners had demonstrated that by their level of support and funding over the years. Despite anticipating a 1.47% increase in appropriations funding from fiscal year 2024 to 2025, county general appropriation funding decreased 2.59%, from $17,704,730 to $17,245,850 due to circumstances caused by Hurricane Helene's impact on the area. Fiscal year 2026 brought a .53% increase, bringing the total county general appropriation to over $17.3 million for that budget year.

Buncombe County Board of Commissioners established the School Capital Commission Board. Originally drafted in 1983 to ensure adequate school capital needs were met for both County and City school systems, the Buncombe School Capital Fund Commission legislation was amended in 2016 to better align resources with capital needs. Using funds from Article 39 sales tax revenue, a five-member commission reviews the capital project requests from Asheville City Schools and Buncombe County Schools. These requests are combined and prioritized, and based upon funding availability, the Commission recommends to the Buncombe County Board of Commissioners those projects that should be funded through Article 39 funding. Recommendations for funding are considered on an annual basis. Long range planning for capital projects is reviewed each spring during the budget process. Projects are evaluated by high priority and critical need. Major projects such as roof repairs and major renovations are identified for the next budget year and five additional years.

Asheville City Schools experienced a decrease in student population for fiscal year 2025. As many state funding formulas are driven by student population, this equates to Asheville City Schools receiving a decrease in funding through the State Public School Fund for this fiscal year. NCDPI did not hold districts harmless for reduced enrollment in 2025. Following is a graph comparing final average daily membership for fiscal years 2017 through 2025 and projected average daily membership for fiscal year 2026. Actual membership for 2026 is expected to be less.



## MAJOR ACCOMPLISHMENTS AND INITIATIVES

Dr. Maggie Fehrman continues to serve as Superintendent for Asheville City Schools. The 2024-2025 school year contained a number of milestones as the district focused on maintaining an environment where each student can learn, discover, and thrive.

- The District's high school graduation rate for the Class of 2025 was 93.2 percent.
- 57 of Asheville City Schools' certified staff members hold the distinction of National Board Certification, the highest credential in the teaching profession.
- As part of the transition to online learning due to COVID 19, the District's computer-to-student ratio for grades K-12 became 1:1. The district continued to maintain this ratio for 2025.
- The Asheville City Schools Preschool Program continues to operate 5 sites with a 5-star child care facility rating from the North Carolina Division of Child Development.
- On average, our 22 yellow school buses transport approximately 1900 students each school day from home to school and school to home.
- The Advancement Via Individual Determination Program (AVID) graduated its 21st class while celebrating 25 years of AVID. Just as every other class had achieved over the years, every 2025 graduate was extended an offer at either a college or university or military service. Many received scholarship offers.
- Asheville City Schools' Career & Technical Education programs continue to provide high school students with opportunities to build real-world skills through specialized courses, internships, and other work-based learning experiences. The success of our programs is evidenced by the awards and credentials students earn academically in year in Career & Technical Education.

## INDEPENDENT AUDIT

The financial statements have been audited by Anderson Smith & Wike PLLC, independent certified public accountants, whose opinion is included in the Financial Section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements of Asheville City Schools for the fiscal year ended June 30, 2025, 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, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America.

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

## FINANCIAL REPORTING AWARDS

Each year since 1985, the Asheville City Schools’ Annual Comprehensive Financial Report has earned the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting Award. The Report has also earned the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past thirty-eight years. These awards are made to governmental units that publish an annual comprehensive 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, 2025.

## ACKNOWLEDGMENTS

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

Respectfully submitted,



Dr. Maggie Fehrman
Superintendent

Heidi Kerns, CMA
Chief Finance Officer

Christy House, CSBD
Financial Services Manager

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

# Asheville City Schools

**for its Annual Comprehensive Financial Report**
**for the Fiscal Year Ended June 30, 2024.**

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Asheville City Schools**
**North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

ASHEVILLE CITY SCHOOLS
ORGANIZATIONAL CHART



BOARD OF EDUCATION

**Sarah Thornburg, Rebecca Strimer, Pepi Acebo, Liza Kelly, Amy Ray, George Sieburg, Jesse Warren**



**SUPERINTENDENT**
Maggie Fehrman



**EXECUTIVE ASSISTANT TO THE SUPERINTENDENT**
Kim Jones



**STUDENT SERVICES**
**Kim Robinson,** *Executive Director of Student Services*



**TEACHING & LEARNING**
**Shannon Baggett,** *Asst. Superintendent of Curriculum and Instruction*



**ACS SCHOOLS**
**Principals**
Pre-K through Grade 12



**EQUITY, POLICIES, & PUBLIC RELATIONS**
**Kim Dechant**
*Chief of Staff*



**AUXILIARY SERVICES**
**Heidi Kerns,** *Chief Financial Officer*
**Mark Dickerson,** *Assistant Superintendent of Human Resources*
**April Dockery,** *Chief of Operations*



**COMMUNITY PARTNERSHIPS**
**Melissa Hedt**
*Executive Director of Community Partnerships*



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# FINANCIAL SECTION



# ASHEVILLE CITY SCHOOLS

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A S W ANDERSON SMITH & WIKE PLLC
*Certified Public Accountants*

## *INDEPENDENT AUDITORS' REPORT*

To the Asheville City Board of Education
Asheville, North Carolina

### *Opinions*

We have audited accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Asheville City Board of Education, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Asheville City Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Asheville City Board of Education as of June 30, 2025, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the State Public School Fund, the Federal Grants Fund, and the Other Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Asheville City Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Change in Accounting Principle*

As described in Note 5 to the financial statements, the Board adopted the provisions of GASB Statement No. 101, Compensated Absences, as of July 1, 2024. Our opinion is not modified with respect to this matter.

### *Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Asheville City Board of Education's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we

- Exercised professional judgement and maintained professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Asheville City Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Asheville City Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 12 and the Schedule of the Proportionate Share of the Net Pension Liability, OPEB Liability and the Schedule of Board Contributions on pages 55 through 60, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Asheville City Board of Education's basic financial statements. The budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, individual fund budgetary schedules and other schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025 on our consideration of Asheville City Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Asheville City Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Asheville City Board of Education's internal control over financial reporting and compliance.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Anderson Smith & Wike PLLC

December 3, 2025
Elon, North Carolina
(336) 380-4123

This section of the Asheville City Schools' (the "Board"*)* financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2025. This information should be read in conjunction with the audited financial statements included in this report.

### *Financial Highlights*

- As discussed in Note 5 to the financial statements, effective July 1, 2024, the Board implemented accounting and financial reporting requirements of GASB Statement 101, Compensated Absences. The statement required the Board to begin recording liabilities for employee sick leave balances that are more likely than not to be used. As a result of implementation of this statement, the Board's governmental and business-type activities net position, as previously reported at June 30, 2024, was reduced by $7.5 million and $170 thousand, respectively.
- 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 $31.8 million.
- The Board's total net position increased by $17.9 million, excluding the change in accounting principle noted above.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of $24.0 million, an increase of $2.3 million.

### *Overview of the Financial Statements*

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

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

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

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

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

***Government-wide Statements***

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

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

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

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

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

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

***Fund Financial Statements***

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

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

Asheville City Schools has three types of funds:

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

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

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

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

*Fiduciary fund:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Asheville City Schools has two fiduciary funds – the Asheville High Awards Fund and Isaac Dickson Elementary Fund. Since the resources of the Custodial Funds are not available to support government programs, they are excluded from the government-wide statements.

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

### *Financial Analysis of the Board as a Whole*

Net position may serve over time as one useful indicator of the fiscal health of the Board. The Board's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $31.8 million as of June 30, 2025, an increase of $17.9 million, excluding the change in accounting principle, as compared to the prior fiscal year. The largest component of net position is the net investment in capital assets (e.g. land, buildings, machinery and equipment). The net investment in capital assets totaled $95.8 million at June 30, 2025.

Following is a summary of the statement of Net Position:

***Table 1***
***Condensed Statement of Net Position***
***As of June 30, 2025 and 2024***

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 6/30/25 | 6/30/24 | 6/30/25 | 6/30/24 | 6/30/25 | 6/30/24 |
| Current assets | $ 26,287,159 | $ 22,983,822 | $ 89,561 | $ 309,421 | $ 26,376,720 | $ 23,293,243 |
| Capital assets | 95,556,727 | 80,265,526 | 280,920 | 359,815 | 95,837,647 | 80,625,341 |
| Total assets | 121,843,886 | 103,249,348 | 370,481 | 669,236 | 122,214,367 | 103,918,584 |
| Deferred outflows of resources | 34,228,568 | 31,315,088 | 442,963 | 478,687 | 34,671,531 | 31,793,775 |
| Current liabilities | 2,215,733 | 1,271,879 | 100,358 | 52,269 | 2,316,091 | 1,324,148 |
| Long-term liabilities | 107,910,270 | 92,437,695 | 1,459,371 | 1,412,678 | 109,369,641 | 93,850,373 |
| Total liabilities | 110,126,003 | 93,709,574 | 1,559,729 | 1,464,947 | 111,685,732 | 95,174,521 |
| Deferred inflows of resources | 13,212,606 | 18,661,375 | 170,987 | 285,259 | 13,383,593 | 18,946,634 |
| Net investment in capital assets | 95,556,727 | 80,265,526 | 280,920 | 359,815 | 95,837,647 | 80,625,341 |
| Restricted net position | 8,027,810 | 5,961,715 | 820 | - | 8,028,630 | 5,961,715 |
| Unrestricted net position | (70,850,692) | (64,033,754) | (1,199,012) | (962,098) | (72,049,704) | (64,995,852) |
| Total net position | $ 32,733,845 | $ 22,193,487 | $ (917,272) | $ (602,283) | $ 31,816,573 | $ 21,591,204 |

Note that net position of governmental activities increased by approximately $18.1 million during the year, excluding the change in accounting principle, indicating an improvement in the financial condition of the Board. Also note that the Board carries capital assets for which Buncombe County carries the offsetting debt.

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

***Table 2***
***Condensed Statement of Activities***
***For the Fiscal Years Ended June 30, 2025 and 2024***

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 6/30/25 | 6/30/24 | 6/30/25 | 6/30/24 | 6/30/25 | 6/30/24 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 1,979,933 | $ 1,613,821 | $ 421,104 | $ 486,597 | $ 2,401,037 | $ 2,100,418 |
| Operating grants and contributions | 35,445,221 | 36,626,582 | 1,194,654 | 1,486,590 | 36,639,875 | 38,113,172 |
| Capital grants and contributions | 18,226,616 | 406,172 | - | - | 18,226,616 | 406,172 |
| General revenues: | | | | | | |
| Buncombe County | 20,606,842 | 21,146,283 | - | - | 20,606,842 | 21,146,283 |
| Supplemental school tax | 11,992,922 | 11,775,432 | - | - | 11,992,922 | 11,775,432 |
| Local option sales tax | 4,381,598 | 4,540,113 | - | - | 4,381,598 | 4,540,113 |
| Other revenues (expenditures) | 2,614,396 | 2,418,480 | (7,205) | 4,747 | 2,607,191 | 2,423,227 |
| Total revenues | 95,247,528 | 78,526,883 | 1,608,553 | 1,977,934 | 96,856,081 | 80,504,817 |
| Expenses: | | | | | | |
| Governmental activities: | | | | | | |
| Instructional services | 56,223,023 | 55,748,300 | - | - | 56,223,023 | 55,748,300 |
| System-wide support services | 17,132,123 | 15,810,130 | - | - | 17,132,123 | 15,810,130 |
| Ancillary services | 710,343 | 438,741 | - | - | 710,343 | 438,741 |
| Non-programmed charges | 2,773,183 | 2,630,728 | - | - | 2,773,183 | 2,630,728 |
| Unallocated depreciation | 188,415 | 199,321 | - | - | 188,415 | 199,321 |
| Business-type activities: | | | | | | |
| Child Nutrition | - | - | 1,905,451 | 2,447,308 | 1,905,451 | 2,447,308 |
| Total expenses | 77,027,087 | 74,827,220 | 1,905,451 | 2,447,308 | 78,932,538 | 77,274,528 |
| Excess (deficiency) before transfers | 18,220,441 | 3,699,663 | (296,898) | (469,374) | 17,923,543 | 3,230,289 |
| Transfers in (out) | (152,116) | (45,000) | 152,116 | 45,000 | - | - |
| Change in net position | 18,068,325 | 3,654,663 | (144,782) | (424,374) | 17,923,543 | 3,230,289 |
| Beginning net position (deficit), as previously reported | 22,193,487 | 18,538,824 | (602,283) | (177,909) | 21,591,204 | 18,360,915 |
| Change in accounting principle (Note 5) | (7,527,967) | - | (170,207) | - | (7,698,174) | - |
| Beginning net position (deficit), as restated | 14,665,520 | 18,538,824 | (772,490) | (177,909) | 13,893,030 | 18,360,915 |
| Ending net position | $ 32,733,845 | $ 22,193,487 | $ (917,272) | $ (602,283) | $ 31,816,573 | $ 21,591,204 |

Governmental activities generated revenues of $95.2 million for fiscal year 2025 compared to $78.5 million for the previous year. Governmental activities expenses totaled $77.0 million for fiscal year 2025 compared to $74.8 million for the previous year. After transfers to the business-type activities, the increase in net position stands at approximately $18.1 million, excluding the change in accounting principle, at June 30, 2025 compared to an increase of $3.7 million in 2024.

County funding comprised 21.6% of total governmental revenues in fiscal year 2025 and 26.9% in fiscal year 2024, decreasing slightly from the previous year. The amount of the Asheville City Schools supplemental city school tax received was 12.6% of total governmental revenues for the year. Much of the remaining governmental revenues consist of restricted state and federal money. Instructional expenses comprised 73.0% of total governmental expenses for fiscal year 2025 compared to 74.5% for fiscal year 2024. Support services accounted for 22.2% and 21.1% of expenses in fiscal years 2025 and 2024, respectively.

Business-type activities generated revenues of approximately $1.6 million for fiscal year 2025 and $2.0 million for fiscal year 2024. At the same time, expenses for the business-type activities were approximately $1.9 million for fiscal year 2025 and $2.4 million for fiscal year 2024. Thus, net position decreased in the business-type activities by $145 thousand, excluding the change in accounting principle, and after transfers in from the governmental activities of $152 thousand.

### *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, 2025 and 2024 for the General Fund, the Other Special Revenue Fund, the Capital Outlay Fund and the Individual Schools Fund. Both the State Public School Fund and the Federal Grants Fund do not maintain a fund balance since revenues must equal expenditures. Thus, these funds have been excluded from Table 3.

***Table 3***
***Summary of Fund Balances - Governmental Funds***
***As of June 30, 2025 and 2024***

| | 2025 | | | | |
|---|---|---|---|---|---|
| | General Fund | Individual Schools Fund | Capital Outlay Fund | Other Special Revenue Fund | Total |
| Fund balances: | | | | | |
| Restricted | $ 91,610 | $ 1,125,986 | $ 5,442,263 | $ 1,304,602 | $ 7,964,461 |
| Assigned | 2,000,000 | - | - | 3,197,452 | 5,197,452 |
| Unassigned | 10,846,164 | - | - | - | 10,846,164 |
| Total | $ 12,937,774 | $ 1,125,986 | $ 5,442,263 | $ 4,502,054 | $ 24,008,077 |

| | 2024 | | | | |
|---|---|---|---|---|---|
| | General Fund | Individual Schools Fund | Capital Outlay Fund | Other Special Revenue Fund | Total |
| Fund balances: | | | | | |
| Restricted | $ 81,634 | $ 864,414 | $ 3,691,861 | $ 1,323,806 | $ 5,961,715 |
| Assigned | 3,500,000 | - | - | 3,137,657 | 6,637,657 |
| Unassigned | 9,112,571 | - | - | - | 9,112,571 |
| Total | $ 12,694,205 | $ 864,414 | $ 3,691,861 | $ 4,461,463 | $ 21,711,943 |

All funds ended the year with a surplus of revenues over expenditures and other financing uses. This resulted in a combined increase of $2.3 million in the aforementioned funds. Due to Hurricane Helene, school was closed for about one month and clean up and problems with the water supply persisted for much of the school year. This diverted the work of our maintenance department and postponed insurance replacement and scheduled capital projects. The Buncombe County government significantly reduced revenue projections, resulting in a mid-year reduction of the local current expense appropriation of $718,577. Between limitations to normal activities and work, implementation of new staffing allotment formulas and conservative spending due to the uncertainty of revenue projections and availability of the last of the federal ESSER funds as well as state Helene recovery funds, ACS was able to mitigate the loss of fund balance anticipated for 2024-2025.

Proprietary Fund: The Board's proprietary fund reflected a decrease in net position of $145 thousand, excluding the change in accounting principle, and after transfers for 2025 compared to a decrease of $424 thousand after transfers for fiscal year 2024.

