

Buncombe County Board of Education
Asheville, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018



**BUNCOMBE COUNTY
BOARD OF EDUCATION
ASHEVILLE, NORTH CAROLINA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

YEAR ENDED JUNE 30, 2018

BOARD OF EDUCATION

ANN FRANKLIN, MADAM CHAIR
CINDY MCMAHON, VICE CHAIRMAN
PAT BRYANT
PEGGY BUCHANAN
AMY CHURCHILL
DONNA PATE
MAX QUEEN

SUPERINTENDENT

TONY W. BALDWIN

PREPARED UNDER THE DIRECTION OF:
DEPARTMENT OF FINANCE
DEBORAH B. FRISBY, CHIEF FINANCIAL OFFICER

BUNCOMBE COUNTY BOARD OF EDUCATION

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BUNCOMBE COUNTY BOARD OF EDUCATION

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BUNCOMBE COUNTY BOARD OF EDUCATION

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Introduction



Tony Baldwin, Ed. D., Superintendent

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P: 828.255.5921 F: 828.255.5923
www.buncombeschools.org

November 19, 2018

Citizens of Buncombe County and Members of the Buncombe County Board of Education:

As Superintendent and Finance Officer for Buncombe County Schools, we are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Buncombe County Board of Education (the Board) for the fiscal year ended June 30, 2018. We accept responsibility for the accuracy, completeness and fairness of this report which has been prepared in accordance with generally accepted accounting principles. The report also provides supplementary information that may help the reader better understand the operations and financial position of the local education agency overseen by the Board. We believe that the data in this report is presented in a manner that describes fairly the financial position and results of operations of our local education agency in accordance with the accounting standards promulgated by Statements #34, #54, and #68 of the Governmental Accounting Standards Board (GASB).

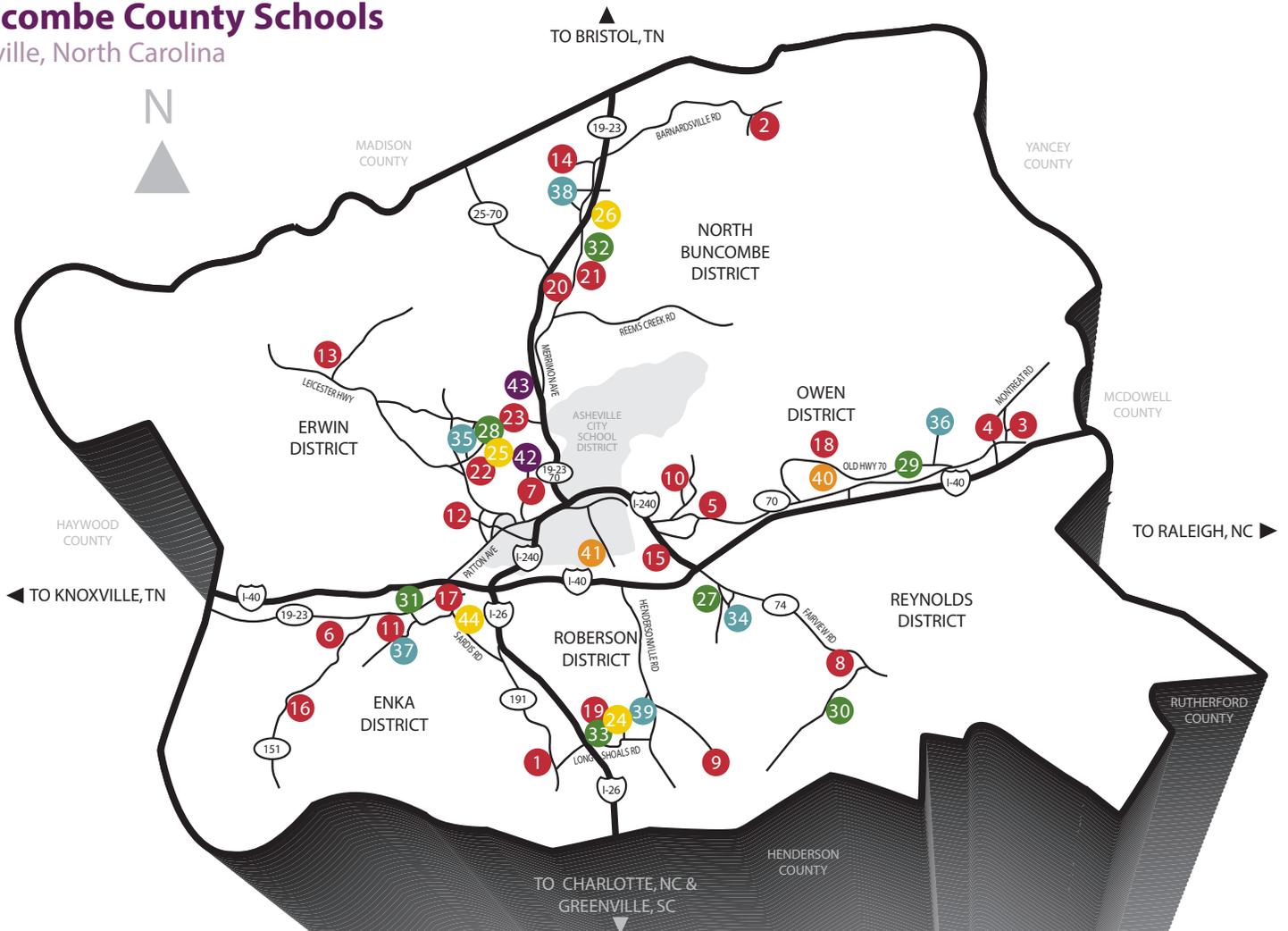
North Carolina General Statutes require that each local education agency, such as the Buncombe County Board of Education, have an annual audit of all funds under its control by an independent public accountant. Anderson Smith & Wike PLLC, a firm of certified public accountants, has audited the basic financial statements (which include both government-wide financial statements and fund financial statements), and their opinion is included in this report. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Anderson Smith & Wike PLLC's opinion on the basic financial statements is unmodified, which indicates that in their opinion, the basic financial statements present fairly, in all material respects, the financial position of the Buncombe County Board of Education as of June 30, 2018, and the results of its operations and the cash flows of its enterprise funds for the year then ended in accordance with generally accepted accounting principles.

This report contains information beyond that which is required by North Carolina General Statutes and marks the twenty-ninth consecutive year in which a Comprehensive Annual Financial Report (CAFR) has been issued by Buncombe County Public Schools. Each CAFR produced in the preceding twenty-eight fiscal years has been submitted to the Association of School Business Officials International (ASBO) for review. For twenty consecutive years beginning with the CAFR issued for the year ended June 30, 1997, our CAFR has also been submitted to the Government Finance Officers Association of the United States and Canada (GFOA) for review.

In Spring 2018, the Association of School Business Officials International (ASBO) awarded the Certificate of Excellence in Financial Reporting to the Buncombe County Board of Education for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the twenty-ninth consecutive year that the Buncombe County Board of Education has received the award. This award is made to school districts that publish a comprehensive annual financial report that is easily readable, efficiently organized, and conforms to the program standards as well as satisfies generally accepted accounting principles and applicable legal requirements.

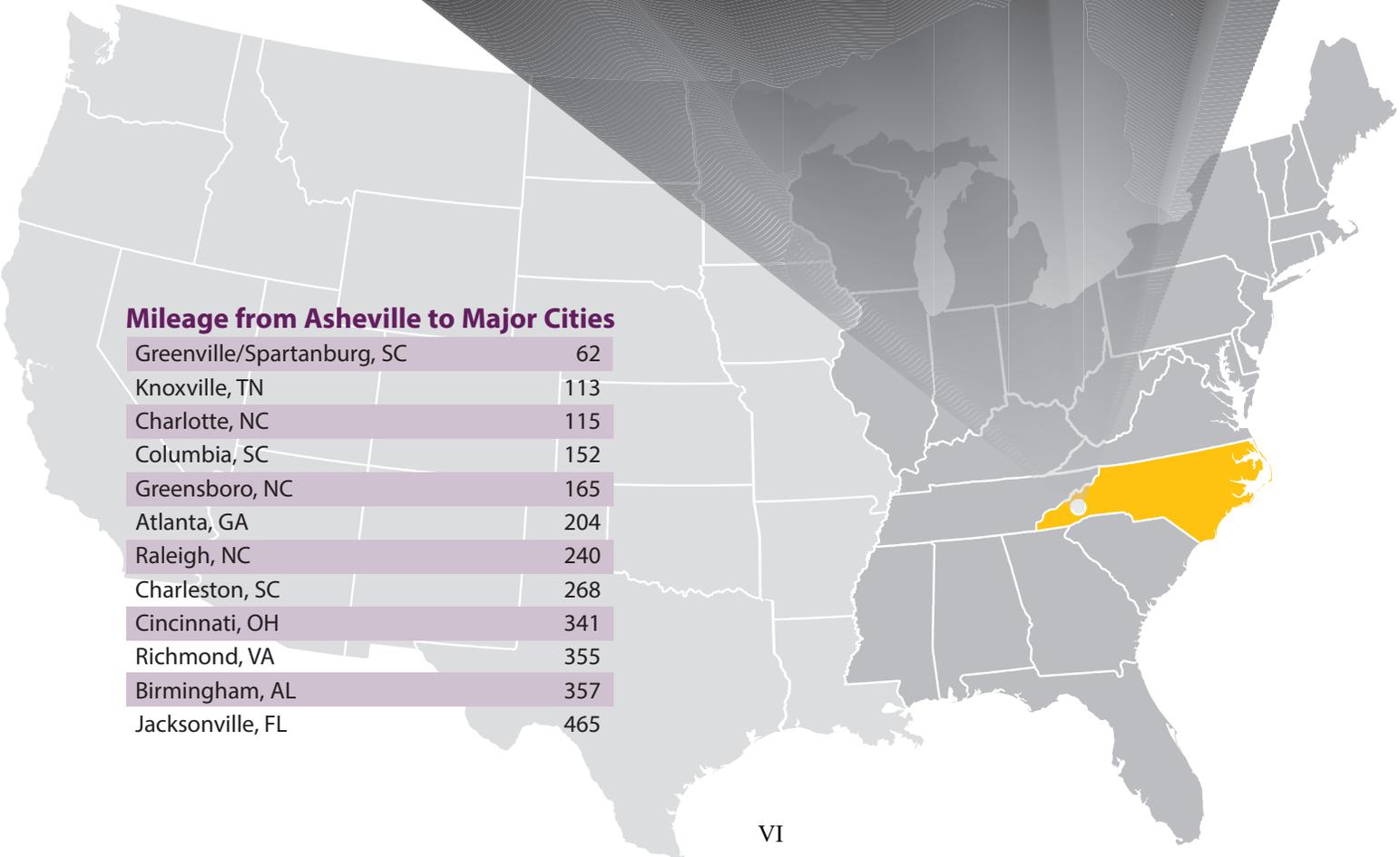
Buncombe County Schools

Asheville, North Carolina



Mileage from Asheville to Major Cities

Greenville/Spartanburg, SC	62
Knoxville, TN	113
Charlotte, NC	115
Columbia, SC	152
Greensboro, NC	165
Atlanta, GA	204
Raleigh, NC	240
Charleston, SC	268
Cincinnati, OH	341
Richmond, VA	355
Birmingham, AL	357
Jacksonville, FL	465



Buncombe County Schools

Asheville, North Carolina

ELEMENTARY

1	Avery's Creek 15 Park South Boulevard, Arden 28704	828.654.1810
2	Barnardsville 20 Hillcrest Drive, Barnardsville 28709	828.626.2290
3	Black Mountain 100 Flat Creek Road, Black Mountain 28711	828.669.5217
4	Black Mountain Primary 301 East State Street, Black Mountain 28711	828.669.2645
5	C. C. Bell 90 Maple Springs Road, Asheville 28805	828.298.3789
6	Candler 121 Candler School Road, Candler 28715	828.670.5018
7	Emma 37 Brickyard Road, Asheville 28806	828.232.4272
8	Fairview 1355 Charlotte Highway, Fairview 28730	828.628.2732
9	Glen Arden 50 Pinehurst Circle, Arden 28704	828.654.1800
10	Haw Creek 21 Trinity Chapel Road, Asheville 28805	828.298.4022
11	Hominy Valley 450 Enka Lake Road, Candler 28715	828.665.0619
12	Johnston 230 Johnston Boulevard, Asheville 28806	828.232.4291
13	Leicester 31 Gilbert Road, Leicester 28748	828.683.2341
14	North Buncombe 251 Flat Creek Church Road, Weaverville 28787	828.645.6054
15	Oakley 753 Fairview Road, Asheville 28803	828.274.7515
16	Pisgah 1495 Pisgah Highway, Candler 28715	828.670.5023
17	Sand Hill-Venable 154 Sand Hill School Road, Asheville 28806	828.670.5028
18	W. D. Williams 161 Bee Tree Road, Swannanoa 28778	828.686.3856
19	W. W. Estes 275 Overlook Road, Asheville 28803	828.654.1795
20	Weaverville 129 South Main Street, Weaverville 28787	828.645.3127
21	Weaverville Primary 39 South Main Street, Weaverville 28787	828.645.4275
22	West Buncombe 175 Erwin Hills Road, Asheville 28806	828.232.4282
23	Woodfin 108 Elk Mountain Road, Asheville 28804	828.232.4287

INTERMEDIATE

24	Charles T. Koontz Intermediate 305 Overlook Road, Asheville 28803	828.684.1295
25	Joe P. Eblen Intermediate 59 Lee's Creek Road, Asheville 28806	828.255.5757
26	North Windy Ridge 20 Doan Road, Weaverville 28787	828.658.1892
44	Enka Intermediate 125 Asheville Commerce Parkway, Candler 28715	828.255.1380

MIDDLE

27	A. C. Reynolds 2 Rocket Drive, Asheville 28803	828.298.7484
28	C. A. Erwin 20 Erwin Hills Road, Asheville 28806	828.232.4264
29	C. D. Owen 730 Old U. S. 70, Swannanoa 28778	828.686.7739
30	Cane Creek 570 Lower Brush Creek Road, Fletcher 28732	828.628.0824
31	Enka 390 Asbury Road, Candler 28715	828.670.5010
32	North Buncombe 51 N. Buncombe Sch. Road, Weaverville 28787	828.645.7944
33	Valley Springs 224 Long Shoals Road, Arden 28704	828.654.1785

HIGH

34	A. C. Reynolds 1 Rocket Drive, Asheville 28803	828.298.2500
35	C. A. Erwin 60 Lees Creek Road, Asheville 28806	828.232.4251
36	C. D. Owen 99 Lake Eden Road, Black Mountain 28711	828.686.3852
37	Enka 475 Enka Lake Road, Candler 28715	828.670.5000
38	North Buncombe 890 Clark's Chapel Road, Weaverville 28787	828.645.4221
39	T. C. Roberson 250 Overlook Road, Asheville 28803	828.654.1765

SPECIALIZED

40	Community High School 235 Old U. S. 70, Swannanoa 28778	828.686.7734
41	Buncombe County Early College Buncombe County Middle College 340 Victoria Road, Asheville 28801 (AB Tech Campus)	828.232.4123
	Progressive Education Program 250 A Overlook Road, Asheville 28803 (Estes, Valley Springs, Roberson)	828.654.1780

ADMINISTRATIVE

42	Administrative Services Board of Education Superintendent's Office Maintenance 175 Bingham Road, Asheville 28806	828.255.5921
43	Transportation 74 Washington Avenue, Asheville 28804	828.232.4240

The award is valid for one year only. We believe that the present report, for the year ended June 30, 2018, also conforms to the ASBO requirements and will merit the Certificate of Excellence in Financial Reporting.

In May 2018, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Buncombe County Board of Education for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the twenty first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

BACKGROUND

The Buncombe County Board of Education, founded in 1897, serves areas of Buncombe County, North Carolina, not served by the Asheville City Board of Education. The County covers 660 square miles and has an estimated population of 257,931 with 83% living in Buncombe County Schools' attendance areas. The County is 240 miles west of the state capital, Raleigh, North Carolina; 205 miles northeast of Atlanta, Georgia; and 120 miles east of Knoxville, Tennessee.

As the map on the previous pages illustrates, Buncombe County Schools' attendance area surrounds that of Asheville City Schools and is divided into six attendance districts: North Buncombe, Owen, Reynolds, Roberson, Enka, and Erwin. During 2017-18, Buncombe County Schools provided general, special, and career-technical education through twenty-three elementary schools (kindergarten-grade 5), four intermediate schools (grades 5 and 6), seven middle schools (grades 6-8), six high schools (grade 9-12) and three special unit-wide high schools. The special high schools are Community High School (for students who require an alternative to the usual school environment), Early College/Middle College (for students concurrently taking courses at Asheville-Buncombe Technical College), and Nesbitt Discovery Academy (for students to focus on a curriculum of science, technology, engineering, and math or STEM). The North Carolina Department of Public Instruction and AdvancED accredit all the schools in the Buncombe County Schools system. Students with severe physical or mental disabilities are served through the Progressive Education Program (PEP) where they are placed in an age-appropriate school within the T.C. Roberson High/Valley Springs Middle/ W.W. Estes Elementary complex in the Roberson attendance area.

The State of North Carolina adjusts funding for school districts based on the average daily membership (ADM) for either the first academic month or the second academic month, depending on which is higher. In 2017-18, Buncombe County Schools' ADM was higher for the second academic month at 24,071, a decrease of 251 students from the prior year figure of 24,322. The State of North Carolina projects an ADM of 24,064 for 2018-19, a decrease of 7 students.