### *Budgetary Highlights*

The Board approved several budget amendments to account for changes in revenue and expenditure projections. Budget amendments are submitted to the Board on a monthly basis to reflect new revenues not measurable or known at the time of the original budget resolution. State and federal budgets are not approved at the State level until after the fiscal year begins and amendments are needed to reconcile the initial budget to final approved State and federal budgets. The State may send new allotments throughout the year and require additional budget amendments. There were no significant Federal budget amendments during the year and State amendments accounted for an additional $1.0 million in funding from various grants and position allotments. There were no expenditures in excess of the budgeted expenditures. The Other Special Revenue Fund increased the budget by approximately $790 thousand to account for grants and programs that had not been budgeted at the beginning of the year. Actual expenditures were less than budgeted expenditures mainly due to conservative spending.

### *Capital Assets*

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

***Table 4***
***Summary of Capital Assets***
***As of June 30, 2025 and 2024***

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 6/30/25 | 6/30/24 | 6/30/25 | 6/30/24 | 6/30/25 | 6/30/24 |
| Land | $ 1,307,576 | $ 1,307,576 | $ - | $ - | $ 1,307,576 | $ 1,307,576 |
| Construction in progress | 11,612,115 | 538,600 | - | - | 11,612,115 | 538,600 |
| Land improvements | 4,977,813 | 3,539,259 | - | - | 4,977,813 | 3,539,259 |
| Buildings | 74,879,460 | 72,513,767 | - | - | 74,879,460 | 72,513,767 |
| Equipment and furniture | 1,729,860 | 1,309,443 | 280,920 | 359,815 | 2,010,780 | 1,669,258 |
| Vehicles | 1,049,903 | 1,056,881 | - | - | 1,049,903 | 1,056,881 |
| Total | $ 95,556,727 | $ 80,265,526 | $ 280,920 | $ 359,815 | $ 95,837,647 | $ 80,625,341 |

Capital assets increased $15.2 million or (18.9%) over the previous year, primarily due to large capital contributions from Buncombe County. Additional information regarding the Board's capital assets can be found in Note 2 to the financial statements.

### *Debt Outstanding*

Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. At the end of fiscal year 2025, the Board's outstanding debt was composed of the liability for compensated absences to be paid from governmental and proprietary funds and pension plan obligations. The County holds all debt issued for school capital construction. Additional information regarding the Board's debt can be found in Note 2 to the financial statements.

### *Economic Factors Affecting Next Year's Budget*

The following factors have been considered when developing the Asheville City Schools' 2026 budget:

- After the North Carolina General Assembly failed to pass the budget before the end of the fiscal year for the fifth time out of the last six years last year, they ended the 2024-2025 fiscal year without passing one as well. Last year, a mini bill was passed to allow for pay and benefit changes and a limited number of other initiatives. Mini bills were passed this year as well, but this time only fringe benefit increases were funded and "bumps" were authorized (not funded) among other provisions, leaving staff with no raises for the 2025-2026 school year, still operating under the 2024-2025 salary schedules.
- The retirement matching rate set in the mini bill increased slightly from 24.04% to 24.67%.
- The annual cost of employer provided hospitalization insurance increased 5%, from $8,095 to $8,500 per employee. Although it is not a budget impact, it is notable that employees also face increases in their premiums, now tiered based on plan and salary. This was the first increase in seven years, in a year with no raise to cover it.
- The cost of providing the ACS local supplement, which the Asheville City Schools Board of Education increased by 2% effective 7/1/23, increases significantly with mandated raises. In order to address the projected budget shortfall, those are now frozen at the current rates based on applicable years of experience. Staffing allotment formulas have been implemented for equity and cost savings as well as other cuts across the district.
- The ACS Board requested that the 12.00 cents supplemental tax rate be restored for 2026. Although not fully granted, an increase from 10.62 cents to 11.00 cents per $100 of assessed taxable valuation was approved by the Buncombe County Commissioners.
- Due to the devastation and ongoing recovery from Hurricane Helene, Buncombe County postponed reassessment to this year so the outcome is unknown at this time. Asheville City's supplemental property tax was not significantly impacted last year. Sales taxes continue to lag behind pre-Helene collections after multiple years of positive growth.
- Due to Hurricane Helene, Buncombe County made mid-year cuts in 2024-2025 due to projected significant loss of revenue. The cut to Asheville City Schools was about 4%, $718,577. State legislation was passed allowing Buncombe County to divert School Capital Fund Commission (Article 39) funds previously dedicated to major capital projects to operations to assist recovery efforts in both school districts for 2025-2026 and 2026-2027.

### *Requests for Information*

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

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

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF NET POSITION***
***June 30, 2025***

***Exhibit 1***

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| **ASSETS** | | | |
| Cash and cash equivalents | $ 23,641,038 | $ 60,718 | $ 23,701,756 |
| Due from other governments | 2,513,989 | 28,023 | 2,542,012 |
| Receivables | 68,783 | - | 68,783 |
| Net OPEB asset | 63,349 | 820 | 64,169 |
| Capital assets: | | | |
| Land and construction in progress | 12,919,691 | - | 12,919,691 |
| Other capital assets, net of depreciation | 82,637,036 | 280,920 | 82,917,956 |
| Total capital assets | 95,556,727 | 280,920 | 95,837,647 |
| Total assets | 121,843,886 | 370,481 | 122,214,367 |
| **DEFERRED OUTFLOWS OF RESOURCES** | 34,228,568 | 442,963 | 34,671,531 |
| **LIABILITIES** | | | |
| Accounts payable and accrued expenses | 1,317,292 | 1,566 | 1,318,858 |
| Unearned revenues | 898,441 | 54,378 | 952,819 |
| Long-term liabilities: | | | |
| Due within one year: | | | |
| Liability for compensated absences | 2,122,166 | 44,414 | 2,166,580 |
| Due in more than one year: | | | |
| Net pension liability | 32,775,570 | 424,160 | 33,199,730 |
| Net OPEB liability | 64,387,660 | 833,263 | 65,220,923 |
| Liability for compensated absences | 8,624,874 | 201,948 | 8,826,822 |
| Total liabilities | 110,126,003 | 1,559,729 | 111,685,732 |
| **DEFERRED INFLOWS OF RESOURCES** | 13,212,606 | 170,987 | 13,383,593 |
| **NET POSITION** | | | |
| Net investment in capital assets | 95,556,727 | 280,920 | 95,837,647 |
| Restricted for: | | | |
| Individual school activities | 1,125,986 | - | 1,125,986 |
| Stabilization by State statute | 1,396,212 | - | 1,396,212 |
| School Capital Outlay | 5,442,263 | - | 5,442,263 |
| DIPNC OPEB plan | 63,349 | 820 | 64,169 |
| Unrestricted | (70,850,692) | (1,199,012) | (72,049,704) |
| Total net position | $ 32,733,845 | $ (917,272) | $ 31,816,573 |

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

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF ACTIVITIES***
***For the Year Ended June 30, 2025***

***Exhibit 2***

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities | Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities | Net (Expense) Revenue and Changes in Net Position: Primary Government: Total |
|---|---|---|---|---|---|---|---|
| **Primary government:** | | | | | | | |
| Governmental Activities: | | | | | | | |
| Instructional services: | | | | | | | |
| Regular instructional | $ 32,132,255 | $ 147,342 | $ 18,196,562 | $ 12,237,491 | $ (1,550,860) | $ - | $ (1,550,860) |
| Special populations | 8,293,074 | - | 6,951,779 | - | (1,341,295) | - | (1,341,295) |
| Alternative programs | 4,199,351 | 408,062 | 2,541,652 | - | (1,249,637) | - | (1,249,637) |
| School leadership | 3,833,198 | - | 1,536,953 | - | (2,296,245) | - | (2,296,245) |
| Co-curricular services | 1,605,061 | 1,404,943 | - | 2,110,378 | 1,910,260 | - | 1,910,260 |
| School-based support | 6,160,084 | - | 2,509,877 | - | (3,650,207) | - | (3,650,207) |
| System-wide support services | | | | | | | |
| Support and development | 561,344 | - | 179,607 | - | (381,737) | - | (381,737) |
| Special population support and development | 322,762 | - | 258,256 | - | (64,506) | - | (64,506) |
| Alternative programs | 774,960 | - | 68,861 | - | (706,099) | - | (706,099) |
| Technology support | 1,138,869 | - | 66,104 | - | (1,072,765) | - | (1,072,765) |
| Operational support | 9,223,079 | - | 2,508,002 | 3,878,747 | (2,836,330) | - | (2,836,330) |
| Financial and human resource services | 2,129,124 | - | 146,264 | - | (1,982,860) | - | (1,982,860) |
| Accountability | 137,477 | - | - | - | (137,477) | - | (137,477) |
| System-wide pupil support | 675,424 | - | 7 | - | (675,417) | - | (675,417) |
| Policy, leadership and public relations | 2,169,084 | - | 331,725 | - | (1,837,359) | - | (1,837,359) |
| Ancillary services | 710,343 | 19,586 | 149,572 | - | (541,185) | - | (541,185) |
| Non-programmed charges | 2,773,183 | - | - | - | (2,773,183) | - | (2,773,183) |
| Unallocated depreciation expense** | 188,415 | - | - | - | (188,415) | - | (188,415) |
| Total governmental activities | 77,027,087 | 1,979,933 | 35,445,221 | 18,226,616 | (21,375,317) | - | (21,375,317) |
| Business-type activities: | | | | | | | |
| School food service | 1,905,451 | 421,104 | 1,194,654 | - | - | (289,693) | (289,693) |
| Total primary government | $ 78,932,538 | $ 2,401,037 | $ 36,639,875 | $ 18,226,616 | (21,375,317) | (289,693) | (21,665,010) |
| | General revenues: | | | | | | |
| | Unrestricted county appropriations - operating | | | | 17,245,850 | - | 17,245,850 |
| | Unrestricted county appropriations - capital | | | | 3,360,992 | - | 3,360,992 |
| | Supplemental city school tax | | | | 11,992,922 | - | 11,992,922 |
| | Local option sales tax | | | | 4,381,598 | - | 4,381,598 |
| | Investment earnings, unrestricted | | | | 664,033 | - | 664,033 |
| | Miscellaneous, unrestricted | | | | 1,950,363 | (7,205) | 1,943,158 |
| | Transfers | | | | (152,116) | 152,116 | - |
| | Total general revenues and transfers | | | | 39,443,642 | 144,911 | 39,588,553 |
| | Change in net position | | | | 18,068,325 | (144,782) | 17,923,543 |
| | Net position (deficit) - beginning, as previously reported | | | | 22,193,487 | (602,283) | 21,591,204 |
| | Change in accounting principle (Note 5) | | | | (7,527,967) | (170,207) | (7,698,174) |
| | Net position (deficit) - beginning, as restated | | | | 14,665,520 | (772,490) | 13,893,030 |
| | Net position-ending | | | | $ 32,733,845 | $ (917,272) | $ 31,816,573 |

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

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

# FUND FINANCIAL STATEMENTS

***ASHEVILLE CITY SCHOOLS***
***BALANCE SHEET - GOVERNMENTAL FUNDS***
***June 30, 2025***

***Exhibit 3***

| | Major Funds | | | | | | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| | General | State Public School | Individual Schools | Capital Outlay | Other Special Revenue | Federal Grants | |
| **ASSETS** | | | | | | | |
| Cash and cash equivalents | $ 14,149,510 | $ - | $ 1,155,182 | $ 4,226,507 | $ 4,109,839 | $ - | $ 23,641,038 |
| Receivables | 26,414 | - | - | 2,735 | 39,634 | - | 68,783 |
| Due from other fund | - | - | - | - | 29,196 | - | 29,196 |
| Due from other governments | 65,196 | - | - | 1,213,021 | 1,235,772 | - | 2,513,989 |
| Total assets | $ 14,241,120 | $ - | $ 1,155,182 | $ 5,442,263 | $ 5,414,441 | $ - | $ 26,253,006 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and accrued liabilities | $ 1,303,346 | $ - | $ - | $ - | $ 13,946 | $ - | $ 1,317,292 |
| Due to other fund | - | - | 29,196 | - | - | - | 29,196 |
| Unearned revenues | - | - | - | - | 898,441 | - | 898,441 |
| Total liabilities | 1,303,346 | - | 29,196 | - | 912,387 | - | 2,244,929 |
| Fund balances: | | | | | | | |
| Restricted: | | | | | | | |
| Stabilization by State statute | 91,610 | - | - | - | 1,304,602 | - | 1,396,212 |
| School capital outlay | - | - | - | 5,442,263 | - | - | 5,442,263 |
| Individual schools | - | - | 1,125,986 | - | - | - | 1,125,986 |
| Assigned: | | | | | | | |
| Special revenues | - | - | - | - | 3,197,452 | - | 3,197,452 |
| Subsequent year's expenditures | 2,000,000 | - | - | - | - | - | 2,000,000 |
| Unassigned | 10,846,164 | - | - | - | - | - | 10,846,164 |
| Total fund balances | 12,937,774 | - | 1,125,986 | 5,442,263 | 4,502,054 | - | 24,008,077 |
| Total liabilities, deferred inflows of resources and fund balances | $ 14,241,120 | $ - | $ 1,155,182 | $ 5,442,263 | $ 5,414,441 | $ - | |
| Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because: | | | | | | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | | | | | | $ 95,556,727 |
| Net OPEB asset | | | | | | | 63,349 |
| Deferred outflows of resources related to pensions. | | | | | | | 14,979,524 |
| Deferred outflows of resources related to OPEB | | | | | | | 19,249,044 |
| Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds. | | | | | | | (10,747,040) |
| Net pension liability | | | | | | | (32,775,570) |
| Net OPEB liability | | | | | | | (64,387,660) |
| Deferred inflows of resources related to OPEB | | | | | | | (12,548,663) |
| Deferred inflows of resources related to pensions | | | | | | | (663,943) |
| Net position of governmental activities | | | | | | | $ 32,733,845 |

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

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS***
***For the Year Ended June 30, 2025***

***Exhibit 4***

| | Major Funds | | | | | | |
|---|---|---|---|---|---|---|---|
| | General | State Public School | Individual Schools | Capital Outlay | Other Special Revenue | Federal Grants | Total Governmental Funds |
| **REVENUES** | | | | | | | |
| State of North Carolina | $ - | $ 31,445,565 | $ - | $ 38,801 | $ 214,463 | $ - | $ 31,698,829 |
| Buncombe County | 17,245,850 | - | - | 3,360,992 | - | - | 20,606,842 |
| U.S. Government | - | 36,711 | - | 349,205 | 90,085 | 3,486,830 | 3,962,831 |
| Supplemental city school tax | 11,992,922 | - | - | - | - | - | 11,992,922 |
| Local option sales tax | - | - | - | - | 4,381,598 | - | 4,381,598 |
| Other | 122,028 | - | 1,404,943 | 411,739 | 2,899,477 | - | 4,838,187 |
| Total revenues | 29,360,800 | 31,482,276 | 1,404,943 | 4,160,737 | 7,585,623 | 3,486,830 | 77,481,209 |
| **EXPENDITURES** | | | | | | | |
| **Current:** | | | | | | | |
| Instructional services: | | | | | | | |
| Regular instructional | 7,548,524 | 17,481,094 | - | 29,973 | 2,714,926 | 815,554 | 28,590,071 |
| Special populations | 596,269 | 5,817,299 | - | - | 776,164 | 1,066,443 | 8,256,175 |
| Alternative programs | 999,534 | 724,343 | - | - | 1,363,715 | 1,059,456 | 4,147,048 |
| School leadership | 1,898,790 | 1,532,272 | - | - | 413,439 | 4,400 | 3,848,901 |
| Co-curricular services | 355,100 | - | 1,143,371 | 107,692 | - | - | 1,606,163 |
| School-based support | 2,325,307 | 2,403,101 | - | 995,671 | 436,980 | 15,690 | 6,176,749 |
| System-wide support services: | | | | | | | |
| Support and development | 325,858 | 179,607 | - | - | 58,279 | - | 563,744 |
| Special population support and development | 48,743 | 141,117 | - | - | 17,120 | 110,114 | 317,094 |
| Alternative programs and services | 490,480 | 1,349 | - | - | 218,982 | 63,463 | 774,274 |
| Technology support | 1,221,779 | 66,104 | - | - | 93,335 | - | 1,381,218 |
| Operational support | 6,021,158 | 2,491,805 | - | 519,082 | 752,225 | 15,226 | 9,799,496 |
| Financial and human resource services | 1,807,779 | 10,765 | - | - | 181,927 | 127,373 | 2,127,844 |
| Accountability | 124,416 | - | - | - | 13,670 | - | 138,086 |
| System-wide pupil support | 591,094 | 7 | - | - | 87,316 | - | 678,417 |
| Policy, leadership and public relations | 1,725,131 | 331,725 | - | - | 117,987 | - | 2,174,843 |
| Ancillary services | 278,956 | 149,572 | - | - | 284,097 | - | 712,625 |
| Non-programmed charges: | | | | | | | |
| Payments to charter schools | 2,758,313 | - | - | - | - | - | 2,758,313 |
| Other | - | - | - | - | 14,870 | 209,111 | 223,981 |
| **Capital outlay** | - | - | - | 757,917 | - | - | 757,917 |
| Total expenditures | 29,117,231 | 31,330,160 | 1,143,371 | 2,410,335 | 7,545,032 | 3,486,830 | 75,032,959 |
| Revenues over (under) expenditures | 243,569 | 152,116 | 261,572 | 1,750,402 | 40,591 | - | 2,448,250 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | |
| Transfers to other funds | - | (152,116) | - | - | - | - | (152,116) |
| Net change in fund balance | 243,569 | - | 261,572 | 1,750,402 | 40,591 | - | 2,296,134 |
| Fund balances-beginning | 12,694,205 | - | 864,414 | 3,691,861 | 4,461,463 | - | 21,711,943 |
| Fund balances-ending | $ 12,937,774 | $ - | $ 1,125,986 | $ 5,442,263 | $ 4,502,054 | $ - | $ 24,008,077 |