Buncombe County Schools

Average Daily Membership – Month 2 for School Year 2017-18

Grade Levels	KIND	1	2	3	4	5	6	7	8	9	10	11	12	Higher	Total
School Name															
Community High School	-	-	-	-	-	-	-	-	-	29	31	53	30	-	143
Early College	-	-	-	-	-	-	-	-	-	60	60	56	56	46	278
Middle College	-	-	-	-	-	-	-	-	-	-	-	31	43	-	74
Nesbitt Discovery Academy	-	-	-	-	-	-	-	-	-	100	98	97	94	-	389
Owen High	-	-	-	-	-	-	-	-	-	217	193	202	154	-	766
North Buncombe High	-	-	-	-	-	-	-	-	-	295	287	248	244	-	1,074
Erwin High	-	-	-	-	-	-	-	-	-	344	343	299	259	-	1,245
Roberson High	-	-	-	-	-	-	-	-	-	384	424	391	371	-	1,570
Enka High	-	-	-	-	-	-	-	-	-	300	295	268	218	-	1,081
Reynolds High	-	-	-	-	-	-	-	-	-	318	309	311	270	-	1,208
Valley Springs Middle	-	-	-	-	-	-	9	284	307	-	-	-	-	-	600
Cane Creek Middle	-	-	-	-	-	-	129	224	203	-	-	-	-	-	556
Owen Middle	-	-	-	-	-	-	179	163	180	-	-	-	-	-	522
Reynolds Middle	-	-	-	-	-	-	173	166	180	-	-	-	-	-	519
Enka Middle	-	-	-	-	-	-	-	303	290	-	-	-	-	-	593
Erwin Middle	-	-	-	-	-	-	-	352	318	-	-	-	-	-	670
North Buncombe Middle	-	-	-	-	-	-	-	281	276	-	-	-	-	-	557
North Windy Ridge						309	298								607
Eblen Intermediate	-	-	-	-	-	338	365	-	-	-	-	-	-	-	703
Enka Intermediate	-	-	-	-	-	340	298	-	-	-	-	-	-	-	638
Koontz Intermediate	-	-	-	-	-	380	360	-	-	-	-	-	-	-	740
Avery's Creek Elementary	102	114	121	117	137	-	-	-	-	-	-	-	-	-	591
Barnardsville Elementary	30	33	35	31	19	-	-	-	-	-	-	-	-	-	148
Black Mountain Elementary	-	-	-	-	110	115	-	-	-	-	-	-	-	-	225
Black Mountain Primary	97	92	115	96	-	-	-	-	-	-	-	-	-	-	400
Candler Elementary	82	92	89	76	100	-	-	-	-	-	-	-	-	-	439
Bell Elementary	56	41	43	60	54	42	-	-	-	-	-	-	-	-	296
Emma Elementary	65	78	71	64	85	-	-	-	-	-	-	-	-	-	363
Fairview Elementary	138	117	108	109	121	147	-	-	-	-	-	-	-	-	740
Glen Arden Elementary	129	129	97	107	111	-	-	-	-	-	-	-	-	-	573
Haw Creek Elementary	57	65	67	75	74	63	-	-	-	-	-	-	-	-	401
Hominy Valley Elementary	80	66	72	91	91	-	-	-	-	-	-	-	-	-	400
Johnston Elementary	55	49	57	55	65	-	-	-	-	-	-	-	-	-	281
Leicester Elementary	80	82	75	92	97	-	-	-	-	-	-	-	-	-	426
North Buncombe Elementary	104	121	107	111	138	-	-	-	-	-	-	-	-	-	581
Oakley Elementary	80	74	63	73	89	71	-	-	-	-	-	-	-	-	450
Pisgah Elementary	39	21	36	30	42	-	-	-	-	-	-	-	-	-	168
Sand Hill-Venable Elem	103	126	111	107	126	-	-	-	-	-	-	-	-	-	573
Williams Elementary	83	73	73	75	73	73	-	-	-	-	-	-	-	-	450
Estes Elementary	134	152	153	158	151	8	-	-	-	-	-	-	-	-	756
Weaverville Elementary	-	-	120	120	111	-	-	-	-	-	-	-	-	-	351
Weaverville Primary	117	123	-	-	-	-	-	-	-	-	-	-	-	-	240
West Buncombe Elementary	107	112	106	100	123	-	-	-	-	-	-	-	-	-	548
Woodfin Elementary	31	21	30	24	31	1	-	-	-	-	-	-	-	-	138
Total Students	1,769	1,781	1,749	1,771	1,948	1,887	1,811	1,773	1,754	2,047	2,040	1,956	1,739	46	24,071

The chart on the previous page shows student distribution among the 44 schools operated by the Board in 2017-18 for the second academic month, which is the most significant student count for overall funding purposes.

The Board employs approximately 2,895 full-time employees, of which 1,958 are classified as certified employees and 937 are classified as other operating personnel.

THE REPORTING ENTITY

This report includes all of the funds of the Buncombe County Board of Education, which is an independent reporting entity as defined by GASB Statement #14 and a primary government for GASB Statement #34 purposes.

North Carolina General Statute 115C-40 gives the Buncombe County Board of Education direct oversight responsibility and control over all activities related to primary and secondary education in the area of Buncombe County not served by the Asheville City Schools. The seven members of the Board of Education are elected for four-year terms, which are staggered: three are elected in one biennium and four in the next. Six of the members must reside in and represent one of the six attendance areas in the Buncombe County Schools system; the seventh seat is county-wide. Elections are non-partisan, and County residents vote for all School Board positions on the ballot.

The School Board receives funding from local, state and federal government sources and must comply with the legal requirements of each funding entity. The School Board receives local funding from the County of Buncombe, but the Board of County Commissioners' authority over the School Board's budget extends only to appropriating funds at the purpose/function level. Historically, the County has not exercised this option but has instead made lump-sum operating and capital appropriations to the School Board. The County is responsible for the approval, issuance, and repayment of debt. Such debt is limited to capital construction projects. The County does not select management of Buncombe County Schools and is not responsible for deficits or entitled to surpluses in the Buncombe County Schools budget. The County does not significantly influence the operations of the Buncombe County Board of Education nor is the School Board accountable to the County for fiscal matters beyond the County's appropriation.

The Buncombe County Schools Foundation, Inc. was founded in 1984 as a non-profit corporation founded to assist educational functions and promote scholarship in the Buncombe County public school system, supplement resources available to individuals in public schools in Buncombe County, and to promote the development of character, integrity, leadership, and scholarship of young people attending public schools in Buncombe County. A substantial portion of the Foundation's assets is restricted by donors as to its use and disposition, including interest earnings on these assets. The Foundation board is not appointed by the Buncombe County Board of Education, but does provide services and funding to citizens served by the Schools and, on occasion, its employees. The Foundation is excluded from the reporting entity because the Buncombe County Board of Education does not have the ability to exercise influence over their daily operations, approve budgets or provide funding. The Buncombe County Board of Education does not hold title to any Foundation assets nor have the right to any surpluses.

REPORT FORMAT

This Comprehensive Annual Financial Report is divided into three major sections to address the needs of a wide variety of financial statement readers. The three sections are described below:

- 1. Introductory Section** -- This section introduces the reader to the report and includes a table of contents, a letter of transmittal, and an organizational chart for the Board.
- 2. Financial Section** -- The basic financial statements, which are presented in the first part of this section, include both *government-wide statements* and *fund financial statements* as well as a *management discussion and analysis*. As is explained in the management discussion and analysis, the government-wide statements and the fund financial statements provide two different overviews of the Board's finances. Because the fund financial statements contained in the basic financial statement section present separate information only for major funds, users who require more detailed information about the school district's finances will also wish to review the last part of the financial section which presents combining statements and individual fund statements.
- 3. Statistical information** -- This section presents social and economic data, financial and fiscal trends and the fiscal capacity of the Buncombe County Public Schools.

ACCOUNTING AND BUDGETARY CONTROL

The Board provides a variety of services to meet the needs of students. In order to distinguish between services that are intended to be self-supporting and those that are not, and because funding agencies may require that the services they help support be accounted for separately from all others, the Board maintains several different funds. A fund is a separate accounting entity with a self-balancing set of accounts. Funds that are intended to be self-supporting are called *proprietary* funds, whereas funds that are intended to be subsidized by general revenue are called *governmental* funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to specific operations.

Most of the Board's operations are handled in governmental funds, which include general, special revenue, and capital projects funds. The enterprise fund operated by the Board are each a proprietary fund type. The Board's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board. Thus, the accounting records for the general fund, special revenue funds, and capital projects fund are maintained on a modified accrual basis while the enterprise fund is maintained on a full accrual basis. The fund financial statements are prepared using the same accounting rules that guide the recording of day-to-day transactions and that are used to budget the fund.

The government-wide statements apply a "business-like" accounting standard to all activities, showing governmental activities and business activities separately as well as a grand total.

Readers are directed to the management discussion and analysis within the financial section of this CAFR for a detailed explanation of the financial statements for the year ended June 30, 2018.

In developing and evaluating the Board's accounting system, consideration is given to the adequacy of the internal control structure. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of the basic financial statements in accordance with generally accepted accounting principles. 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. We believe that the Board's internal control structure adequately safeguards assets and provides reasonable assurance that financial transactions are properly executed and recorded.

North Carolina General Statutes require all governmental units to adopt a balanced budget before July 1 each year. The Board's annual Budget Resolution authorizes expenditures by purpose, function, and project on a modified accrual basis. For internal management purposes, the budget is allocated by line-item within each function and project. The budget amounts reflected in the accompanying financial statements represent the final budget as amended for the fiscal year. For budgetary control purposes, 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 re-appropriated by budget amendment in the new fiscal year.

COMPARISON OF BUDGET TO ACTUAL PERFORMANCE

Comparisons of budget to actual performance are provided for all major funds in the financial statement section that follows this introductory section in the CAFR. As is more fully explained in the management discussion and analysis section included in the basic financial statements, there were several budget amendments during the year, and all variances from the initial and final budgets were expected.

COMPLIANCE WITH LEGAL REQUIREMENTS

There were no material violations of legal budgetary requirements during the year, and Buncombe County Schools continued to meet all requirements of the Uniform Education Reporting System (UERS). In July 2015, Buncombe County Schools was recognized by the Chairman of the State Board of Education and the State Superintendent for excellence in management of the North Carolina State Public School Fund for fiscal year 2013-14. It is extremely rare for a school district as large as Buncombe County Schools to receive this recognition because it requires error-free performance on a number of financial management areas such as having no salary audit exceptions outstanding at year-end and no over- or under-spent allotments.

FUTURE ECONOMIC OUTLOOK AND FISCAL PLANNING

The financial health of the Buncombe County Board of Education is largely dependent upon the economic prospects of the State of North Carolina and of the County of Buncombe.

The State of North Carolina has experienced periodic budgetary shortfalls over the past twenty years. Early in the first decade of the 21st century the State of North Carolina again began experiencing revenue shortfalls similar to those of the early 1990's. In 2001-02, the State of North Carolina not only enacted a hiring and purchasing freeze for all State funds allocated to the public schools but also withheld revenue normally refunded to counties. When the County of Buncombe lost State revenue mid-year, it reduced its appropriation to the Buncombe County Board of Education by \$1,072,513. During 2001-02, the Board experienced significant reductions in both State and County revenue from what was originally budgeted.

The State's financial difficulties continued throughout the period of 2002-03 to 2005-06, with school districts being required to revert a portion of the State allotments "up front" each year in order to balance the state budget. The reversions were \$717,069, \$812,200, \$1,308,795, and \$806,649 in fiscal years 2002-03, 2003-04, 2004-05, and 2005-06, respectively. The State's financial situation improved markedly in 2006-07 and 2007-08, and all school allotment formulas were fully funded both years with no reversion being required. A State lottery was also passed in 2005-06 that began generating revenue for schools in 2006-07. However, North Carolina began to feel the effects of the nationwide financial crisis in the second half of 2008. Two reversions of the 2008-09 State allotments were required -- \$1,011,458 in November 2008 and \$714,962 in June 2009. In 2009-10, financial difficulties increased, and State appropriations fell by a total of \$16 million as a result of both reductions in specific allotments and a requirement to revert \$3,934,180 from initial allotments. In 2010-11, 2011-12, and 2012-13, required reversions continued and were \$5,327,936, \$7,407,035, and \$6,167,250, respectively. For fiscal years 2013-14 to present, the State has decided to eliminate the requirement to revert funds and has instead taken the necessary cuts to balance the budget themselves.

In an attempt to help school districts adjust to lower funding, in 2009-10 and 2010-11, the General Assembly granted increased flexibility to school districts to move funding among State allotment categories, which reduced the negative impact of the appropriation reductions by allowing an exchange of position allotments for dollars. However, because this flexibility stressed the State's own budget more than anticipated, in 2011-12 and 2012-13, the General Assembly restricted where funds from the teacher and teacher assistant allotments could be transferred and reduced the value received from position allotment conversions. In 2013-14 and 2014-15, the General Assembly restored certain flexibility options to school districts, but would not allow the transferring of a position allotment to a dollar allotment that would pay for an identical position. Instead the General Assembly allowed the flexibility of moving dollar allotments to other dollar allotments. While this flexibility is helpful for school districts, it does not generate the same return as the flexibility that was available from year 2009-10 to 2012-13.

Turning to local funding, growth in this revenue source had stagnated early in the first decade of the twentieth century, but from 2003-04 until 2009-10, the County of Buncombe provided significant annual increases to the Buncombe County Board of Education as shown on the chart on the next page. However, the County of Buncombe was also adversely affected by the 2009 economic downturn, and the 2009-10 current general operating appropriation was reduced by (\$738,177) from the 2008-09 level. There was a modest increase of \$105,331 in the 2010-11 appropriation, and as is explained in the management discussion and analysis within the financial section of this CAFR, the County's operating appropriation increased significantly in 2011-12 to provide operational funding for the two new intermediate schools that opened. The County's operating appropriation for 2012-13 is \$336,755 lower, at \$48,010,003, due to redistribution of the same total amount with Asheville City Schools, whose share of total county ADM grew during 2011-12. In 2016-17 and 2017-18, the County's operating appropriation increased in order to assist with retirement and health insurance rate increases, adding support to the technology department, as well as offsetting reductions from the State Public School Fund and expiring American Recovery and Reinvestment Act Funds (ARRA). Also, in 2016-17 and 2017-18, the county appropriated additional funds to increase the local supplement percentages for licensed employees to help attract and retain qualified applicants for our district to remain competitive in the market place. The increases were \$5,243,573 and \$3,974,274 respectively.

The chart below shows the final operating appropriation from the County in recent years:

Fiscal Year Ended	County Appropriation	Change From Prior Year	Fiscal Year Ended	County Appropriation	Change From Prior Year
6/30/2007	\$40,965,412	\$3,573,970	6/30/2013	\$48,010,003	(\$336,755)
6/30/2008	\$43,553,643	\$2,588,231	6/30/2014	\$48,738,512	\$728,509
6/30/2009	\$46,744,879	\$3,191,236	6/30/2015	\$51,390,856	\$2,652,344
6/30/2010	\$46,006,702	(\$738,177)	6/30/2016	\$53,059,869	\$1,669,013
6/30/2011	\$46,112,033	\$105,331	6/30/2017	\$58,303,442	\$5,243,573
6/30/2012	\$48,346,758	\$2,234,725	6/30/2018	\$62,277,716	\$3,974,274

In order to bring expenditures within available resources, Buncombe County Schools eliminated a total of 170.5 full-time-equivalent (FTE) positions during 2009-10, 2010-11, and 2011-12. New positions funded by the increase in the operating appropriation from the County Commissioners for the two new schools reduced the net loss of positions to 139 FTE as shown on the chart on the next page. Despite some signs that both the State and local economy is beginning to improve, the effects of the recession are expected to continue for several years, and the reductions in staffing listed below are likely to be permanent. No additional position eliminations took place in 2012-13, but in 2013-14 the term of employment for instructional assistants went from 210 days to 205 days. In addition, 24 vacant instructional assistant positions were eliminated. In year 2014-15 and 2015-16, due to the opening of two new charter schools, cuts were made to specific formula driven state funded categories based on average daily membership. The state allotments that were most significantly impacted were teachers, non-instructional support, and instructional assistants.

Category	Cumulative Loss of Positions at Other Locations	Additional Positions for Koontz & Eblen	Net Loss of Positions 2008 to 2012
<u>Licensed Staff</u>			
Central Office Administrators	-5	-	-5
Principals	-1	2	1
Assistant Principals	-9	2	-7
Guidance/Social Workers	-6	2.5	-3.5
Media Specialists	-3	2	-1
Mentors	-2	0	-2
Classroom Teachers (factoring out ADM changes)	-61	10	-51
<u>Classified Staff</u>			
Elementary General Assistants	-12.5	1	-11.5
Media Assistants	-4	2	-2
Middle and High School Clerical Assistants	-13	2	-11
Custodians	-23	8	-15
Administrative Computing/NC Wise	-1	0	-1
Cataloguer, Copier Attendant, Receptionist	-3	0	-3
Child Nutrition Department	-1	0	-1
Finance Department	-1	0	-1
Personnel Department	-1	0	-1
Maintenance Department	-4	0	-4
Technology	-20	0	-20
	-170.5	31.5	-139

In addition: The term of employment for all instructional assistants was reduced from 215 days to 210 days.
The term of employment for clerical staff has been reduced in some cases.
The term of employment for assistant principals was reduced in some cases.

These staffing reductions would have been greater had federal funding not increased significantly. Over the three-year period of 2008-09 through 2011-12, a total of \$26,975,190 in American Recovery and Reinvestment Act (ARRA) funding was awarded to Buncombe County Schools as well as \$5,284,505 in federal Education Jobs Bill funds. Although the influx of federal dollars spared Buncombe County Schools from even greater cuts, our increased reliance on federal funding over that period created concern about sustainability of operations after federal funding returns to its pre-recession levels. During these years federal funding made up approximately 13% of our governmental non-capital budget whereas the pre-recession level was approximately 6%. From year 2013-14 to present, the percentage of federal funding has stabilized at 8% of the total non-capital budget.