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

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

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

| | |
|---|---|
| Net changes in fund balances - total governmental funds | $ 2,296,134 |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay expenditures in the current period. | (2,475,118) |
| Capital assets contributed by other governments are not financial resources and, therefore, are not reported in the funds. However, they are reported as capital contributions in the Statement of Activities, resulting in an increase in net position. | 17,838,610 |
| Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities. | 2,859,126 |
| Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities. | 6,621,339 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | |
| OPEB nonemployer contributions | 19,589 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | |
| Pension expense | (8,428,822) |
| Net OPEB expense | (681,100) |
| Compensated absences | 90,858 |
| Loss on disposal of assets | (72,291) |
| Total changes in net position of governmental activities | $ 18,068,325 |

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS***
***For the Year Ended June 30, 2025***

***Exhibit 5***

| | General Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| **Revenues:** | | | | |
| State of North Carolina | $ - | $ - | $ - | $ - |
| Buncombe County | 17,964,427 | 17,245,850 | 17,245,850 | - |
| U.S. Government | - | - | - | - |
| Supplemental city school tax | 12,027,904 | 12,027,904 | 11,992,922 | (34,982) |
| Local option sales tax | - | - | - | - |
| Other | 200,000 | 150,000 | 122,028 | (27,972) |
| Total revenues | 30,192,331 | 29,423,754 | 29,360,800 | (62,954) |
| **Expenditures:** | | | | |
| **Current:** | | | | |
| Instructional services | 14,310,000 | 14,110,000 | 13,723,524 | 386,476 |
| System-wide support services | 15,962,331 | 15,893,754 | 12,356,438 | 3,537,316 |
| Ancillary services | 420,000 | 420,000 | 278,956 | 141,044 |
| Non-programmed charges: | | | | |
| Payments to charter schools | 3,000,000 | 3,000,000 | 2,758,313 | 241,687 |
| **Debt service:** | | | | |
| Principal payments | - | - | - | - |
| Interest payments | - | - | - | - |
| Total expenditures | 33,692,331 | 33,423,754 | 29,117,231 | 4,306,523 |
| Revenues over (under) expenditures | (3,500,000) | (4,000,000) | 243,569 | 4,243,569 |
| Other financing sources (uses): | | | | |
| Transfers to other funds | - | - | - | - |
| Revenues over (under) expenditures and other uses | (3,500,000) | (4,000,000) | 243,569 | 4,243,569 |
| Appropriated fund balance | 3,500,000 | 4,000,000 | - | 4,000,000 |
| Revenue and appropriated fund balance over (under) expenditures and other uses | $ - | $ - | 243,569 | $ 243,569 |
| Fund balances, beginning of year | | | 12,694,205 | |
| Fund balances, end of year | | | $ 12,937,774 | |

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

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS***
***For the Year Ended June 30, 2025***

***Exhibit 5 (Continued)***

| | State Public School Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| **Revenues:** | | | | |
| State of North Carolina | $ 31,066,072 | $ 32,165,035 | $ 31,445,565 | $ (719,470) |
| Buncombe County | - | - | - | - |
| U.S. Government | - | - | 36,711 | 36,711 |
| Supplemental city school tax | - | - | - | - |
| Local option sales tax | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | 31,066,072 | 32,165,035 | 31,482,276 | (682,759) |
| **Expenditures:** | | | | |
| **Current:** | | | | |
| Instructional services | 27,609,623 | 28,339,462 | 27,958,109 | 381,353 |
| System-wide support services | 3,331,449 | 3,493,457 | 3,222,479 | 270,978 |
| Ancillary services | - | 150,000 | 149,572 | 428 |
| Non-programmed charges | - | - | - | - |
| **Debt service:** | | | | |
| Principal payments | - | - | - | - |
| Interest payments | - | - | - | - |
| Total expenditures | 30,941,072 | 31,982,919 | 31,330,160 | 652,759 |
| Revenues over (under) expenditures | 125,000 | 182,116 | 152,116 | (30,000) |
| Other financing sources (uses): | | | | |
| Transfers to other funds | (125,000) | (182,116) | (152,116) | 30,000 |
| Revenues over (under) expenditures and other uses | - | - | - | - |
| Appropriated fund balance | - | - | - | - |
| Revenue and appropriated fund balance over (under) expenditures and other uses | $ - | $ - | - | $ - |
| Fund balances, beginning of year | | | - | |
| Fund balances, end of year | | | $ - | |

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS***
***For the Year Ended June 30, 2025***

***Exhibit 5 (Continued)***

| | Other Special Revenue Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| **Revenues:** | | | | |
| State of North Carolina | $ 218,851 | $ 214,351 | $ 214,463 | $ 112 |
| Buncombe County | - | - | - | - |
| U.S. Government | - | 707,319 | 90,085 | (617,234) |
| Supplemental city school tax | - | - | - | - |
| Local option sales tax | 3,650,000 | 4,200,000 | 4,381,598 | 181,598 |
| Other | 3,195,305 | 3,283,616 | 2,899,477 | (384,139) |
| Total revenues | 7,064,156 | 8,405,286 | 7,585,623 | (819,663) |
| **Expenditures:** | | | | |
| **Current:** | | | | |
| Instructional services | 7,250,122 | 7,652,556 | 5,705,224 | 1,947,332 |
| System-wide support services | 1,595,004 | 1,801,978 | 1,540,841 | 261,137 |
| Ancillary services | 284,407 | 358,232 | 284,097 | 74,135 |
| Non-programmed charges | 5,811 | 113,708 | 14,870 | 98,838 |
| **Debt service:** | | | | |
| Principal payments | - | - | - | - |
| Interest payments | - | - | - | - |
| Total expenditures | 9,135,344 | 9,926,474 | 7,545,032 | 2,381,442 |
| Revenues over (under) expenditures | (2,071,188) | (1,521,188) | 40,591 | 1,561,779 |
| Other financing sources (uses): | | | | |
| Transfers to other funds | - | - | - | - |
| Revenues over (under) expenditures and other uses | (2,071,188) | (1,521,188) | 40,591 | 1,561,779 |
| Appropriated fund balance | 2,071,188 | 1,521,188 | - | 1,521,188 |
| Revenue and appropriated fund balance over (under) expenditures | $ - | $ - | 40,591 | $ 40,591 |
| Fund balances, beginning of year | | | 4,461,463 | |
| Fund balances, end of year | | | $ 4,502,054 | |

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

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS***
***For the Year Ended June 30, 2025***

***Exhibit 5 (Continued)***

| | Federal Grants Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| **Revenues:** | | | | |
| State of North Carolina | $ - | $ - | $ - | $ - |
| Buncombe County | - | - | - | - |
| U.S. Government | 5,002,925 | 5,130,467 | 3,486,830 | (1,643,637) |
| Supplemental city school tax | - | - | - | - |
| Local option sales tax | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | 5,002,925 | 5,130,467 | 3,486,830 | (1,643,637) |
| **Expenditures:** | | | | |
| **Current:** | | | | |
| Instructional services | 4,237,939 | 4,357,238 | 2,961,543 | 1,395,695 |
| System-wide support services | 453,837 | 453,650 | 316,176 | 137,474 |
| Ancillary services | - | - | - | - |
| Non-programmed charges | 311,149 | 319,579 | 209,111 | 110,468 |
| **Debt service:** | | | | |
| Principal payments | - | - | - | - |
| Interest payments | - | - | - | - |
| Total expenditures | 5,002,925 | 5,130,467 | 3,486,830 | 1,643,637 |
| Revenues over (under) expenditures | - | - | - | - |
| Other financing sources (uses): | | | | |
| Transfers to other funds | - | - | - | - |
| Revenues over (under) expenditures and other uses | - | - | - | - |
| Appropriated fund balance | - | - | - | - |
| Revenue and appropriated fund balance over (under) expenditures and other uses | $ - | $ - | - | $ - |
| Fund balances, beginning of year | | | - | |
| Fund balances, end of year | | | $ - | |

*ASHEVILLE CITY SCHOOLS*
*STATEMENT OF NET POSITION - PROPRIETARY FUND*
*June 30, 2025*

*Exhibit 6*

| | Enterprise Funds |
|---|---|
| | Major Fund |
| | School Food Service |
| **ASSETS** | |
| Current assets: | |
| Cash and cash equivalents | $ 60,718 |
| Due from other governments | 28,023 |
| OPEB asset | 820 |
| Total current assets | 89,561 |
| Noncurrent assets: | |
| Capital assets, net | 280,920 |
| Total assets | 370,481 |
| **DEFERRED OUTFLOWS OF RESOURCES** | 442,963 |
| **LIABILITIES** | |
| Current liabilities: | |
| Accounts payable and accrued liabilities | 1,566 |
| Compensated absences | 44,414 |
| Unearned revenues | 54,378 |
| Total current liabilities | 100,358 |
| Noncurrent liabilities: | |
| Net pension liability | 424,160 |
| Net OPEB liability | 833,263 |
| Compensated absences | 201,948 |
| Total liabilities | 1,559,729 |
| **DEFERRED INFLOWS OF RESOURCES** | 170,987 |
| **NET POSITION** | |
| Net investment in capital assets | 280,920 |
| DIPNC OPEB plan | 820 |
| Unrestricted | (1,199,012) |
| Total net position | $ (917,272) |

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

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND***
***For the Year Ended June 30, 2025***

***Exhibit 7***

| | Enterprise Fund<br>Major Fund<br>School Food Service |
|---|---|
| **OPERATING REVENUES** | |
| Food sales | $ 421,104 |
| **OPERATING EXPENSES** | |
| Food cost: | |
| Purchase of food | 143,602 |
| Salaries and benefits | 838,933 |
| Indirect costs | 80,194 |
| Materials and supplies | 3,125 |
| Contracted services | 762,970 |
| Depreciation | 67,969 |
| Other | 8,658 |
| Total operating expenses | 1,905,451 |
| Operating income (loss) | (1,484,347) |
| **NONOPERATING REVENUES** | |
| Federal reimbursements | 988,483 |
| Federal commodities | 124,025 |
| State reimbursements | 1,952 |
| Indirect costs not paid | 80,194 |
| Loss on sale of capital assets | (10,926) |
| Other | 3,721 |
| Total nonoperating revenues | 1,187,449 |
| Income (loss) before transfers | (296,898) |
| Transfer from other funds | 152,116 |
| Change in net position | (144,782) |
| Total net position (deifict) - beginning | (602,283) |
| Change in accounting principle (Note 5) | (170,207) |
| Total net position (deficit) - beginning, as restated | (772,490) |
| Total net position (deficit) - ending | $ (917,272) |

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

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF CASH FLOWS - PROPRIETARY FUND***
***For the Year Ended June 30, 2025***

***Exhibit 8***

| | Enterprise Fund Major Fund School Food Service |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash received from customers | $ 428,333 |
| Cash paid for goods and services | (642,214) |
| Cash paid to employees for services | (1,000,462) |
| Net cash provided (used) by operating activities | (1,214,343) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | |
| Federal reimbursements | 995,593 |
| State reimbursements | 1,952 |
| Net cash provided by noncapital financing activities | 997,545 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest on investments and other | 3,721 |
| Net increase (decrease) in cash and cash equivalents | (213,077) |
| Balances-beginning of the year | 273,795 |
| Balances-end of the year | $ 60,718 |

| | |
|---|---|
| Reconciliation of operating loss to net cash used by operating activities | |
| Operating income (loss) | $ (1,484,347) |
| Adjustments to reconcile operating income (loss) to net cash used by operating activities: | |
| Depreciation | 67,969 |
| Donated commodities consumed | 124,025 |
| Transfers from other funds | 152,116 |
| Indirect costs not paid | 80,194 |
| Changes in assets deferred outflows of resources, and liabilities: | |
| (Increase) decrease in accounts receivable | 493 |
| (Increase) decrease in net OPEB asset | (820) |
| Increase (decrease) in accounts payable and accrued liabilities | (3,061) |
| (Increase) decrease in deferred outflows | 35,724 |
| Increase (decrease) in net pension liability | (138,763) |
| Increase (decrease) in net OPEB liability | 33,766 |
| Increase (decrease) in deferred inflows | (114,272) |
| Increase (decrease) in unearned revenues | 6,736 |
| Increase (decrease) in compensated absences | 25,897 |
| Total adjustments | 270,004 |
| Net cash proivided (used) by operating activities | $ (1,214,343) |

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

The State Public School Fund paid operating expenses of $152,116 of the School Food Service Fund during the fiscal year. The payment is reflected as an operating transfer in and an operating expense on Exhibit 7.

Indirect costs of $80,194 that would be due to the Other Special Revenue Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibits 7 and C-1.

The School Food Service Fund received donated commodities with a value of $124,025 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue.

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS***
***June 30, 2025***

***Exhibit 9***

| | Custodial Funds |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $ 22,434 |
| **NET POSITION** | |
| Unrestricted | $ 22,434 |

***ASHEVILLE CITY SCHOOLS***
***STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS***
***For the Year Ended June 30, 2025***

***Exhibit 10***

| | Custodial Funds |
|---|---|
| **ADDITIONS** | |
| Interest earned | $ 1,137 |
| **DEDUCTIONS** | |
| Supplies | 1,097 |
| Change in net position | 40 |
| Total net position - beginning | 22,394 |
| Total net position - ending | $ 22,434 |

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### Reporting Entity

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

### Basis of Presentation

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

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

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

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

The Board reports the following major governmental funds:

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

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

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

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

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

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

The Board reports the following major enterprise fund:

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

The Board reports the following fiduciary fund:

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

Measurement Focus and Basis of Accounting

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements*. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and

donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements*. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

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

Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue fund, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to move monies from one function to another within a fund. All other 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.

Assets, Liabilities, and Fund Equity

Deposits and Investments

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

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State

Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

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

Cash and Cash Equivalents

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

Inventories

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

Capital Assets

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

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

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

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

| | Years |
|---|---|
| Buildings | 50 |
| Improvements | 20 |
| Equipment and furniture | 5 - 20 |
| Vehicles | 8 |

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

Deferred Outflows and Inflows of Resources

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

Long-term Obligations

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

Unearned Revenue

Unearned revenue in the Governmental Funds is for programs for which funds have been received but not earned. Unearned revenue in the Enterprise Funds represents prepaid lunches for the School Nutrition Program.

Compensated Absences

The Board recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The Board follows the State’s policy for vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements on a FIFO basis. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. An estimate has been made based on prior years’ records of the current portion of compensated absences.

Vacation Leave - Employees may accumulate up to thirty (30) days of earned but unused vacation leave with such leave being fully vested when earned and eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave - 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. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Net Position/Fund Balances

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance is composed of four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that the Board of Education has assigned to be expended for

educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges.

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

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Executive Director of Finance will use resources in the following hierarchy: state funds, federal funds, local non-board of education funds, and board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Executive Director of Finance has the authority to deviate from this policy if it is in the best interest of the Board.

Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of $8,725,768 consists of several elements as follows:

| Description | Amount |
|---|---|
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column) | $ 173,057,773 |
| Less Accumulated Depreciation | 77,501,046 |
| Net capital assets | 95,556,727 |
| Net OPEB asset | 63,349 |
| Pension related deferred outflows of resources | 14,979,524 |
| OPEB related deferred outflows of resources | 19,249,044 |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements: | |
| Compensated absences | (10,747,040) |
| Net pension liability | (32,775,570) |
| Net OPEB liability | (64,387,660) |
| Deferred inflows of resources related to pensions | (663,943) |
| Deferred inflows of resources related to OPEB | (12,548,663) |
| Total adjustment | $ 8,725,768 |

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of $15,772,191 as follows:

| Description | Amount |
|---|---|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities. | $ 1,611,909 |
| Depreciation expenses, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements. | (4,087,027) |
| Capital assets contributed by other governments are not financial resources and, therefore, are not reported in the funds. However, they are reported as capital contributions in the Statement of Activities, resulting in an increase in net position. | 17,838,610 |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | 6,621,339 |
| Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities | 2,859,126 |
| Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements. | |
| OPEB nonemployer contributions | 19,589 |
| Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements. | |
| Pension expense | (8,428,822) |
| Net OPEB expense | (681,100) |
| Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources. | 90,858 |
| Loss on disposal of fixed assets | (72,291) |
| Total adjustment | $ 15,772,191 |

Defined Benefit Pension Plan and OPEB Plans

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

NOTE 2 - DETAIL NOTES ON ALL FUNDS

Assets

Deposits

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

At June 30, 2025, the Board had deposits with banks and savings and loans with a carrying amount of $6,221,282 and with the State Treasurer of $1,500,000. The bank balances with the financial institutions and the State Treasurer were $5,617,525 and $3,632,906, respectively. Of these balances, $1,107,421 was covered by federal depository insurance and $8,143,010 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

At June 30, 2025, the Board of Education had $4,397,294 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. There was $11,605,614 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2025. The Board has no policy for managing interest rate risk or credit risk.

Accounts Receivable

Receivables at the government-wide level at June 30, 2025 are as follows:

| | Due from other governments | Other | Total |
|---|---|---|---|
| Governmental activities: | | | |
| General Fund | $ 65,196 | $ 26,414 | $ 91,610 |
| Other governmental activities | 2,448,793 | 42,369 | 2,491,162 |
| Total governmental activities | $ 2,513,989 | $ 68,783 | $ 2,582,772 |
| Business-type activities: | | | |
| School Food Service Fund | $ 28,023 | $ - | $ 28,023 |

Due from other governments consists of the following:

| | | |
|---|---|---|
| Governmental activities: | | |
| General Fund | $ 10,544 | Due from Buncombe County |
| General Fund | 54,652 | Due from Asheville City |
| Other Special Revenue Fund | 1,145,687 | Due from Buncombe County |
| Other Special Revenue Fund | 90,085 | Due from US Department of Education (Project Serv) |
| Capital Outlay Fund | 322,921 | Due from NC Department of Public Safety |
| Capital Outlay Fund | 890,100 | Due from Buncombe County |
| Total | $ 2,513,989 | |
| Business-type activities: | | |
| School Food Service Fund | $ 28,023 | Federal grant funds |

## Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

| | Beginning Balances | Increases | Decreases | Transfers | Ending Balances |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | $ 1,307,576 | $ - | $ - | $ - | $ 1,307,576 |
| Construction in progress | 538,600 | 92,563 | - | (323,950) | 307,213 |
| Construction in progress - Contributed | - | 11,304,902 | - | - | 11,304,902 |
| Total capital assets not being depreciated | 1,846,176 | 11,397,465 | - | (323,950) | 12,919,691 |
| Capital assets being depreciated: | | | | | |
| Buildings | 138,068,154 | 5,469,319 | 1,044,086 | 323,950 | 142,817,337 |
| Equipment and furniture | 4,838,196 | 645,013 | 1,082,989 | - | 4,400,220 |
| Vehicles | 4,689,744 | 291,520 | 548,199 | - | 4,433,065 |
| Land improvements | 6,901,048 | 1,647,202 | 60,790 | - | 8,487,460 |
| Total capital assets being depreciated | 154,497,142 | 8,053,054 | 2,736,064 | 323,950 | 160,138,082 |
| Less accumulated depreciation for: | | | | | |
| Buildings | 65,554,387 | 3,391,466 | 1,007,976 | - | 67,937,877 |
| Equipment and furniture | 3,528,753 | 188,415 | 1,046,808 | - | 2,670,360 |
| Vehicles | 3,632,863 | 298,498 | 548,199 | - | 3,383,162 |
| Land improvements | 3,361,789 | 208,648 | 60,790 | - | 3,509,647 |
| Total accumulated depreciation | 76,077,792 | 4,087,027 | 2,663,773 | - | 77,501,046 |
| Total capital assets being depreciated, net | 78,419,350 | | | | 82,637,036 |
| Governmental activity capital assets, net | $ 80,265,526 | | | | $ 95,556,727 |

| | Beginning Balances | Increases | Decreases | Transfers | Ending Balances |
|---|---|---|---|---|---|
| Business-type activities: | | | | | |
| School Food Service Fund: | | | | | |
| Capital assets being depreciated: | | | | | |
| Equipment | $ 1,270,537 | $ - | $ 49,260 | $ - | $ 1,221,277 |
| Less accumulated depreciation for: | | | | | |
| Equipment | 910,722 | 67,969 | 38,334 | - | 940,357 |
| School Food Service capital assets, net | $ 359,815 | | | | $ 280,920 |

Depreciation was charged to governmental functions as follows:

| | |
|---|---|
| Regular Instruction services | $ 3,600,114 |
| System-wide support services | 298,498 |
| Unallocated depreciation | 188,415 |
| Total | $ 4,087,027 |

Construction Commitments

Asheville City Board of Education has active construction projects as of June 30, 2025 for the benefit of Asheville City Board of Education. At year end, commitments with contractors for school construction and renovations are as follows:

| | Spent to date | Remaining Commitment |
|---|---|---|
| AHS baseball field lighting | $ 290,613 | $ 151,137 |
| Chiller replacement at Claxton Elementary | 16,600 | 160,150 |
| | $ 307,213 | $ 311,287 |

Capital Contributions

For the year ended June 30, 2025, Asheville City Board of Education recognized $6,533,708 in capital contributions, and $11,304,902 in construction in progress capital contributions. These amounts were contributed by Buncombe County for capital projects selected and managed by the Buncombe School Capital Fund Commission. These amounts increased the District's capital assets and net position in governmental activities but are not reported as revenues or expenditures in the governmental funds, since they do not provide current financial resources.

Liabilities

Pension Plan and Other Postemployment Obligations

Teachers' and State Employees' Retirement System

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

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

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

*Contributions.* Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2025, was 16.79% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were $6,707,029 for the year ended June 30, 2025.

*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, 2025, the Board reported a liability of $33,199,730 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025 and at June 30, 2024, the Board's proportion was .22%.

For the year ended June 30, 2025, the Board recognized pension expense of $8,498,856. At June 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 2,991,872 | $ 98,143 |
| Net difference between projected and actual earnings on pension plan investments | 5,474,478 | - |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | - | 574,391 |
| Board contributions subsequent to the measurement date | 6,707,029 | - |
| Total | $ 15,173,379 | $ 672,534 |

$6,707,029 reported as deferred outflows of resources related to pensions resulting from the Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2026.

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

| **Year ended June 30:** | |
|---|---|
| 2026 | $ 2,122,074 |
| 2027 | 6,399,326 |
| 2028 | (141,581) |
| 2029 | (586,004) |
| 2030 | - |
| Thereafter | - |
| Total | $ 7,793,815 |

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

| | |
|---|---|
| Inflation | 2.50% |
| Salary increases | 3.25% to 8.05%, including a 2.5% inflation and productivity factor |
| Investment rate of return | 6.50%, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the December 31, 2023 actuarial valuation were based on the actuarial experience study for the prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2023. 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, 2025 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Fixed Income | 33.0% | 2.4% |
| Global Equity | 38.0% | 6.9% |
| Real Estate | 8.0% | 6.0% |
| Alternatives | 8.0% | 8.6% |
| Opportunistic Fixed Income | 7.0% | 5.3% |
| Inflation Projection | 6.0% | 4.3% |
| Total | 100.0% | |

The information above is based on 30 year expectations developed with the consulting actuary for the 2023 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability reported at June 30, 2025 and 2024 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan

members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

| | 1% Decrease (5.50%) | Current Discount Rate (6.50%) | 1% Increase (7.50%) |
|---|---|---|---|
| Board's proportionate share of the net pension liability (asset) | $ 60,901,224 | $ 33,199,730 | $ 10,355,789 |

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

Other Postemployment Benefits

Healthcare Benefits

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

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

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

*Benefits provided*. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the

self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

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

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

*Contributions*. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.99% of covered payroll which amounted to $2,844,196. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling $35.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled $19,843.

At June 30, 2025, Board reported a liability of $65,220,923 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of

December 31, 2023. The total OPEB liability was then rolled forward to the measurement date of June 30, 2024 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, 2025 and at June 30, 2024, the Boards proportion was 0.19% and 0.20%, respectively.

$2,844,196 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, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| **Year ended June 30:** | | |
|---|---|---|
| 2026 | $ | (1,943,993) |
| 2027 | | (45,817) |
| 2028 | | 3,285,711 |
| 2029 | | 2,621,893 |
| 2030 | | - |
| Thereafter | | - |
| Total | $ | 3,917,794 |

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

| | |
|---|---|
| Inflation | 2.50% |
| Salary increases | 3.25 - 8.05% including a 3.25% inflation and productivity factor |
| Investment rate of return | 6.50% |
| **Healthcare cost trend rates:** | |
| Medical | 5.00 - 6.50% |
| Prescription drug | 5.00 - 10.00% |
| Administrative costs | 3.00% |
| Post-retirement mortality rates | Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019 |

*Discount rate*. The discount rate used to measure the total OPEB liability for the RHBF at June 30, 2025 and 2024 were 3.93% and 3.65%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.93% was used as the discount rate used to measure the total OPEB liability. The 3.93% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2025.

*Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were

calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage point higher (4.93 percent) than the current discount rate:

| | 1% Decrease (2.93%) | Current Discount Rate (3.93%) | 1% Increase (4.93%) |
|---|---|---|---|
| Net OPEB liability | $ 77,597,945 | $ 65,220,923 | $ 55,286,175 |

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

| | 1% Decrease in Trend Rates | Current Trend Rates (5.00-6.50% Medical, 5.00-10.00% Rx, 5.00% Medicare, 3.00% Administrative Expenses) | 1% Increase in Trend Rates |
|---|---|---|---|
| Net OPEB liability | $ 53,836,525 | $ 65,220,923 | $ 79,965,215 |

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

Disability Benefits

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

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

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

*Benefits Provided*. Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease,

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

*Contributions*. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2025, employers made a statutory contribution of 0.13% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were $51,931 for the year ended June 30, 2025.

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

At June 30, 2025, Board reported an OPEB asset of $64,169 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2023. The total OPEB asset was then rolled forward to the measurement date of June 30, 2024 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, 2025 and at June 30, 2024, the Boards proportion was .20%.

$51,931 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, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | | |
|---|---|---|
| **Year ended June 30:** | | |
| 2026 | $ | (25,759) |
| 2027 | | (17,704) |
| 2028 | | 8,558 |
| 2029 | | 4,982 |
| 2030 | | 3,095 |
| Thereafter | | - |
| Total | $ | (26,828) |

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

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

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

| | 1% Decrease (2.00%) | Current Discount Rate (3.00%) | 1% Increase (4.00%) |
|---|---|---|---|
| Net OPEB asset | $ 57,218 | $ 64,169 | $ 71,476 |

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2023 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, 2024. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2025. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2025 is 3.0%.

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

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

| | RHBF | DIPNC | Total |
|---|---|---|---|
| OPEB expense (revenue) | $ (518,091) | $ (31,555) | $ (549,646) |
| OPEB liability (asset) | 65,220,923 | (64,169) | 65,156,754 |
| Proportionate share of the net OPEB liability | 0.192% | 0.195% | |
| Deferred of Outflows of Resources | | | |
| Differences between expected and actual experience | $ 531,589 | $ 25,870 | $ 557,459 |
| Changes of assumptions | 15,707,861 | 957 | 15,708,818 |
| Net difference between projected and actual earnings on plan investments | 279,482 | 50,377 | 329,859 |
| Changes in proportion and defferences between Board contributions and proportionate share of contributions | - | 5,889 | 5,889 |
| Board contributions subsequent to the measurement date | 2,844,196 | 51,931 | 2,896,127 |
| Total Deferred Outflows of Resources | $ 19,363,128 | $ 135,024 | $ 19,498,152 |
| Deferred of Inflows of Resources | | | |
| Differences between expected and actual experience | $ - | $ 73,809 | $ 73,809 |
| Changes of assumptions | 8,503,477 | 29,896 | 8,533,373 |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | 4,097,661 | 6,216 | 4,103,877 |
| Total Deferred Inflows of Resources | $ 12,601,138 | $ 109,921 | $ 12,711,059 |

Accounts Payable

Accounts payable as of June 30, 2025 are as follows:

| | Vendors | Charter Schools | Total |
|---|---|---|---|
| Governmental Activities: | | | |
| General | $ 1,095,317 | $ 208,029 | $ 1,303,346 |
| Other Govermental | 13,946 | - | 13,946 |
| Total Governmental Activities | $ 1,109,263 | $ 208,029 | $ 1,317,292 |
| Business-types Activities | | | |
| School Food Service | $ 1,566 | $ - | $ 1,566 |

Deferred Inflows of resources

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Changes in proportion and differences between Board contributions and proportionate share of contributions | $ 5,889 | $ 4,678,268 |
| Changes in assumptions | 15,708,818 | 8,533,373 |
| Difference between projected and actual earnings on plan investments | 5,804,337 | - |
| Board contributions subsequent to the measurement date | 9,603,156 | - |
| Difference between expected and actual experience | 3,549,331 | 171,952 |
| Total | $ 34,671,531 | $ 13,383,593 |

Unearned Revenues

The balance in unearned revenues at June 30, 2025 is composed of the following:

| | Unearned Revenue |
|---|---|
| Prepaid lunch sales (School Food Service Fund) | $ 54,378 |
| Various grants (Other Special Revenue Fund) | $ 898,441 |

Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Through the private insurance industry, the Board maintains general liability and errors and omissions coverage of $1 million per claim. The Board has an annual aggregate limit for general liability of $3,000,000 and $1,000,000 each loss and $1,000,000 aggregate for errors and omissions. In addition, the Board carries commercial umbrella for another $1,000,000 of liability coverage. The State of North Carolina provides workers' compensation for employees to the extent they are paid from State funds. For employees not paid from State funds, the Board also carries workers' compensation and employers liability through private insurance of $1,000,000 each accident and $1,000,000 each employee, with a policy limit of $1 million. Directed by the North Carolina General Assembly, the North Carolina Department of Public Instruction implemented, in 2011, an Excess Educator's Legal Liability policy. This policy is in excess of

the Board's insurance policies, covers all employees of the school system, and there is no requirement that employees join any association to receive coverage of $1,000,000 per insured per occurrence with a $1,000,000 aggregate per insured.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina until December 31, 2024 and Aetna thereafter. The Board pays the majority of the cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

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

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

Long-Term Obligations

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2025:

| | July 1, 2024 as restated | Increases | Decreases | June 30, 2025 | Current Portion |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Net pension liability | $ 36,825,666 | $ - | $ 4,050,096 | $ 32,775,570 | $ - |
| Net OPEB liability | 52,302,098 | 12,085,562 | - | 64,387,660 | - |
| Compensated absences | 10,837,898 | - | 90,858 | 10,747,040 | 2,122,166 |
| Total governmental activities | $ 99,965,662 | $ 12,085,562 | $ 4,140,954 | $ 107,910,270 | $ 2,122,166 |
| Business-type activities: | | | | | |
| Net pension liability | $ 562,923 | $ - | $ 138,763 | $ 424,160 | $ - |
| Net OPEB liability | 799,497 | 33,766 | - | 833,263 | - |
| Compensated absences | 220,465 | 25,897 | - | 246,362 | 44,414 |
| Total business activities: | $ 1,582,885 | $ 59,663 | $ 138,763 | $ 1,503,785 | $ 44,414 |

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

Transfers to/from other Funds

Transfers to/from other funds at June 30, 2025 consist of the following:

| | |
|---|---|
| From the State Public School Fund to the School Food Service Fund for administrative costs | $ 152,116 |

Due to/from other Funds

The Individual Schools Fund owes the Other Special Revenue Fund $29,196 for operating expenditures.

Fund Balance

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

| | |
|---|---|
| Total fund balance - General Fund | $ 12,937,774 |
| Less: | |
| Stabilization by State statute | 91,610 |
| Appropriated Fund Balance in 2026 budget | 2,000,000 |
| Remaining fund balance | $ 10,846,164 |

Supplemental City School Tax

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

NOTE 3 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Board has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

NOTE 4 – SUBSEQUENT EVENT

Management has evaluated subsequent events through December 3, 2025, the date which the financial statements were available to be issued. Based on this evaluation, management is not aware of any events that occurred subsequent to year-end that would require recognition or disclosure in the accompanying financial statements.

NOTE 5 – ACCOUNTING CHANGES

Change in Accounting Principle

Effective July 1, 2024, the Board implemented accounting and financial reporting requirements of GASB Statement 101, Compensated Absences. The statement requires that governments recognize liabilities for sick leave that is attributable to services the employee has rendered, that accumulates and is more likely than not to be used. See the table below for the effects on Board's net position as a result of the adoption of this statement.

Adjustments to and Restatements of Beginning Balances

During the fiscal year ended June 30, 2025, implementation of GASB Statement 101 resulted in restatements of beginning net position and fund net position, as follows:

| | June 30, 2024 as previously reported | Change in accounting principle | June 30, 2024 as restated |
|---|---|---|---|
| Net position: government-wide statements | | | |
| Governmental activities | $ 22,193,487 | $ (7,527,967) | $ 14,665,520 |
| Business-type activities | (602,283) | (170,207) | (772,490) |
| Total primary government | $ 21,591,204 | $ (7,698,174) | $ 13,893,030 |
| | | | |
| Fund net position: enterprise fund | | | |
| Major fund | $ (602,283) | $ (170,207) | $ (772,490) |




ASHEVILLE CITY SCHOOLS

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# SUPPLEMENTARY INFORMATION



# ASHEVILLE CITY SCHOOLS

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# REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Board's Proportionate Share of the Net Pension Liability
Teachers' and State Employees' Retirement System

Schedule of Board Contributions
Teachers' and State Employees' Retirement System

Schedule of the Board's Proportionate Share of the Net OPEB Liability
Retiree Health Benefit Fund

Schedule of Board Contributions
Retiree Health Benefit Fund

Schedule of the Board's Proportionate Share of the Net OPEB Liability
Disability Income Plan of North Carolina

Schedule of Board Contributions
Disability Income Plan of North Carolina

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

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Board's proportion of the net pension liability (asset) | 0.224% | 0.224% | 0.226% | 0.235% | 0.244% |
| Board's proportionate share of the net pension liability (asset) | $ 33,199,730 | $ 37,388,589 | $ 33,507,837 | $ 11,000,835 | $ 29,459,533 |
| Board's covered-employee payroll | $ 39,677,730 | $ 37,082,714 | $ 37,655,724 | $ 35,633,575 | $ 35,511,680 |
| Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 83.67% | 100.82% | 88.98% | 30.87% | 82.96% |
| Plan fiduciary net position as a percentage of the total pension liability | 85.35% | 82.97% | 84.14% | 94.86% | 85.98% |

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

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

**This schedule is required supplementary information**.

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

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Contractually required contribution | $ 6,707,029 | $ 6,995,184 | $ 6,444,976 | $ 6,168,008 | $ 5,266,642 |
| Contributions in relation to the contractually required contribution | 6,707,029 | 6,995,184 | 6,444,976 | 6,168,008 | 5,266,642 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Board's covered-employee payroll | $ 39,946,568 | $ 39,677,730 | $ 37,082,714 | $ 37,655,724 | $ 35,633,575 |
| Contributions as a percentage of covered-employee payroll | 16.79% | 17.63% | 17.38% | 16.38% | 14.78% |

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

**This schedule is required supplementary information.**

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

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Board's proportion of the net OPEB liability (asset) | 0.192% | 0.199% | 0.202% | 0.208% | 0.212% |
| Board's proportionate share of the net OPEB liability (asset) | $ 65,220,923 | $ 53,049,376 | $ 47,884,123 | $ 64,451,920 | $ 58,902,685 |
| Board's covered-employee payroll | $ 39,677,730 | $ 37,082,714 | $ 37,655,724 | $ 35,633,575 | $ 35,511,680 |
| Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 164.38% | 143.06% | 127.16% | 180.87% | 165.87% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 9.79% | 10.73% | 10.58% | 7.72% | 6.92% |

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| Board's proportion of the net OPEB liability (asset) | 0.214% | 0.210% | 0.208% | 0.202% |
| Board's proportionate share of the net OPEB liability (asset) | $ 67,627,045 | $ 59,740,339 | $ 68,139,813 | $ 87,886,274 |
| Board's covered-employee payroll | $ 35,656,444 | $ 32,666,048 | $ 30,183,001 | $ 29,076,240 |
| Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 189.66% | 182.88% | 225.76% | 302.26% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 4.40% | 4.40% | 3.52% | 0.24% |

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

Note: This schedule is intended to show information for ten years, however such information for ten years is not available. As information comes available it will be displayed will be displayed in this schedule.

**This schedule is required supplementary information.**

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

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Contractually required contribution | $ 2,844,196 | $ 2,832,990 | $ 2,554,999 | $ 2,368,545 | $ 2,380,323 |
| Contributions in relation to the contractually required contribution | 2,844,196 | 2,832,990 | 2,554,999 | 2,368,545 | 2,380,323 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Board's covered-employee payroll | $ 39,946,568 | $ 39,677,730 | $ 37,082,714 | $ 37,655,724 | $ 35,633,575 |
| Contributions as a percentage of covered-employee payroll | 6.99% | 7.14% | 6.89% | 6.29% | 6.68% |

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| Contractually required contribution | $ 2,297,606 | $ 2,235,659 | $ 1,976,296 | $ 1,753,632 | $ 1,690,248 |
| Contributions in relation to the contractually required contribution | 2,297,606 | 2,235,659 | 1,976,296 | 1,753,632 | 1,690,248 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Board's covered-employee payroll | $ 35,511,680 | $ 35,656,444 | $ 32,666,048 | $ 30,183,001 | $ 29,076,240 |
| Contributions as a percentage of covered-employee payroll | 6.47% | 6.27% | 6.05% | 5.81% | 5.81% |

**This schedule is required supplementary information.**

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

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Board's proportion of the net OPEB liability/asset | 0.195% | 0.196% | 0.199% | 0.209% | 0.216% |
| Board's proportionate share of the net OPEB liability (asset) | $ (64,169) | $ 52,219 | $ 59,071 | $ (34,208) | $ (106,136) |
| Board's covered payroll | $ 39,677,730 | $ 37,082,714 | $ 37,655,724 | $ 35,633,575 | $ 35,511,680 |
| Board's proportionate share of the net OPEB liability/asset as a percentage of its covered-employee payroll | 0.16% | 0.14% | 0.16% | 0.10% | 0.30% |
| Plan fiduciary net position as a percentage of the total OPEB liability/asset | 114.99% | 90.61% | 90.34% | 105.18% | 115.57% |

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| Board's proportion of the net OPEB liability/asset | 0.222% | 0.211% | 0.199% | 0.207% |
| Board's proportionate share of the net OPEB liability (asset) | $ (95,694) | $ (63,990) | $ (120,830) | $ (128,354) |
| Board's covered payroll | $ 35,656,444 | $ 32,666,048 | $ 30,183,001 | $ 29,076,240 |
| Board's proportionate share of the net OPEB liability/asset as a percentage of its covered-employee payroll | 0.27% | 0.20% | 0.40% | 0.44% |
| Plan fiduciary net position as a percentage of the total OPEB liability/asset | 113.00% | 108.47% | 116.23% | 116.06% |

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

Note: This schedule is intended to show information for ten years, however such information for ten years is not available. As information comes available it will be displayed will be displayed in this schedule.

**This schedule is required supplementary information.**

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

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Contractually required contribution | $ 51,931 | $ 43,646 | $ 37,083 | $ 33,890 | $ 32,070 |
| Contributions in relation to the contractually required contribution | 51,931 | 43,646 | 37,083 | 33,890 | 32,070 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Board's covered payroll | $ 39,946,568 | $ 39,677,730 | $ 37,082,714 | $ 37,655,724 | $ 35,633,575 |
| Contributions as a percentage of covered-employee payroll | 0.13% | 0.11% | 0.10% | 0.09% | 0.09% |

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| Contractually required contribution | $ 35,512 | $ 49,959 | $ 45,732 | $ 114,695 | $ 119,213 |
| Contributions in relation to the contractually required contribution | 35,512 | 49,959 | 45,732 | 114,695 | 119,213 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Board's covered payroll | $ 35,511,680 | $ 35,656,444 | $ 32,666,048 | $ 30,183,001 | $ 29,076,240 |
| Contributions as a percentage of covered-employee payroll | 0.10% | 0.14% | 0.14% | 0.38% | 0.41% |

**This schedule is required supplementary information.**

# INDIVIDUAL FUND SCHEDULES

***ASHEVILLE CITY SCHOOLS***
***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND***
***For the Year Ended June 30, 2025***

***Exhibit A-1***

| | Budget | Actual | Positive (Negative) Variance |
|---|---|---|---|
| **Revenues:** | | | |
| Buncombe County: | | | |
| County appropriations | $ 17,245,850 | $ 17,245,850 | $ - |
| Other: | | | |
| Supplemental school taxes | 12,027,904 | 11,992,922 | (34,982) |
| Miscellaneous | 150,000 | 122,028 | (27,972) |
| Total | 12,177,904 | 12,114,950 | (62,954) |
| Total revenues | 29,423,754 | 29,360,800 | (62,954) |
| **Expenditures:** | | | |
| Instructional services | 14,110,000 | 13,723,524 | 386,476 |
| System-wide support services | 15,893,754 | 12,356,438 | 3,537,316 |
| Ancillary services | 420,000 | 278,956 | 141,044 |
| Non-programmed charges | | | |
| Payments to charter schools | 3,000,000 | 2,758,313 | 241,687 |
| Total expenditures | 33,423,754 | 29,117,231 | 4,306,523 |
| Revenues over (under) expenditures | (4,000,000) | 243,569 | 4,243,569 |
| Appropriated fund balance | 4,000,000 | - | (4,000,000) |
| Revenues and appropriated fund balance over (under) expenditures | $ - | 243,569 | $ 243,569 |
| **Fund balances:** | | | |
| Beginning of year, July 1 | | 12,694,205 | |
| End of year, June 30 | | $ 12,937,774 | |

***ASHEVILLE CITY SCHOOLS***
***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL OUTLAY FUND***
***For the Year Ended June 30, 2025***

***Exhibit B-1***

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Revenues: | | | |
| US Government: | | | |
| FEMA - Disaster Grant | $ 375,000 | $ 349,205 | $ (25,795) |
| State of North Carolina: | | | |
| FEMA - Disaster Grant - State Match | 125,000 | 38,801 | (86,199) |
| Buncombe County: | | | |
| General county appropriations | 3,250,000 | 3,360,992 | 110,992 |
| Other: | | | |
| Interest | 50,000 | 103,509 | 53,509 |
| Insurance proceeds | 400,000 | 252,161 | (147,839) |
| Miscellaneous | 72,360 | 56,069 | (16,291) |
| | 522,360 | 411,739 | (110,621) |
| Total revenues | 4,272,360 | 4,160,737 | (111,623) |
| Expenditures: | | | |
| Instructional services | 1,295,000 | 1,133,336 | 161,664 |
| System-wide support services | 905,000 | 519,082 | 385,918 |
| Capital outlay | 3,638,360 | 757,917 | 2,880,443 |
| Total expenditures | 5,838,360 | 2,410,335 | 3,428,025 |
| Revenues over (under) expenditures | (1,566,000) | 1,750,402 | 3,316,402 |
| Appropriated fund balance | 1,566,000 | - | (1,566,000) |
| Revenues and appropriated fund balance over (under) expenditures | $ - | 1,750,402 | $ 1,750,402 |
| Fund balances: | | | |
| Beginning of year, July 1 | | 3,691,861 | |
| End of year, June 30 | | $ 5,442,263 | |

***ASHEVILLE CITY SCHOOLS***
***SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) - SCHOOL FOOD SERVICE FUND***
***For the Year Ended June 30, 2025***

***Exhibit C-1***

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Operating revenues: | | | |
| Food sales | $ 806,000 | $ 421,104 | $ (384,896) |
| Operating expenditures: | | | |
| Purchase of food | | 143,602 | |
| Salaries and benefits | | 996,581 | |
| Materials and supplies | | 3,125 | |
| Contracted services | | 762,970 | |
| Other | | 8,658 | |
| Total operating expenditures | 2,224,116 | 1,914,936 | 309,180 |
| Operating loss | (1,418,116) | (1,493,832) | (75,716) |
| Nonoperating revenues: | | | |
| Federal reimbursements | 1,063,000 | 988,483 | (74,517) |
| Federal commodities | 200,000 | 124,025 | (75,975) |
| State reimbursements | 3,000 | 1,952 | (1,048) |
| Loss on sale of fixed assets | - | (10,926) | (10,926) |
| Other | - | 3,721 | 3,721 |
| Total nonoperating revenues | 1,266,000 | 1,107,255 | (158,745) |
| Revenues over (under) expenditures before other financing sources | (152,116) | (386,577) | (234,461) |
| Other financing sources: | | | |
| Transfers from other funds | 152,116 | 152,116 | - |
| Revenues and other sources over (under) expenditures | $ - | $ (234,461) | $ (234,461) |

| | Actual |
|---|---|
| Reconciliation of modified accrual to full accrual basis: | |
| Revenues, other sources, and appropriated fund balance over (under) expenditures | $ (234,461) |
| Reconciling items: | |
| Depreciation | (67,969) |
| (Increase) decrease in compensated absences | (25,897) |
| Deferred outflows | (35,724) |
| Net pension liability | 138,763 |
| Net OPEB liability | (33,766) |
| Deferred inflows | 114,272 |
| Change in net position | $ (144,782) |

*ASHEVILLE CITY SCHOOLS*
*COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS*
*June 30, 2025*

***Exhibit D-1***

| | Custodial Funds | | |
|---|---|---|---|
| | Asheville High Awards | Isaac Dickson Elementary | Total Custodial Funds |
| **ASSETS** | | | |
| Cash and cash equivalents | $ 20,112 | $ 2,322 | $ 22,434 |
| **NET POSITION** | | | |
| Unrestricted | $ 20,112 | $ 2,322 | $ 22,434 |

***ASHEVILLE CITY SCHOOLS***
***COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS***
***For the Year Ended June 30, 2025***

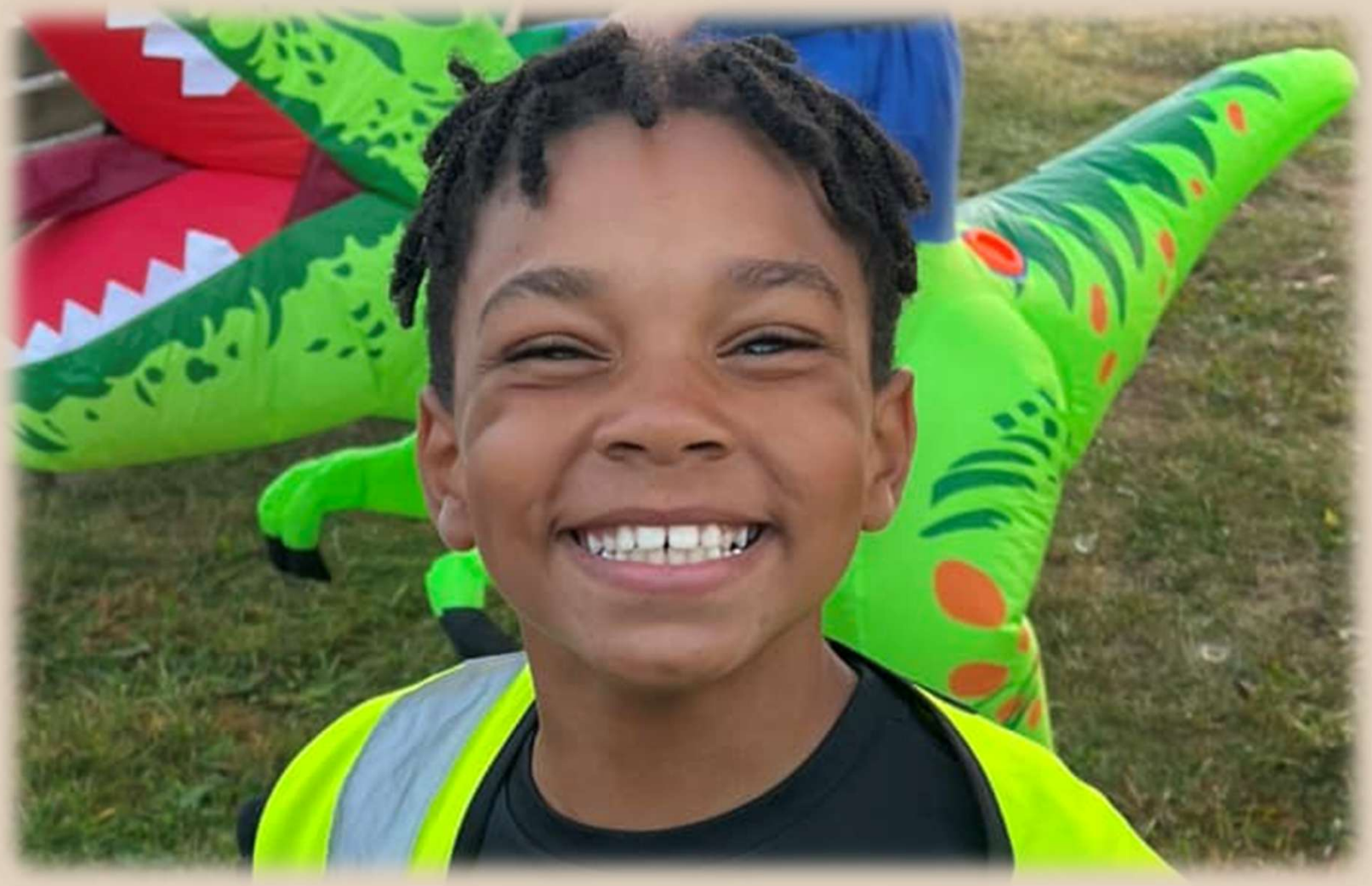
***Exhibit E-1***

| | Custodial Funds | | |
|---|---|---|---|
| | **Asheville High Awards** | **Isaac Dickson Elementary** | **Total Custodial Funds** |
| **ADDITIONS** | | | |
| Interest earned | $ 1,025 | $ 112 | $ 1,137 |
| **DEDUCTIONS** | | | |
| Supplies | 1,097 | - | 1,097 |
| Change in net position | (72) | 112 | 40 |
| Total net position - beginning | 20,184 | 2,210 | 22,394 |
| Total net position - ending | $ 20,112 | $ 2,322 | $ 22,434 |