For many years, North Carolina General Statutes have included a stabilization policy that limits the amount of fund balance that can be appropriated to a subsequent year's budget in any fund to no more than the amount of cash on hand at June 30th minus liabilities minus encumbrances. The effect of this statutory requirement is to reduce the amount available for appropriation in any fund by the amount of receivables and other non-cash assets at June 30th.

With the goal of stabilizing operations in future years when federal funding is no longer at such a high level, the Board implemented a local policy effective for the year ended June 30, 2011 for the General Fund that required that one month's operating balance be withheld from appropriation to the subsequent year's budget to serve as a stabilization reserve. That Board policy also requires that no more than half of the fund balance not restricted from appropriation by State Statute and not committed by Board policy as a local stabilization reserve may be appropriated to a subsequent year's budget unless the Board is also presented with a plan demonstrating how the one-time fund balance revenue will be replaced in future years.

The Board has also used the difference between the State's July 1 – June 30 fiscal year and the federal October 1 - September 30 fiscal year to reduce the potential federal funding "cliff" into a series of more manageable step-downs. The difference in fiscal years allows a portion of federal funding available in one fiscal year to be held back until the first quarter of the next fiscal year. For example, planned use of \$5,284,505 in federal Education Jobs Bill funds awarded in early 2010-11 was deferred until 2011-12 and early 2012-13. As mentioned on the previous page, additional staffing reductions were also made in 2011-12 in order to phase-down operations to a sustainable level. As a result of these two strategies, no fund balance had to be used to balance the 2011-12 General Fund budget. No new reductions in staffing were implemented for 2012-13, although approximately \$3 million in fund balance was appropriated to balance the 2012-13 General Fund budget due to approximately \$6 million less federal funding being available to support positions. Approximately \$4 million in fund balance was appropriated to balance the 2013-14 General Fund budget and approximately \$6 million in fund balance was appropriated to balance the 2014-15 initial budget.

For the 2015-16 General Fund Budget, approximately \$6.5 million was appropriated to balance but only spent \$1.1 million of that during the year. For the 2016-17 General Fund Budget, approximately \$5.5 million was appropriated to balance, and approximately \$4.22 million was appropriated for the 2017-18 General Fund Budget to balance. While these amounts reflect the portion of fund balance that is appropriated to balance the initial budget, it is the systems goal to reduce this amount through the year as much as possible. For example, the system appropriated \$5.5 million in fund balance in fiscal year 2016-17, but only spent \$835,000 of that during the year.

Each year, the Board updates its long-range plan for capital facilities. Prior to 2003-04, the building program was directed toward upgrading obsolete facilities and replacing temporary classroom space with permanent buildings. In 2004, the first capacity calculations were made and compared against future growth trends in our student population. Detailed tracking of student population trends since then has shown that the growth in the County's total student population is cyclical, with period of steady growth in student numbers alternating with stagnant or even decreasing periods. An enhanced student population projection system implemented in 2007-08 provides a better means of projecting such non-linear trends. Current facilities consist of over 4.6 million square feet and the ages of schools' range from two years old up to ninety-seven years old.

Year-to-year change in the Buncombe County Schools student population since fiscal year 1996-97 is shown below:

<u>Fiscal Year</u>	<u>Change from Prior Year</u>	<u>Fiscal Year</u>	<u>Change from Prior Year</u>
2018-2019	(7) student decrease - projected	2007-2008	13 student increase
2017-2018	(251) student decrease	2006-2007	215 student increase
2016-2017	(191) student decrease	2005-2006	232 student increase
2015-2016	(459) student decrease	2004-2005	424 student increase
2014-2015	(643) student decrease	2003-2004	173 student increase
2013-2014	68 student increase	2002-2003	(99) student decrease
2012-2013	26 student increase	2001-0002	29 student increase
2011-2012	(50) student decrease	2000-2001	(116) student decrease
2010-2011	(4) student decrease	1999-2000	(30) student decrease
2009-2010	(228) student decrease	1998-1999	77 student increase
2008-2009	(57) student increase	1997-1998	359 student increase

Planning for future facilities needs must also take into account the grade level and location of students as well as their overall numbers.

The availability of the alternative public-school environment provided by charter schools drawing students from our attendance areas has also complicated the projection of future student populations. The chart below shows the various charter schools to which payments were made in each year and the average number of students from our attendance area.

Fiscal Year	ArtSpace	Evergreen	Franklin				Other	Total	Fiscal Year	ArtSpace	Evergreen	Franklin				Other	Total
			Francine Delany	School of Innovation	Invest Collegiate							Francine Delany	School of Innovation	Invest Collegiate			
2018-19																	
<i>Projected</i>	335	305	88	403	789	189	2109										
2017-2018	321	299	91	349	629	144	1833	2008-2009	269	269	79	N/A	N/A	5	622		
2016-2017	324	314	89	292	557	142	1718	2007-2008	258	267	79	N/A	N/A	1	605		
2015-2016	331	322	76	274	527	14	1544	2006-2007	266	254	74	N/A	N/A	3	597		
2014-2015	302	302	69	273	258	13	1217	2005-2006	236	284	76	N/A	N/A	4	600		
2013-2014	297	277	66	N/A	N/A	11	651	2004-2005	206	258	62	N/A	N/A	5	531		
2012-2013	299	289	68	N/A	N/A	17	673	2003-2004	174	225	64	N/A	N/A	7	470		
2011-2012	285	295	72	N/A	N/A	14	666	2002-2003	151	165	47	N/A	N/A	7	370		
2010-2011	294	295	75	N/A	N/A	10	674	2001-2002	80	143	49	N/A	N/A	7	279		
2009-2010	271	286	76	N/A	N/A	6	639	2000-2001	N/A	113	36	N/A	N/A	7	156		

No data is presented for ArtSpace Charter School prior to 2001-02 because it opened that year; similarly, Evergreen Community School had no enrollment prior to opening in 1999-2000. Two new charter schools, Invest Collegiate and Franklin School of Innovation, opened in fiscal year 2014-15. In 2015-16, the addition of two virtual charter schools resulted in several transfers of students from Buncombe County Schools. Charter schools receive the same proportionate share of state and local funds that traditional public schools receive on a per student basis. The Department of Public Instruction reduces the state allotments of the traditional public schools and transfers these funds to the charter school and the traditional public schools transfers local funds based on monthly cash receipts.

The rate of increase in the charter school population has increased dramatically in the last year. Several years ago, the General Assembly lifted the cap on charter schools in a region allowing two new charter schools to open in fiscal year 2014-15 in Buncombe County. Since these new charter schools are planning to add grades in the next few years it is expected that these charter school attendance numbers will increase in subsequent years.

STATISTICAL SECTION

This report includes a statistical section that supplements the information stated in this letter. This section provides information on financial trends, revenue capacity, debt capacity, demographic and economic information and operating information. Statistical data for Buncombe County has also been included to provide the reader with an insight into the local economy.

SEPARATE COMPLIANCE REPORTS

On July 5, 1996, the President signed the Single Audit Act Amendments of 1996 (31 USC Chapter 75). The 1996 Amendments extended the statutory audit requirement to non-profit organizations and substantially revised various provisions of the 1984 Single Audit Act. The final revisions to OMB Circular A-133 implement the 1996 Amendments, extend OMB Circular's coverage to States, local governments, and Indian tribal governments, and rescind OMB Circular A-128. The Single Audit Act and its amendments provide for audits of grants on a periodic, organization-wide basis rather than on a grant-by-grant basis. It calls for audit tests and procedures (in addition to those required for a financial audit) which relate primarily to compliance with federal laws and regulations. Subsequent to the Single Audit Act of 1984, the State of North Carolina enacted the State Single Audit Implementation Act which set standards for compliance reporting on state funding sources. A compliance report, which satisfies the reporting requirements, will be issued for the fiscal year ended June 30, 2018.

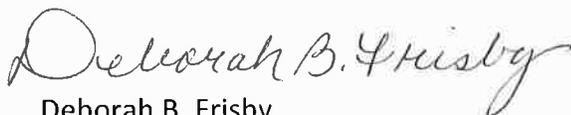
ACKNOWLEDGMENTS

We wish to express appreciation to the Buncombe County Board of Education for its support in adopting fiscal policies that provide accountability to the citizens whose taxes support the operation of the Buncombe County Schools. The preparation of this report required the combined efforts of many employees of Buncombe County Public Schools and the staff of our independent auditor. We would like to mention the following individuals who made especially significant contributions to the preparation of this report in the capacities listed: Tina Thorpe, Assistant Finance Officer, Cindy Hendrick, Payroll Division, Lisa Sharpe, Accounts Payable Division, Pamela Rowe, Internal Auditor, Denise McLemore, Financial Operations Manager, Sherry Sprinkle, the Assistant to the Chief Financial Officer, Sam Riddle, Budget Manager, and Carol Edge, Budget Analyst. As required by NC General Statute 115C-44, copies of this report will be filed with the Local Government Commission, the State Board of Education, and the Board of County Commissioners. A copy will also be made available for public inspection in the Superintendent's office.

Respectfully submitted:

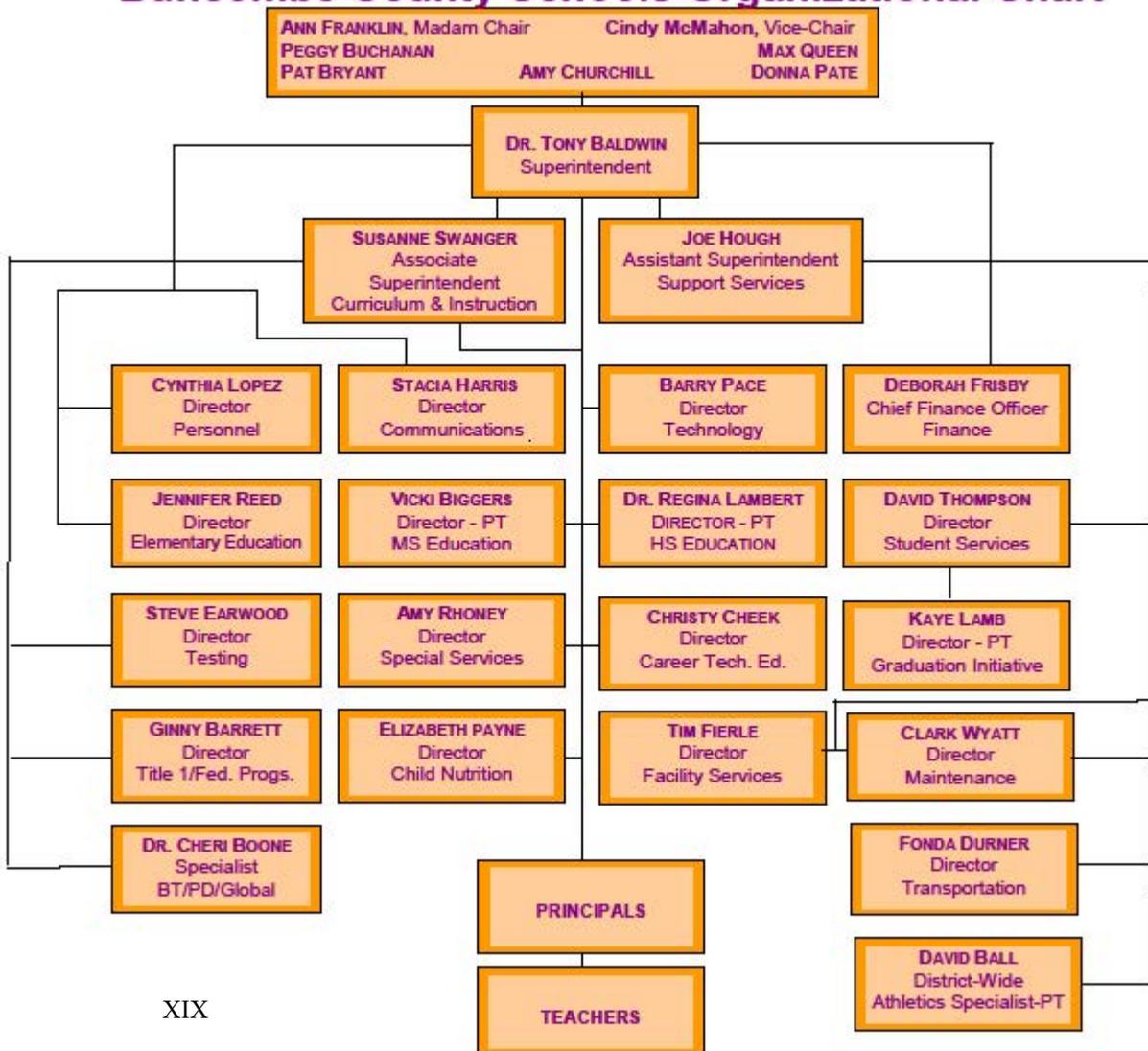


Tony W. Baldwin
Superintendent



Deborah B. Frisby
Chief Financial Officer

Buncombe County Schools Organizational Chart





**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
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**The Certificate of Excellence in Financial Reporting
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**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
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A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink that reads 'John D. Musso'.

John D. Musso, CAE
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
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Presented to

**Buncombe County Board of Education
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

BUNCOMBE COUNTY BOARD OF EDUCATION

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Financial Section



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Education
Buncombe County Board of Education
Asheville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Buncombe County Board of Education, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Buncombe County Board of Education as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, the Other Specific Revenue Fund, and the State Public School Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 13 and the Schedule of Proportionate Share of the Net Pension and OPEB Liabilities and the Schedule of Board Contributions on pages 57 through 62, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Buncombe County Board of Education's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, budgetary schedules and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual non-major fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Emphasis of Matter

As discussed in Note 4 to the financial statements, beginning balances were restated due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018. Our opinion is not modified with respect to these changes.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2018 on our consideration of Buncombe County Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Buncombe County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

November 29, 2018
Statesville, North Carolina
(704) 562-5039

**BUNCOMBE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

This section of the Buncombe County Board of Education's (*the Board*) financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2018. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- The Board's total net position decreased by (\$5,340,486) or (6.52%); governmental activities' net position decreased by (\$4,840,755), and business type activities' net position decreased by (\$499,731).
- The increase in governmental activities' total net investment in capital assets resulted primarily from an increase to construction in progress for the overall school district. The small dollar decrease in business-type activities relates to the retirement of assets versus the amount of assets purchased.
- The decrease in net position is the result of instituting the Governmental Accounting Standards Board (GASB) Statement No. 68 and 75. This reporting mandate is an amendment of GASB Statement No. 27. From the GASB website: The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Overview of the Financial Statements

The audited financial statements of the Buncombe County Board of Education 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 combining and budgetary statements for non-major governmental funds and budgetary statements for enterprise funds as well as required supplementary information related to pensions*

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

**BUNCOMBE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

The second type of statement included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds and proprietary 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 and fiduciary funds are presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on the financial resources of each of the Board's major funds.

Government-wide Statements

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

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

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

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

- Governmental activities: Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding 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. The Child Nutrition Fund is included here.

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

**BUNCOMBE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

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.

Buncombe County Board of Education has two types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds 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 Other Specific Revenue Fund, the State Public School Fund, the Federal Grants Fund, the Capital Projects Fund, the Individual Schools Fund, and the Hazelton Trust 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. Buncombe County Board of Education has one proprietary fund – an enterprise fund – the Child Nutrition Fund.

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

Financial Analysis of the Schools as a Whole

Net position is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$87,252,201 as of June 30, 2018. Other than unrestricted net position, the largest component of net position is net investment in capital assets of \$308,997,568.

**BUNCOMBE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

Following is a summary of the Statement of Net Position:

Table 1						
Condensed Statement of Net Position						
As of June 30, 2018 and 2017						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/18	6/30/17	6/30/18	6/30/17	6/30/18	6/30/17
Current assets	\$ 40,580,781	\$ 40,050,082	\$ 5,625,076	\$ 5,715,439	\$ 46,205,857	\$ 45,765,521
Capital assets	310,027,586	297,109,217	97,472	116,623	310,125,058	297,225,840
Total assets	<u>350,608,367</u>	<u>337,159,299</u>	<u>5,722,548</u>	<u>5,832,062</u>	<u>356,330,915</u>	<u>342,991,361</u>
Deferred outflows of resources	<u>59,783,678</u>	<u>58,470,284</u>	<u>1,401,634</u>	<u>1,342,499</u>	<u>61,185,312</u>	<u>59,812,783</u>
Current liabilities	8,323,781	4,709,563	225,042	201,621	8,548,823	4,911,184
Long-term liabilities	<u>381,002,163</u>	<u>103,026,446</u>	<u>8,846,834</u>	<u>2,281,028</u>	<u>389,848,997</u>	<u>105,307,474</u>
Total liabilities	<u>389,325,944</u>	<u>107,736,009</u>	<u>9,071,876</u>	<u>2,482,649</u>	<u>398,397,820</u>	<u>110,218,658</u>
Deferred inflows of resources	<u>103,933,870</u>	<u>4,999,856</u>	<u>2,436,738</u>	<u>114,798</u>	<u>106,370,608</u>	<u>5,114,654</u>
Net investment						
in capital assets	308,900,096	295,386,649	97,472	116,623	308,997,568	295,503,272
Restricted net position	35,362,276	16,391,957	12,258	-	35,374,534	16,391,957
Unrestricted net position	<u>(427,130,141)</u>	<u>(28,884,888)</u>	<u>(4,494,162)</u>	<u>4,460,491</u>	<u>(431,624,303)</u>	<u>(24,424,397)</u>
Total net assets	<u>\$ (82,867,769)</u>	<u>\$ 282,893,718</u>	<u>\$ (4,384,432)</u>	<u>\$ 4,577,114</u>	<u>\$ (87,252,201)</u>	<u>\$ 287,470,832</u>

Note that net position decreased during the year by \$5,340,486. The decrease in net position was due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Also note that the Board carries capital assets for which Buncombe County carries the offsetting debt.