***ASHEVILLE CITY SCHOOLS***
***SCHEDULE OF REVENUES AND EXPENDITURES - INDIVIDUAL SCHOOLS FUND***
***For the Year Ended June 30, 2025***

***Exhibit F-1***

| | Fund Balance Beginning of Year July 1 | Revenues | Expenditures | Transfers | Fund Balance End of Year June 30 |
|---|---|---|---|---|---|
| **Elementary Schools** | | | | | |
| Claxton Elementary School | $ 34,764 | $ 72,029 | $ 72,831 | $ - | $ 33,962 |
| Hall Fletcher Elementary School | 16,155 | 514,841 | 244,724 | - | 286,272 |
| Ira B. Jones Elementary | 32,369 | 34,436 | 33,415 | - | 33,390 |
| Isaac Dickson Elementary | 47,920 | 18,085 | 17,966 | - | 48,039 |
| Lucy Herring Elementary | 15,624 | 23,688 | 22,459 | - | 16,853 |
| Montford North Star Academy | 20,806 | 2,179 | - | (22,985) | - |
| Total elementary schools | 167,638 | 665,258 | 391,395 | (22,985) | 418,516 |
| **Middle Schools** | | | | | |
| Asheville Middle | 166,332 | 254,267 | 256,559 | 22,985 | 187,025 |
| **High Schools** | | | | | |
| Asheville High | 530,444 | 485,418 | 495,417 | - | 520,445 |
| Total all schools | $ 864,414 | $ 1,404,943 | $ 1,143,371 | $ - | $ 1,125,986 |



ASHEVILLE CITY SCHOOLS

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# STATISTICAL SECTION



# ASHEVILLE CITY SCHOOLS

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# STATISTICAL SECTION

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

Financial Trends Schedules

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

Revenue Capacity Schedules

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

Debt Capacity Schedules

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

Demographic and Economic Information Schedules

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

Operating Information Schedules

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

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



# ASHEVILLE CITY SCHOOLS

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

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 |
| Governmental Activities | | | | |
| Net investment in capital assets | $ 95,556,727 | $ 80,265,526 | $ 81,459,906 | $ 78,124,340 |
| Restricted | 8,027,810 | 5,961,715 | 5,592,795 | 7,209,074 |
| Unrestricted | (70,850,692) | (64,033,754) | (68,513,877) | (79,055,624) |
| Total Governmental Activities Net Position | $ 32,733,845 | $ 22,193,487 | $ 18,538,824 | $ 6,277,790 |
| Business Type Activities | | | | |
| Net investment in capital assets | $ 280,920 | $ 359,815 | $ 432,054 | $ 504,408 |
| Restricted | 820 | - | - | 430 |
| Unrestricted | (1,199,012) | (962,098) | (609,963) | (553,803) |
| Total Business-Type Activities Net Position | $ (917,272) | $ (602,283) | $ (177,909) | $ (48,965) |
| Primary Government | | | | |
| Net investment in capital assets | $ 95,837,647 | $ 80,625,341 | $ 81,891,960 | $ 78,628,748 |
| Restricted | 8,028,630 | 5,961,715 | 5,592,795 | 7,209,504 |
| Unrestricted | (72,049,704) | (64,995,852) | (69,123,840) | (79,609,427) |
| Total Primary Government Net Position | $ 31,816,573 | $ 21,591,204 | $ 18,360,915 | $ 6,228,825 |

Source: Asheville City Schools, Annual Comprehensive Financial Reports,
Years Ended June 30, 2016 through June 30, 2025.

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

Note: Net position for 2024 and before is not comparable to 2025 (and after) net position due to the implementation of GASB 101 for the year ended June 30, 2025. The standard requires that government entities recognize liabilities for sick leave that is attributable to services the employee has rendered, that accumulates and is more likely than not to be used.

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| $ 81,029,067 | $ 82,627,532 | $ 85,458,293 | $ 88,110,450 | $ 96,159,018 | $ 92,132,950 |
| 6,264,453 | 6,266,508 | 5,985,294 | 5,518,410 | 5,065,963 | 3,919,228 |
| (91,908,920) | (93,960,030) | (90,414,365) | (90,077,584) | (86,373,532) | (1,677,945) |
| $ (4,615,400) | $ (5,065,990) | $ 1,029,222 | $ 3,551,276 | $ 14,851,449 | $ 94,374,233 |
| $ 519,492 | $ 564,551 | $ 596,534 | $ 602,286 | $ 569,741 | $ 123,337 |
| 1,347 | 1,037 | - | - | - | - |
| (1,303,367) | (907,050) | (1,058,417) | (1,253,443) | (1,161,031) | 220,315 |
| $ (782,528) | $ (341,462) | $ (461,883) | $ (651,157) | $ (591,290) | $ 343,652 |
| $ 81,548,559 | $ 83,192,083 | $ 86,054,827 | $ 88,712,736 | $ 96,728,759 | $ 92,256,287 |
| 6,265,800 | 6,267,545 | 5,985,294 | 5,518,410 | 5,065,963 | 3,919,228 |
| (93,212,287) | (94,867,080) | (91,472,782) | (91,331,027) | (87,534,563) | (1,457,630) |
| $ (5,397,928) | $ (5,407,452) | $ 567,339 | $ 2,900,119 | $ 14,260,159 | $ 94,717,885 |

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

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 |
| **Expenses** | | | | |
| Governmental activities: | | | | |
| Instructional programs | $ 56,223,023 | $ 55,748,300 | $ 45,770,180 | $ 50,813,201 |
| Support services | 17,132,123 | 15,810,130 | 14,307,653 | 12,659,060 |
| Unallocated depreciation expense | 188,415 | 199,321 | 194,570 | 207,582 |
| Other | 3,483,526 | 3,069,469 | 2,260,388 | 2,000,102 |
| Total governmental activities expenses | 77,027,087 | 74,827,220 | 62,532,791 | 65,679,945 |
| Business-type activities: | | | | |
| Child nutrition | 1,905,451 | 2,447,308 | 2,272,479 | 1,969,437 |
| Total government-wide expenses | 78,932,538 | 77,274,528 | 64,805,270 | 67,649,382 |
| **Program Revenues** | | | | |
| Governmental activities: | | | | |
| Charges for Services: | | | | |
| Instructional programs - regular instructional | $1,960,347 | 1,605,090 | 1,177,125 | 1,353,374 |
| Support services - operational support | - | - | - | - |
| Ancillary services | 19,586 | 8,731 | 245 | - |
| Total charges for services | 1,979,933 | 1,613,821 | 1,177,370 | 1,353,374 |
| Operating grants and contributions | 35,445,221 | 36,626,582 | 35,169,957 | 38,445,357 |
| Capital grants and contributions | 18,226,616 | 406,172 | - | 22,002 |
| Total governmental activities program revenues | 55,651,770 | 38,646,575 | 36,347,327 | 39,820,733 |
| Business-type activities: | | | | |
| Charges for Services: | | | | |
| Child nutrition | 421,104 | 486,597 | 549,940 | 115,888 |
| Operating grants and contributions | 1,194,654 | 1,486,590 | 1,522,443 | 2,458,607 |
| Capital grants and contributions | - | - | - | 55,979 |
| Total business-type program revenue | 1,615,758 | 1,973,187 | 2,072,383 | 2,630,474 |
| Total government-wide program revenue | 57,267,528 | 40,619,762 | 38,419,710 | 42,451,207 |
| **Net (Expense)** | $ (21,665,010) | $ (36,654,766) | $ (26,385,560) | $ (25,198,175) |

Source: Asheville City Schools, Annual Comprehensive Financial Reports,
Years Ended June 30, 2016 through June 30, 2025.

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| $ 50,017,774 | $ 53,928,952 | $ 47,876,328 | $ 51,343,852 | $ 41,493,734 | $ 38,490,269 |
| 13,093,494 | 12,824,033 | 12,137,295 | 11,847,744 | 11,149,123 | 10,128,150 |
| 315,101 | 301,093 | 2,647,408 | 5,505,964 | 2,057,342 | 1,877,018 |
| 1,680,443 | 1,853,115 | 1,700,204 | 1,964,251 | 1,336,330 | 1,240,178 |
| 65,106,812 | 68,907,193 | 64,361,235 | 70,661,811 | 56,036,529 | 51,735,615 |
| 1,972,621 | 1,775,950 | 1,607,846 | 1,912,226 | 1,772,923 | 1,694,619 |
| 67,079,433 | 70,683,143 | 65,969,081 | 72,574,037 | 57,809,452 | 53,430,234 |
| 777,078 | 2,344,137 | 2,240,235 | 2,094,830 | 1,837,575 | 1,776,922 |
| - | - | - | 32,822 | 22,774 | 15,200 |
| 225 | 224,708 | 104,112 | 88,350 | 35,505 | 28,998 |
| 777,303 | 2,568,845 | 2,344,347 | 2,216,002 | 1,895,854 | 1,821,120 |
| 32,201,439 | 30,679,458 | 31,733,496 | 30,293,504 | 29,112,643 | 28,229,960 |
| 424,422 | 67,936 | 149,722 | 210,246 | 1,014,667 | 1,390,435 |
| 33,403,164 | 33,316,239 | 34,227,565 | 32,719,752 | 32,023,164 | 31,441,515 |
| 30,367 | 367,685 | 420,795 | 399,451 | 337,050 | 316,455 |
| 1,429,089 | 1,427,757 | 1,173,117 | 1,205,685 | 1,252,454 | 1,283,646 |
| 24,175 | 32,892 | - | - | - | - |
| 1,483,631 | 1,828,334 | 1,593,912 | 1,605,136 | 1,589,504 | 1,600,101 |
| 34,886,795 | 35,144,573 | 35,821,477 | 34,324,888 | 33,612,668 | 33,041,616 |
| $ (32,192,638) | $ (35,538,570) | $ (30,147,604) | $ (38,249,149) | $ (24,196,784) | $ (20,388,618) |

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

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 |
| **Net (Expense) Revenue** | | | | |
| Governmental activities | $ (21,375,317) | $ (36,180,645) | $ (26,185,464) | $ (25,859,212) |
| Business-type activities | (289,693) | (474,121) | (200,096) | 661,037 |
| Total primary government net (expense) | $ (21,665,010) | $ (36,654,766) | $ (26,385,560) | $ (25,198,175) |
| **General revenues and transfers:** | | | | |
| Governmental activities: | | | | |
| U.S. Government | $ - | $ - | $ - | $ - |
| Buncombe County - General Fund appropriation | 17,245,850 | 17,704,730 | 15,254,804 | 14,153,775 |
| Buncombe County - capital outlay | 3,360,992 | 3,441,553 | 3,440,712 | 3,365,677 |
| Supplemental city school tax | 11,992,922 | 11,775,432 | 11,407,104 | 11,303,234 |
| Local option sales tax | 4,381,598 | 4,540,113 | 4,479,364 | 4,358,864 |
| Other revenues | 2,614,396 | 2,418,480 | 3,935,098 | 3,641,586 |
| Transfers (out) | (152,116) | (45,000) | (70,584) | (70,734) |
| Total governmental activities general revenues and transfers | 39,443,642 | 39,835,308 | 38,446,498 | 36,752,402 |
| Business-type activities: | | | | |
| Other revenues | (7,205) | 4,747 | 568 | 1,792 |
| Transfers in | 152,116 | 45,000 | 70,584 | 70,734 |
| Total business-type activities general revenue and transfers | 144,911 | 49,747 | 71,152 | 72,526 |
| Total government-wide general revenues and transfers | 39,588,553 | 39,885,055 | 38,517,650 | 36,824,928 |
| **Change in Net Position** | | | | |
| Governmental activities | 18,068,325 | 3,654,663 | 38,446,498 | 10,566,938 |
| Business-type activities | (144,782) | (424,374) | 71,152 | (127,570) |
| Total primary government | $ 17,923,543 | $ 3,230,289 | $ 38,517,650 | $ 10,439,368 |

Source: Asheville City Schools, Annual Comprehensive Financial Reports,
Years Ended June 30, 2016 through June 30, 2025.

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| $ (31,703,648) | $ (35,590,954) | $ (30,133,670) | $ (37,942,059) | $ (24,013,365) | $ (20,294,100) |
| (488,990) | 52,384 | (13,934) | (307,090) | (183,419) | (94,518) |
| $ (32,192,638) | $ (35,538,570) | $ (30,147,604) | $ (38,249,149) | $ (24,196,784) | $ (20,388,618) |
| | | | | | |
| $ - | $ 121,406 | $ 80,139 | $ 88,893 | $ 68,364 | $ 75,632 |
| 12,679,492 | 12,456,771 | 11,681,164 | 11,681,164 | 10,743,742 | 9,562,424 |
| 2,759,645 | 2,412,806 | 3,078,314 | 2,549,506 | 6,774,435 | 29,269,456 |
| 10,794,794 | 10,150,870 | 9,394,257 | 8,928,186 | 8,620,247 | 8,330,977 |
| 3,671,828 | 3,092,911 | 2,963,968 | 2,991,931 | 2,940,136 | 3,024,676 |
| 2,296,403 | 1,949,136 | 616,982 | 649,429 | 450,205 | 710,899 |
| (47,924) | (68,037) | (203,208) | (247,223) | (587,763) | (125,556) |
| 32,154,238 | 30,115,863 | 27,611,616 | 26,641,886 | 29,009,366 | 50,848,508 |
| | | | | | |
| - | - | - | - | - | - |
| 47,924 | 68,037 | 203,208 | 247,223 | 587,763 | 125,556 |
| 47,924 | 68,037 | 203,208 | 247,223 | 587,763 | 125,556 |
| | | | | | |
| 32,202,162 | 30,183,900 | 27,814,824 | 26,889,109 | 29,597,129 | 50,974,064 |
| | | | | | |
| 6,295,026 | (1,587,785) | (7,979,338) | (3,491,784) | (8,932,693) | 26,835,143 |
| 708,961 | (420,953) | 255,592 | 233,289 | 280,673 | (57,863) |
| $ 7,003,987 | $ (2,008,738) | $ (7,723,746) | $ (3,258,495) | $ (8,652,020) | $ 26,777,280 |

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

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 |
| General Fund | | | | |
| Non-spendable | $ - | $ - | $ - | $ - |
| Restricted | 91,610 | 81,634 | 94,698 | 61,527 |
| Assigned | 2,000,000 | 3,500,000 | 3,000,000 | 2,500,000 |
| Unassigned | 10,846,164 | 9,112,571 | 7,460,958 | 6,500,165 |
| Total General Fund | $ 12,937,774 | $ 12,694,205 | $ 10,555,656 | $ 9,061,692 |
| All Other Governmental Funds: | | | | |
| Resticted | $ 7,872,851 | $ 5,880,081 | $ 5,498,097 | $ 7,113,769 |
| Assigned | 3,197,452 | 3,137,657 | 3,398,275 | 2,522,551 |
| Total all other governmental funds | $ 11,070,303 | $ 9,017,738 | $ 8,896,372 | $ 9,636,320 |

Source: Asheville City Schools, Annual Comprehensive Financial Reports,
Years Ended June 30, 2016 through June 30, 2025.

| Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|
| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| $ - | $ - | $ - | $ - | $ 39,984 | $ 35,807 |
| 273,742 | 47,319 | 47,770 | 91,245 | 148,271 | 146,060 |
| 3,500,000 | 3,000,000 | - | 2,858,864 | 1,754,667 | 1,418,182 |
| 1,890,624 | 2,048,467 | 6,105,184 | 4,673,076 | 5,970,838 | 5,420,843 |
| $ 5,664,366 | $ 5,095,786 | $ 6,152,954 | $ 7,623,185 | $ 7,913,760 | $ 7,020,892 |
| $ 5,885,922 | $ 6,124,532 | $ 5,664,405 | $ 5,163,402 | $ 4,917,692 | $ 3,773,168 |
| 1,331,807 | 945,361 | 621,308 | 1,332,818 | 1,373,473 | 1,383,769 |
| $ 7,217,729 | $ 7,069,893 | $ 6,285,713 | $ 6,496,220 | $ 6,291,165 | $ 5,156,937 |

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

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 |
| Revenues: | | | | |
| Intergovernmental sources: | | | | |
| State of North Carolina | $ 31,698,829 | $ 31,243,941 | $ 30,854,931 | $ 30,562,849 |
| U. S. Government | 3,962,831 | 5,268,152 | 5,044,025 | 9,700,429 |
| Local sources: | | | | |
| Buncombe County - unrestricted | 17,245,850 | 17,704,730 | 15,254,804 | 14,153,775 |
| Buncombe County - restricted | 3,360,992 | 3,441,553 | 3,440,712 | 3,365,677 |
| Supplemental city school tax | 11,992,922 | 11,775,432 | 11,407,104 | 11,303,234 |
| Local option sales tax | 4,381,598 | 4,540,113 | 4,479,364 | 4,358,864 |
| Charges for services | - | 1,613,821 | 1,177,370 | - |
| Other local revenues | 4,838,187 | 2,978,169 | 3,206,099 | 3,203,948 |
| Total revenues | 77,481,209 | 78,565,911 | 74,864,409 | 76,648,776 |
| Expenditures: | | | | |
| Instructional Programs | 52,625,107 | 53,642,332 | 51,651,182 | 52,269,043 |
| Support Services | 17,955,016 | 17,056,142 | 16,029,646 | 14,152,299 |
| Capital Outlay | 757,917 | 2,066,318 | 3,607,646 | 1,524,864 |
| Debt service: | | | | |
| Principal | - | - | - | 22,002 |
| Interest | - | - | - | - |
| Other | 3,694,919 | 3,496,204 | 2,751,335 | 2,793,917 |
| Total expenditures | 75,032,959 | 76,260,996 | 74,039,809 | 70,762,125 |
| Revenues over (under) expenditures | 2,448,250 | 2,304,915 | 824,600 | 5,886,651 |
| Other financing (uses) | | | | |
| Transfers from other funds | - | 514,750 | 564,197 | 565,948 |
| Transfers to other funds | (152,116) | (559,750) | (634,781) | (636,682) |
| Capital lease obligations and installment purchase contracts issued | - | - | - | - |
| Total other financing (uses) | (152,116) | (45,000) | (70,584) | (70,734) |
| Net change in fund balances | $ 2,296,134 | $ 2,259,915 | $ 754,016 | $ 5,815,917 |
| Debt Service as a Percentage of Noncapital Expenditures | 0.00% | 0.00% | 0.00% | 0.07% |

Source: Asheville City Schools, Annual Comprehensive Financial Reports,
Years Ended June 30, 2016 through June 30, 2025.

| Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|
| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| $ 29,155,874 | $ 28,867,239 | $ 28,518,511 | $ 27,269,376 | $ 27,073,291 | $ 25,843,608 |
| 4,277,984 | 2,703,118 | 3,362,048 | 3,183,007 | 2,855,283 | 3,469,360 |
| 12,679,492 | 12,456,771 | 11,681,164 | 11,681,164 | 10,743,742 | 9,562,424 |
| 2,759,645 | 2,412,806 | 3,078,314 | 2,549,506 | 6,774,435 | 29,269,456 |
| 10,794,794 | 10,150,870 | 9,394,257 | 8,928,186 | 8,620,247 | 8,330,977 |
| 3,671,828 | 3,092,911 | 2,963,968 | 2,991,931 | 2,940,136 | 3,024,676 |
| 777,303 | - | 965,004 | 804,981 | 606,442 | 514,387 |
| 1,488,406 | 3,865,974 | 2,189,952 | 2,304,313 | 2,107,965 | 2,527,206 |
| 65,605,326 | 63,549,689 | 62,153,218 | 59,712,464 | 61,721,541 | 82,542,094 |
| 47,313,401 | 48,799,223 | 48,391,295 | 44,812,327 | 41,235,600 | 39,323,369 |
| 13,239,038 | 13,947,298 | 12,137,796 | 11,645,934 | 10,828,359 | 10,191,353 |
| 2,469,460 | 858,039 | 1,354,945 | 1,479,577 | 5,931,040 | 29,950,637 |
| 44,422 | 67,936 | 149,722 | 210,246 | 315,132 | 121,048 |
| - | - | - | - | - | - |
| 1,774,665 | 170,158 | 1,596,990 | 1,492,347 | 1,305,765 | 1,207,686 |
| 64,840,986 | 63,842,654 | 63,630,748 | 59,640,431 | 59,615,896 | 80,794,093 |
| 764,340 | (292,965) | (1,477,530) | 72,033 | 2,105,645 | 1,748,001 |
| 152,780 | 148,750 | 150,950 | 493,000 | 178,399 | 189,436 |
| (200,704) | (216,787) | (354,158) | (740,223) | (766,162) | (314,992) |
| - | 88,014 | - | 89,670 | 509,214 | 242,097 |
| (47,924) | 19,977 | (203,208) | (157,553) | (78,549) | 116,541 |
| $ 716,416 | $ (272,988) | $ (1,680,738) | $ (85,520) | $ 2,027,096 | $ 1,864,542 |
| 0.18% | 0.39% | 0.61% | 0.92% | 0.22% | 0.00% |

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

| Fiscal Year | Real Property | | | |
|---|---|---|---|---|
| | Residential Property | Commercial Property | Use Value Farm | Historical Property |
| 2016 | 19,122,947 | 6,143,178 | 1,034,999 | 97,419 |
| 2017 | 19,416,142 | 6,445,705 | 1,014,952 | 97,091 |
| 2018 | 23,644,415 | 7,987,749 | 1,281,038 | 118,491 |
| 2019 | 24,468,024 | 8,110,475 | 1,272,935 | 150,588 |
| 2020 | 26,328,421 | 7,831,821 | 1,174,739 | 116,260 |
| 2021 | 26,717,813 | 8,299,036 | 1,206,360 | 96,830 |
| 2022 | 32,740,434 | 9,340,190 | 1,372,910 | 107,568 |
| 2023 | 34,076,451 | 10,025,136 | 1,327,077 | 108,059 |
| 2024 | 34,877,520 | 10,298,020 | 1,347,588 | 112,108 |
| 2025 | 35,235,172 | 10,320,209 | 1,336,732 | 115,877 |

Source: Buncombe County Tax Department.

Note: Property in the County can be reassessed every four years. The County assesses property at approximately 100 percent of actual value. Tax rates are per $100 of assessed value. Property was reassessed in fiscal years 2017 and 2022.

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

Revenue Capacity
Schedule 6 (continued)

| Personal Property | | | Public Service | | |
|---|---|---|---|---|---|
| Motor Vehicles | Other | Less: Tax Exempt Real Property* | Assessed Value | Total Taxable Assessed Value | Total Direct Tax Rate |
| 2,100,032 | 1,726,624 | 1,268,909 | 588,226 | 29,544,516 | 0.604 |
| 2,215,126 | 1,902,707 | 1,260,614 | 585,936 | 30,417,045 | 0.539 |
| 2,320,683 | 1,893,655 | 1,595,053 | 613,635 | 36,264,613 | 0.529 |
| 2,429,053 | 1,975,798 | 1,588,701 | 709,941 | 37,528,113 | 0.529 |
| 2,424,076 | 2,150,140 | 1,562,025 | 874,955 | 39,338,387 | 0.529 |
| 2,766,719 | 2,755,991 | 1,566,723 | 1,038,671 | 41,314,697 | 0.529 |
| 2,905,716 | 2,785,403 | 1,789,001 | 957,424 | 48,420,644 | 0.488 |
| 3,093,631 | 2,918,987 | 2,632,266 | 980,640 | 49,897,715 | 0.488 |
| 3,299,471 | 2,860,738 | 2,191,662 | 981,198 | 51,584,981 | 0.498 |
| 3,328,791 | 3,063,707 | 1,239,710 | 754,048 | 52,914,826 | 0.518 |

Revenue Capacity
Schedule 7

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

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| **County of Buncombe Direct Rates** | | | | | |
| General County-wide Rate | $ 0.518 | $ 0.498 | $ 0.488 | $ 0.488 | $ 0.529 |
| Fire Districts | 0.140 | 0.138 | 0.138 | 0.130 | 0.133 |
| Total average direct rate | 0.658 | 0.636 | 0.626 | 0.618 | 0.662 |
| **City** | | | | | |
| City of Asheville | 0.409 | 0.403 | 0.403 | 0.403 | 0.429 |
| **Towns** | | | | | |
| Biltmore Forest | 0.345 | 0.345 | 0.345 | 0.345 | 0.345 |
| Weaverville | 0.350 | 0.350 | 0.350 | 0.350 | 0.380 |
| Black Mountain | 0.321 | 0.321 | 0.321 | 0.306 | 0.333 |
| Woodfin | 0.330 | 0.330 | 0.330 | 0.330 | 0.330 |
| Montreat | 0.430 | 0.430 | 0.430 | 0.430 | 0.430 |
| **Districts** | | | | | |
| Asheville School | 0.106 | 0.106 | 0.106 | 0.106 | 0.120 |

Source: Buncombe County Tax Department

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

Revenue Capacity
Schedule 7 (continued)

| Fiscal Year | | | | |
|---|---|---|---|---|
| 2020 | 2019 | 2018 | 2017 | 2016 |
| $ 0.529 | $ 0.529 | $ 0.539 | $ 0.604 | $ 0.604 |
| 0.133 | 0.143 | 0.123 | 0.118 | 0.118 |
| 0.662 | 0.672 | 0.662 | 0.722 | 0.722 |
| 0.429 | 0.429 | 0.429 | 0.475 | 0.475 |
| 0.345 | 0.345 | 0.330 | 0.395 | 0.395 |
| 0.380 | 0.380 | 0.380 | 0.440 | 0.440 |
| 0.333 | 0.333 | 0.333 | 0.375 | 0.375 |
| 0.330 | 0.280 | 0.280 | 0.305 | 0.305 |
| 0.430 | 0.410 | 0.410 | 0.410 | 0.410 |
| 0.120 | 0.120 | 0.120 | 0.150 | 0.150 |

Revenue Capacity
Schedule 8

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

| | 2024 | | |
|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Mission Hospital LLP | $ 896,313,299 | 1 | 1.69% |
| Progress Duke Energy | 539,531,314 | 2 | 1.02% |
| Ingles Markets Inc | 415,121,718 | 3 | 0.78% |
| Pratt & Whitney | 330,604,929 | 4 | 0.62% |
| Raytheon Technologies Corporation | 256,545,000 | 5 | 0.48% |
| Biltmore Company | 149,873,666 | 6 | 0.28% |
| GPI Resort Holdings LLC | 146,281,000 | 7 | 0.28% |
| New Belgium Brewing Company Inc | 124,747,832 | 8 | 0.24% |
| Southeastern Container Inc | 118,960,607 | 9 | 0.22% |
| Borgwarner Turbo Systems | 101,789,390 | 10 | 0.19% |
| Jacob Holm Industries | | | |
| Town Square West LLC | | | |
| Asheville Mall CMBS LLC | | | |
| Public Service Co of NC Inc | | | |
| Totals | $ 3,079,768,755 | | 5.82% |
| Total Overall Valuation | $ 52,914,825,960 | | |

Source: Buncombe County Tax Department

| | 2015 | | |
|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Mission Hospital LLP | | | |
| Progress/Duke Energy | $ 338,108,091 | 1 | 1.14% |
| Ingles Markets Inc | 269,140,129 | 2 | 0.91% |
| Raytheon Technologies Corporation | | | |
| Biltmore Company | 73,173,004 | 8 | 0.25% |
| Pratt & Whitney | 95,322,077 | 4 | 0.32% |
| GPI Resort Holdings LLC | 104,318,800 | 3 | 0.35% |
| New Belgium Brewing Company Inc | | | |
| Southeastern Container Inc | | | 0.00% |
| Borgwarner Turbo Systems | 61,383,141 | 10 | 0.21% |
| Town Square West LLC | 84,046,582 | 5 | 0.28% |
| Asheville Mall CMBS LLC | 79,212,500 | 6 | 0.27% |
| Public Service Co of NC Inc | 75,135,300 | 7 | 0.25% |
| Bellsouth Tel Co - AT&T North Carolina | 65,238,358 | 9 | 0.22% |
| | $ 1,245,077,982 | | 4.21% |
| | $ 29,544,513,113 | | |

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

| | | Collected Within the Fiscal Year of the Levy | | | Total Collections to Date | |
|---|---|---|---|---|---|---|
| Fiscal Year | Total Levy for Fiscal Year | Amount | Percentage | Collections in Subsequent Years | Amount | Percentage of Levy |
| 2016 | 178,618 | 178,338 | 99.84% | 205 | 178,543 | 99.96% |
| 2017 | 183,816 | 183,615 | 99.89% | 151 | 183,766 | 99.97% |
| 2018 | 195,601 | 195,331 | 99.86% | 109 | 195,440 | 99.92% |
| 2019 | 198,724 | 198,505 | 99.89% | 48 | 198,553 | 99.91% |
| 2020 | 208,210 | 206,937 | 99.39% | 1,101 | 208,038 | 99.92% |
| 2021 | 218,891 | 218,114 | 99.65% | 166 | 218,280 | 99.72% |
| 2022 | 236,637 | 236,054 | 99.75% | 14 | 236,068 | 99.76% |
| 2023 | 243,686 | 243,138 | 99.78% | 286 | 243,424 | 99.89% |
| 2024 | 256,914 | 256,343 | 99.78% | 198 | 256,541 | 99.85% |
| 2025 | 275,595 | 274,077 | 99.45% | - | 274,077 | 99.45% |

Source: Buncombe County Tax Department

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

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

| Fiscal year | General Obligation Bonds | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|---|---|---|---|
| 2016 | 27,254 | 0.09% | 0.10 |
| 2017 | 24,373 | 0.08% | 0.09 |
| 2018 | 21,498 | 0.06% | 0.08 |
| 2019 | 18,623 | 0.05% | 0.07 |
| 2020 | 15,750 | 0.04% | 0.06 |
| 2021 | 12,877 | 0.03% | 0.05 |
| 2022 | 10,004 | 0.02% | 0.04 |
| 2023 | 7,200 | 0.01% | 0.03 |
| 2024 | 19,530 | 0.04% | 0.07 |
| 2025 | 16,390 | 0.03% | 0.06 |

Source: Buncombe County Annual Comprehensive Financial Reports.

See the Schedule of Assessed Value of Taxable Property on pages 79 and 80 for property value data.

Population data can be found in the Schedule of Demographic and Economic Statistics on page 91.

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

| | Governmental Activities | | | | Business-type Activities | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Lease Installment Obligations | Subscription Installment Obligations | Installment Notes | Special Obligation Bonds | Lease Installment Obligations | Installment Notes | Total Primary Government | Percentage of Personal Income | Per Capita |
| 2016 | 27,248 | - | - | 493,279 | - | - | 2,688 | 523,215 | 4.62% | 2,099 |
| 2017 | 24,373 | - | - | 461,451 | - | - | 2,348 | 488,172 | 4.09% | 1,934 |
| 2018 | 21,498 | - | - | 493,053 | - | - | 2,007 | 516,558 | 4.07% | 2,017 |
| 2019 | 18,623 | - | - | 456,783 | - | - | 1,741 | 477,147 | 3.58% | 1,835 |
| 2020 | 15,750 | - | - | 418,502 | - | - | 1,320 | 435,572 | 3.10% | 1,660 |
| 2021 | 12,877 | - | - | 393,144 | - | - | 1,001 | 407,022 | 2.54% | 1,537 |
| 2022 | 10,004 | 1,651 | - | 398,154 | - | 1,290 | 15,999 | 427,098 | 2.52% | 1,549 |
| 2023 | 7,200 | 1,999 | 4,042 | 359,883 | - | 727 | 13,529 | 387,380 | 2.12% | 1,397 |
| 2024 | 19,530 | 4,106 | 4,359 | 394,324 | - | 1,503 | 11,015 | 434,837 | N/A | 1,557 |
| 2025 | 16,390 | 353,657 | 4,480 | 381,152 | - | 1,310 | 10,204 | 392,666 | N/A | 1,387 |

N/A = Not available

Source: Buncombe County Annual Comprehensive Financial Reports.