**BUNCOMBE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/18	6/30/17	6/30/18	6/30/17	6/30/18	6/30/17
Revenues:						
Program revenues:						
Charges for services	\$ 474,909	\$ 380,726	\$ 3,076,721	\$ 3,163,006	\$ 3,551,630	\$ 3,543,732
Operating grants and contributions	168,864,234	165,016,966	9,595,916	9,852,770	178,460,150	174,869,736
Capital grants and contributions	1,038,616	1,543,349	15,185	7,452	1,053,801	1,550,801
General revenues:						
County appropriations	85,865,880	72,962,982	-	-	85,865,880	72,962,982
State appropriations	2,835,709	1,502,126	-	-	2,835,709	1,502,126
Other revenues	478,554	2,190,338	57,555	27,213	536,109	2,217,551
Total revenues	<u>259,557,902</u>	<u>243,596,487</u>	<u>12,745,377</u>	<u>13,050,441</u>	<u>272,303,279</u>	<u>256,646,928</u>
Expenses:						
Governmental activities:						
Instructional services	216,159,462	196,542,413	-	-	216,159,462	196,542,413
System-wide support services	47,509,694	46,649,417	-	-	47,509,694	46,649,417
Ancillary services	600,438	469,956	-	-	600,438	469,956
Business-type activities:						
Child Nutrition	-	-	13,374,171	13,057,798	13,374,171	13,057,798
Total expenses	<u>264,269,594</u>	<u>243,661,786</u>	<u>13,374,171</u>	<u>13,057,798</u>	<u>277,643,765</u>	<u>256,719,584</u>
Excess (deficiency) before transfers	(4,711,692)	(65,299)	(628,794)	(7,357)	(5,340,486)	(72,656)
Transfers in (out)	(129,063)	(123,402)	129,063	123,402	-	-
Increase (decrease) in net position	(4,840,755)	(188,701)	(499,731)	116,045	(5,340,486)	(72,656)
Beginning net position, as restated	(78,027,014)	283,082,419	(3,884,701)	4,461,069	(81,911,715)	287,543,488
Ending net position	<u>\$ (82,867,769)</u>	<u>\$ 282,893,718</u>	<u>\$ (4,384,432)</u>	<u>\$ 4,577,114</u>	<u>\$ (87,252,201)</u>	<u>\$ 287,470,832</u>

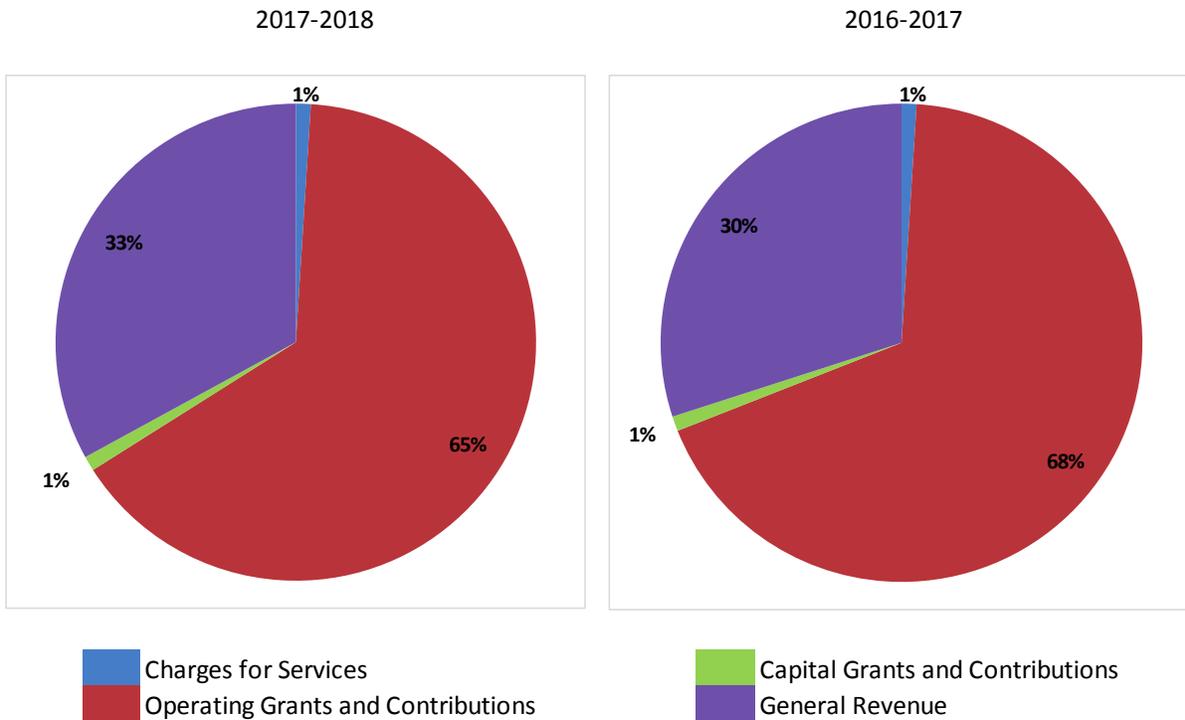
Total governmental activities generated revenues of \$259,557,902 while expenses in this category totaled \$264,269,594 for the year ended June 30, 2018. Comparatively, revenues were \$243,596,487 and expenses totaled \$243,661,786 for the year ended June 30, 2017. After transfers to the business-type activities, the decrease in net position stands at \$4,840,755 at June 30, 2018, compared to a decrease of \$188,701 in 2017. Instructional services expenses comprised 82% of total governmental-type expenses while system-wide support services made up 18% of those expenses for

**BUNCOMBE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

the year ended June 30, 2018. County funding comprised 33.1% of total governmental revenue and unrestricted State funding added another .6% for the year ended June 30, 2018. Much of the remaining 65.8% of total governmental revenue for the year ended June 30, 2018 consists of restricted State and federal money. Business-type activities generated revenue of \$12,745,377 and expenses of \$13,374,171. Net position decreased in the business-type activities by \$499,731 after transfers from the governmental activities of \$129,063.

Figure I
Government-wide Revenue

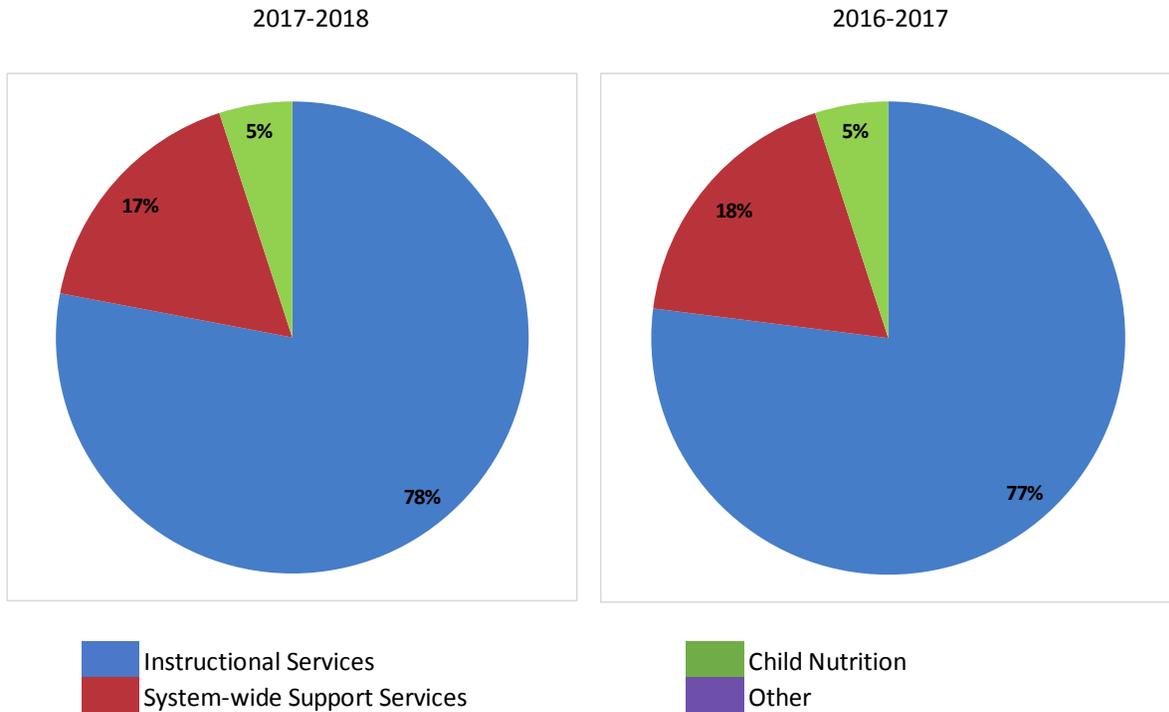
As Figure I shows, from 2016-17 to 2017-18, breakdown of government-wide revenues remained relatively constant. The chart on the following page shows the percentage of government-wide revenues from 2016-17 to 2017-18.



**BUNCOMBE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

As Figure II shows, instructional services, system wide support services, child nutrition and other essentially remained the same between the two years. This chart shows the consistency the Board has in the way it expenses funds.