See the Schedule of Demographic and Economic Statistics on page 91 for personal income and population data.

ASHEVILLE CITY SCHOOLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT FOR BUNCOMBE COUNTY
As of June 30, 2025

| Government Unit | Debt Oustanding | Percentage Applicable to County (1) | Estimated share of Direct and Overlapping debt (2) |
|---|---|---|---|
| Net general obligation bonded debt | | | |
| City of Asheville | $61,245,000 | 100% | $61,245,000 |
| Town of Weaverville | 948,000 | 100% | 948,000 |
| Installment debt | | | |
| City of Asheville | 128,434,092 | 100% | 128,434,092 |
| Town of Biltmore Forest | 378,947 | 100% | 378,947 |
| Town of Black Mountain | 2,448,307 | 100% | 2,448,307 |
| Town of Woodfin | 3,453,138 | 100% | 3,453,138 |
| Subtotal, overlapping debt | | | 196,907,484 |
| County direct debt | | 100% | |
| Total direct and overlapping debt | | | $ 196,907,484 |

Source: Buncombe County Annual Comprehensive Financial Report

(1) The percentage of overlap is based on assessed property values

(2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County of Buncombe.

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

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 |
| Debt limit | $ 4,233,186 | $ 4,126,799 | $ 3,991,817 | $ 3,873,652 |
| Total net debt applicable limit | 391,650 | 433,334 | 373,124 | 390,468 |
| Legal debt margin | $ 3,841,536 | $ 3,693,465 | $ 3,618,693 | $ 3,483,184 |
| Total net debt applicable to the limit as a percentage of debt limit | 9.25% | 10.50% | 9.35% | 10.08% |

**Legal Debt Margin Calculation for Fiscal Year 2025**

| | |
|---|---|
| Assessed value of taxable property | $ 52,914,825 |
| Debt Limit - Eight Percent (8%) of assessed value | 4,233,186 |
| Gross Debt: | |
| Total Bonded Debt | 16,390 |
| Installment Purchase Agreements | 375,260 |
| Gross Debt | 391,650 |
| Total amount of debt applicable to debt limit (net debt) | $ 391,650 |
| Legal debt margin | $ 3,841,536 |

Source: Buncombe County Annual Comprehensive Financial Reports.

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

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| $ 3,305,175 | $ 3,147,071 | $ 3,002,249 | $ 2,901,169 | $ 2,433,364 | $ 2,363,561 |
| 375,675 | 399,315 | 400,014 | 432,220 | 406,791 | 431,485 |
| $ 2,929,500 | $ 2,747,756 | $ 2,602,235 | $ 2,468,949 | $ 2,026,573 | $ 1,932,076 |
| 11.37% | 12.69% | 13.32% | 14.90% | 16.72% | 18.26% |

ASHEVILLE CITY SCHOOLS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

| Fiscal Year | Population | Personal Income (amounts expressed in thousands) | Per Capita Personal Income | Median Age | Total County School Enrollment (1) | Unemployment Rate |
|---|---|---|---|---|---|---|
| 2016 | 260,096 | 11,332,554 | 44,403 | 42.6 | 32,008 | 4.0% |
| 2017 | 262,360 | 11,923,891 | 46,323 | 42.8 | 31,966 | 3.4% |
| 2018 | 264,849 | 12,679,516 | 48,819 | 42.5 | 31,828 | 3.2% |
| 2019 | 267,372 | 13,313,254 | 50,804 | 42 | 30,747 | 3.3% |
| 2020 | 270,224 | 14,045,669 | 53,309 | 42.7 | 30,441 | 11.3% |
| 2021 | 272,880 | 16,101,830 | 59,007 | 43.0 | 28,753 | 4.5% |
| 2022 | 275,777 | 17,089,901 | 61,970 | 43.4 | 28,747 | 2.9% |
| 2023 | 277,266 | 18,379,409 | 66,288 | 43.8 | 28,625 | 2.8% |
| 2024 | 279,331 | N/A | N/A | 44.0 | 29,169 | 3.2% |
| 2025 | 283,020 | N/A | N/A | 43.6 | 28,921 | 4.2% |

N/A = Not available

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

(1) - Total County School Enrollment includes enrollment for both Asheville City Schools and Buncombe County Schools.

BUNCOMBE COUNTY
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

MANUFACTURING

| | 2025 | | | 2016 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Approximate Percentage of Total County Employment* | Employees | Rank | Percentage of Total County Employment** |
| Eaton Corporation | 1,000-2,999 | 1 | 0.69%-2.06% | 750-999 | 1 | 0.66-0.75% |
| Thermo Fisher Scientific, Inc. | 1,000-2,999 | 2 | 0.69%-2.06% | 500-749 | 2 | 0.38-0.57% |
| Borgwarner Turbo & Emissions Systems | 500-999 | 3 | 0.34%-0.69% | 500-749 | 3 | 0.38-0.57% |
| Linamar | 500-999 | 4 | 0.34%-0.69% | | | |
| Jabil | 500-999 | 5 | 0.34%-0.69% | 300-399 | 6 | 0.23-0.30% |
| Plasticard-Locktech International | 400-499 | 6 | 0.27%-0.34% | 300-399 | 5 | 0.23-0.30% |
| Flint Group | 300-399 | 7 | 0.21%-0.27% | 300-399 | 9 | 0.23-0.30% |
| GE Aviation | 300-399 | 8 | 0.21%-0.27% | 300-399 | 8 | 0.23-0.30% |
| Kearfott | 300-399 | 9 | 0.21%-0.27% | 400-499 | 4 | 0.23-0.30% |
| Owens & Minor | 300-399 | 10 | 0.21%-0.27% | 300-399 | 7 | 0.23-0.30% |
| TE Connectivity | | | | 200-299 | 10 | 0.15-0.23% |
| Total | 5,100-11,090 | | 3.51%-7.61% | 3850-5290 | | 2.91-3.99% |

*Continued on Next Page*

NON-MANUFACTURING

| | 2025 | | | 2016 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total County Employment* | Employees | Rank | Percentage of Total County Employment** |
| Mission Health System and Hospital | 1000+ | 1 | 0.71%-2.14% | 3000+ | 1 | 2.27% |
| Ingles Markets, Inc. | 1000+ | 2 | 0.71%-2.14% | 1,000-2,999 | 7 | 0.75%-2.26% |
| Buncombe County Public Schools | 1000+ | 3 | 0.71%-2.14% | 3,000 | 2 | 2.27% |
| VA Medical Center - Asheville | 1000+ | 4 | 0.71%-2.14% | 1,000-2,999 | 9 | 0.75%-2.26% |
| Buncombe County Government | 1000+ | 5 | 0.71%-2.14% | 1,000-2,999 | 5 | 0.75%-2.26% |
| City of Asheville Government | 1000+ | 6 | 0.71%-2.14% | 1,000-2,999 | 6 | 0.75%-2.26% |
| Walmart | 1000+ | 7 | 0.71%-2.14% | | | |
| The Biltmore Company | 1000+ | 8 | 0.71%-2.14% | 1,000-2,999 | 4 | 0.75%-2.26% |
| Mountain Area Health Center | 1000+ | 9 | 0.71%-2.14% | | | |
| Asheville-Buncombe Technical Community College | 500-999 | 10 | 0.36%-0.71% | 1,000-2,999 | 3 | 0.75%-2.26% |
| Omni Grove Park | | | | 1,000-2,999 | 8 | 0.75%-2.26% |
| Parallon Enterprises Llc | | | | 750-999 | 10 | 0.57%-0.75% |
| Asheville City Schools | | | | 680 | 10 | 0.52% |
| Total | 13,000-26,000 | | 6.75%-19.97% | 13,750-21,992 | | 10.4%-16.6% |

* Labor Force Estimate for 2025 per NCESC: 142,730
** Labor Force Estimate for 2016 per NCESC: 128,950

SOURCE: Asheville Chamber of Commerce and Federal Reserve Bank Economic Research (FRED)

Operating
Schedule 16

ASHEVILLE CITY SCHOOLS
NUMBER OF PERSONNEL
Last Ten Fiscal Years

| Year Ended June 30: | Certified Personnel | Other Operating Personnel | Total | Final Average Daily Membership | Ratio of Pupils to Certified Personnel |
|---|---|---|---|---|---|
| 2025 | 458 | 207 | 665 | 3,824 | 5.8 |
| 2024 | 476 | 200 | 676 | 3,900 | 5.8 |
| 2023 | 454 | 207 | 661 | 4,039 | 6.1 |
| 2022 | 475 | 185 | 660 | 4,129 | 6.3 |
| 2021 | 477 | 232 | 709 | 4,217 | 5.9 |
| 2020 | 482 | 236 | 718 | 4,321 | 6.0 |
| 2019 | 464 | 258 | 722 | 4,328 | 6.0 |
| 2018 | 436 | 250 | 686 | 4,429 | 6.5 |
| 2017 | 399 | 288 | 687 | 4,503 | 6.6 |
| 2016 | 402 | 299 | 701 | 4,423 | 6.3 |

Source: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instruction, 2016 through 2025.

ASHEVILLE CITY SCHOOLS
OPERATING STATISTICS
Last Ten Fiscal Years

| Fiscal Year | Final Average Daily Membership | Final Average Daily Attendance | Per Pupil Expenditure | North Carolina Per Pupil Expenditure Rank | Students Receiving Free or Reduced Price Meals | Student Racial/Ethnic Composition | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Black | White | Other |
| 2025 | 3,824 | 3,520 | $17,433 | Ninth | 45.62% | 18.00% | 61.90% | 20.10% |
| 2024 | 3,900 | 3,584 | $17,117 | Tenth | 44.39% | 17.90% | 63.00% | 19.10% |
| 2023 | 4,039 | 3,667 | $15,838 | Fourteenth | 42.07% | 18.76% | 62.39% | 18.86% |
| 2022 | 4,129 | 3,765 | $15,277 | Seventeenth | 31.98% | 18.47% | 63.53% | 18.00% |
| 2021 | 4,217 | 3,935 | $13,807 | Tenth | 100.00% | 18.13% | 63.05% | 18.82% |
| 2020 | 4,321 | 4,114 | $13,055 | Eighth | 37.90% | 18.22% | 63.44% | 18.82% |
| 2019 | 4,328 | 4,096 | $12,949 | Tenth | 36.70% | 20.00% | 62.80% | 17.20% |
| 2018 | 4,429 | 4,096 | $12,345 | Eighth | 38.40% | 20.30% | 63.10% | 16.60% |
| 2017 | 4,503 | 4,183 | $11,180 | Fourteenth | 39.80% | 22.40% | 60.60% | 17.00% |
| 2016 | 4,423 | 4,164 | $10,742 | Fifteenth | 43.20% | 22.80% | 61.20% | 16.00% |

Source:
Free and Reduced Price Meals: Asheville City Schools Child Nutrition Department.
Information other than Free and Reduced Price Meals: Statistical Profile, Public Schools of North Carolina, published annually by NC State Board of Education, Department of Public Instruction (NCDPI).
Table on Best 1 of 2 ADM and Per Pupil Expenditures excluding Child Nutrition Expenditures also published by NCDPI.

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

Note 2: No free and reduced applications were completed by students in FY 21. All students received free meals due to the COVID19 pandemic

Operating
Schedule 18

ASHEVILLE CITY SCHOOLS
TEACHERS' SALARIES
Last Ten Fiscal Years

| Year Ended June 30: | Minimum | Maximum | Average |
|---|---|---|---|
| 2025 | $ 45,510 | $ 111,093 | $ 59,060 |
| 2024 | 45,510 | 111,887 | 55,789 |
| 2023 | 40,330 | 97,102 | 51,541 |
| 2022 | 38,150 | 94,559 | 62,918 |
| 2021 | 38,150 | 93,099 | 53,956 |
| 2020 | 38,150 | 86,008 | 53,707 |
| 2019 | 38,150 | 79,966 | 53,665 |
| 2018 | 38,150 | 83,294 | 51,113 |
| 2017 | 37,975 | 83,294 | 49,316 |
| 2016 | 37,975 | 78,352 | 47,599 |

Source: Asheville City Schools Payroll Data

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

ASHEVILLE CITY SCHOOLS
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 19

| School Name | Fiscal Year 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Elementary:** | | | | | | | | | | |
| 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 | 404 | 384 | 394 | 408 | 408 | 430 | 430 | 473 | 493 | 478 |
| Age of main building | 103 | 102 | 101 | 100 | 99 | 98 | 97 | 96 | 95 | 94 |
| Dickson (see below): | | | | | | | | | | |
| Square Feet | 77,169 | 77,169 | 77,169 | 77,169 | 77,169 | 77,169 | 77,169 | 77,169 | 77,169 | 77,169 |
| First month membership | 370 | 360 | 399 | 411 | 411 | 430 | 432 | 491 | 525 | 508 |
| Age of main building | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | N/A - See notes |
| 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 | 284 | 268 | 283 | 267 | 267 | 318 | 318 | 315 | 347 | 392 |
| Age of main building | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 |
| Jones: | | | | | | | | | | |
| Square Feet | 85,730 | 85,730 | 85,730 | 85,730 | 85,730 | 85,730 | 85,730 | 85,730 | 85,730 | 85,730 |
| First month membership | 334 | 348 | 356 | 372 | 372 | 416 | 416 | 448 | 501 | 498 |
| Age of main building | 64 | 63 | 62 | 61 | 60 | 59 | 58 | 57 | 56 | 55 |
| Lucy Herring, Formerly Vance Elementary: | | | | | | | | | | |
| Square Feet | 70,665 | 70,665 | 70,665 | 70,665 | 70,665 | 70,665 | 70,665 | 70,665 | 70,665 | 70,665 |
| First month membership | 236 | 257 | 280 | 312 | 312 | 349 | 350 | 422 | 470 | 467 |
| Age of main building | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 |
| **Middle:** | | | | | | | | | | |
| Asheville Middle | | | | | | | | | | |
| Square Feet | 174,695 | 174,695 | 174,695 | 174,695 | 174,695 | 174,695 | 174,695 | 174,695 | 174,695 | 170,418 |
| First month membership | 667 | 539 | 584 | 668 | 668 | 661 | 662 | 769 | 796 | 704 |
| Age of main building | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
| **High/Special:** | | | | | | | | | | |
| William Randolph School: Formerly Montford North Star Academy/Randolph Learning Center | | | | | | | | | | |
| Square Feet | 57,374 | 57,374 | 57,374 | 57,374 | 57,374 | 57,374 | 57,374 | 57,374 | See below | See below |
| First month membership | n/a | 217 | 222 | 229 | 229 | 220 | 221 | 82 | See below | See below |
| Age of main building | 73 | 72 | 71 | 70 | 69 | 68 | 67 | 66 | 65 | 64 |
| Asheville High/SILSA: | | | | | | | | | | |
| Square Feet | 354,803 | 354,803 | 354,803 | 354,803 | 354,803 | 354,803 | 354,803 | 354,803 | 367,803 | 367,803 |
| First month membership | 1,529 | 1,499 | 1,490 | 1,094 | 1,094 | 1,049 | 1,380 | 1,374 | 1,372 | 1,376 |
| Age of main building | 98 | 97 | 96 | 95 | 94 | 93 | 92 | 91 | 90 | 89 |

Sources: Asheville City Schools Records

Notes: For the years 2016-2017, 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 retuturned 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 Montford North Star Academy along with the destruction of the former ROTC building on the Asheville High School campus.
2023 Building G replaced the former ROTC building on the Asheville High School campus. Asheville Primary School was closed.
2024 was the final year for Montford North Star Academy
2025 William Randolph Campus opened at the former North Star Academy location. Students are counted in membership at their home school.



# ASHEVILLE CITY SCHOOLS

Learn. Discover. Thrive.

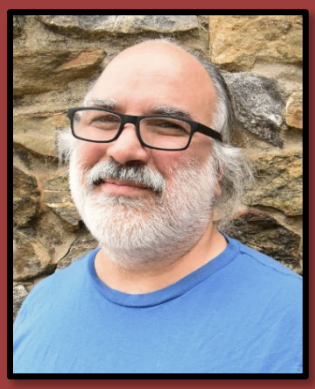
# ASHEVILLE CITY BOARD OF EDUCATION



SARAH THORNBURG
*Board Chair*



REBECCA STRIMER
*Vice Chair*



PEPI ACEBO



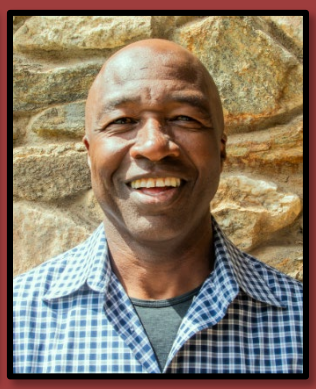
LIZA KELLY



AMY RAY



GEORGE SIEBURG



JESSE WARREN

## 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.