Figure II
Government-wide Expenses



Financial Analysis of the Board's Funds

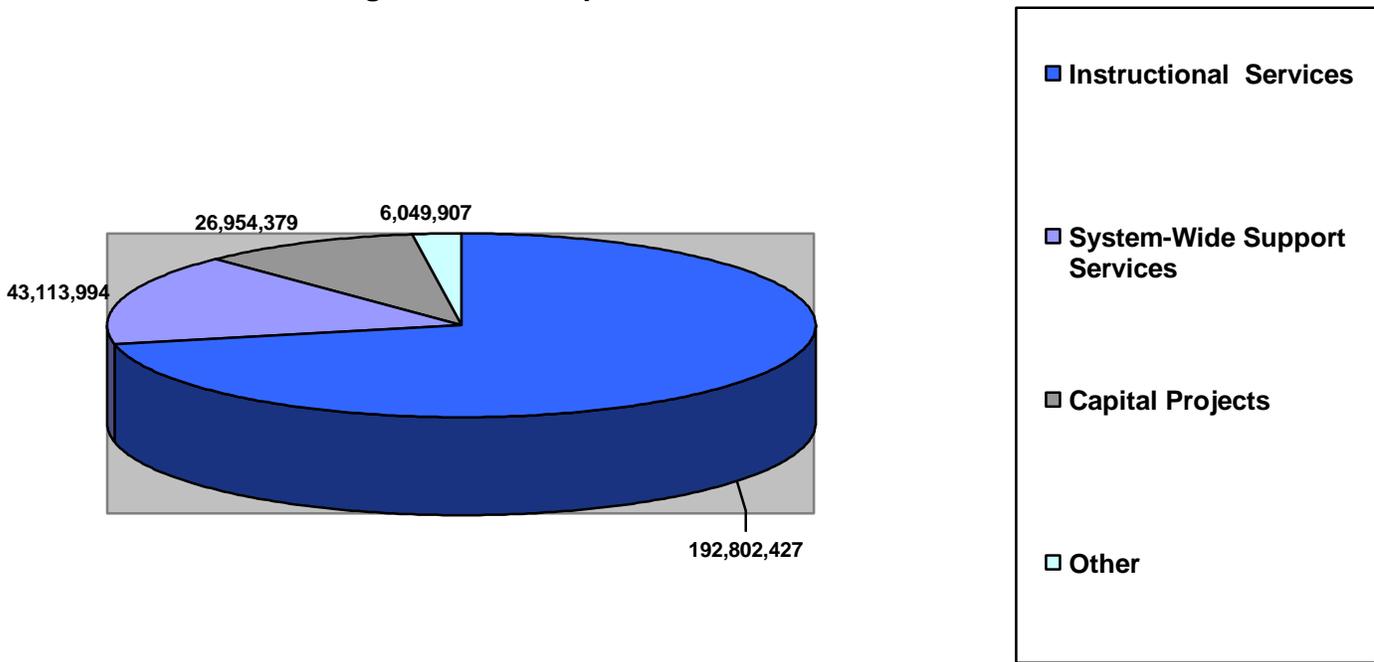
Governmental Funds: The focus of Buncombe County Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements. Any restrictions or commitments of fund balance do not significantly affect the availability of future fund resources.

The Board's governmental funds reported a combined fund balance of \$31,734,140, a \$3,606,379 decrease over last year. The General Fund reported a decrease of \$3,421,353. The decrease is primarily attributable to increased costs associated with providing educational services. The Capital Outlay Fund decreased by \$413,347 and the Other Specific Revenue fund decreased by \$377,334.

**BUNCOMBE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

Proprietary Funds: The Board's business-type fund had a significant decrease in net position in 2018. The decrease was due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Categorization of Expenditures for Governmental Funds



General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and to change appropriations in light of the adjusted revenue estimates.

**BUNCOMBE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

Capital Assets

Capital assets increased by \$12,899,218 or 4% from the previous year. This increase was due to capital additions exceeding depreciation expense during the year. The following is a summary of the capital assets, net of depreciation at year-end.

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/18	6/30/17	6/30/18	6/30/17	6/30/18	6/30/17
Land	\$ 8,243,726	\$ 8,243,726	\$ -	\$ -	\$ 8,243,726	\$ 8,243,726
Construction in progress	51,452,979	39,119,761	-	-	51,452,979	39,119,761
Buildings	215,273,883	215,272,121	-	-	215,273,883	215,272,121
Site improvements	23,655,615	22,398,586	-	-	23,655,615	22,398,586
Equipment and furniture	1,724,528	1,689,205	70,045	81,654	1,794,573	1,770,859
Vehicles	9,676,855	10,385,818	27,427	34,969	9,704,282	10,420,787
Total	<u>\$ 310,027,586</u>	<u>\$ 297,109,217</u>	<u>\$ 97,472</u>	<u>\$ 116,623</u>	<u>\$ 310,125,058</u>	<u>\$ 297,225,840</u>

Additional information regarding the Board's capital assets can be found in the notes to the financial statements.

Debt Outstanding

The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. The long-term obligations shown on the Statement of Net Position represent the long-term liability for net pension liability, net OPEB liability, compensated absences and installment financing agreements. These items increased significantly due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the year. Additional information regarding the Board's debt can be found in Note 2 to the financial statements.

Economic Factors

During 2017-18, the County Commissioners increased the County's operating appropriation to the school district. Buncombe County Schools' overall percentage of the students, when compared to Asheville City Schools' student population, narrowly increased. However, the projected percentage was slightly down resulting in a slight decrease in the percentage of the appropriation.

The County's operating appropriation is funded primarily by property tax receipts. County governments in North Carolina have the option of reassessing property either every 4 years or 8

**BUNCOMBE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

years. As a result of the 2015-16 assessment, 8 years after the prior assessment, the County of Buncombe avoided assessment during the recession and kept revenues steady.

The spike in property values in Asheville and Buncombe County results from the inability of builders to keep pace with record demand. Unfortunately, the increases in rent cost have not correlated with increases in wages causing a disparity in those able to afford rent in Buncombe County, per the National Low-Income Housing Initiative. Both the City of Asheville and the County of Buncombe have prioritized affordable housing, but benefits can be difficult to realize as demand stays high. Furthermore, developments, including multifamily rental properties, have not resulted in increased student population.

The revenue stream for the capital program, which comes from sales tax revenue, and the County's support for capital appropriations are continuing to stay strong. The greater Asheville area is both a strong retail market for the entire western part of the State and a popular tourist destination, both of which generate high sales tax revenue. Hotels continue to open in the area, helping add sales tax income. Furthermore, the State of North Carolina continues to refine the recent changes in sales tax law, incorporating services that were not previously taxed. These factors have allowed Buncombe County to continue to have an even stronger sales tax revenue stream.

Requests for Information

This report is intended to provide a summary of the financial condition of Buncombe County Board of Education. Questions or requests for additional information should be addressed to:

Deborah B. Frisby, Chief Financial Officer
Buncombe County Board of Education
175 Bingham Road
Asheville, NC 28806

BUNCOMBE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2018

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 34,165,018	\$ 4,948,900	\$ 39,113,918
Restricted cash and investments	226,737	-	226,737
Due from other governments	4,864,625	483,450	5,348,075
Receivables	148,135	28,313	176,448
Internal balances	165,625	(165,625)	-
Inventories	487,781	317,780	805,561
Net OPEB asset	522,860	12,258	535,118
Capital assets:			
Land and construction in progress	59,696,705	-	59,696,705
Other capital assets, net of depreciation	250,330,881	97,472	250,428,353
Total capital assets	310,027,586	97,472	310,125,058
Total assets	350,608,367	5,722,548	356,330,915
DEFERRED OUTFLOWS OF RESOURCES	59,783,678	1,401,634	61,185,312
LIABILITIES			
Accounts payable and accrued expenses	7,095,611	63,446	7,159,057
Accrued salaries and benefits	886,558	33,462	920,020
Unearned revenues	341,612	128,134	469,746
Long-term liabilities:			
Due within one year	5,930,643	128,712	6,059,355
Net pension liability	77,060,077	1,806,680	78,866,757
Net OPEB liability	289,420,099	6,785,477	296,205,576
Due in more than one year	8,591,344	125,965	8,717,309
Total liabilities	389,325,944	9,071,876	398,397,820
DEFERRED INFLOWS OF RESOURCES	103,933,870	2,436,738	106,370,608
NET POSITION			
Net investment in capital assets	308,900,096	97,472	308,997,568
Restricted for:			
Stabilization by State statute	9,313,965	-	9,313,965
Instructional services	1,468,355	-	1,468,355
School Capital Outlay	4,229,311	-	4,229,311
DIPNC OPEB plan	522,860	12,258	535,118
Unrestricted	(407,302,356)	(4,494,162)	(411,796,518)
Total net position	\$ (82,867,769)	\$ (4,384,432)	\$ (87,252,201)

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

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BUNCOMBE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental Activities:							
Instructional services	\$ 216,159,462	\$ 171,249	\$ 149,249,776	\$ -	\$ (66,738,437)	\$ -	(66,738,437)
System-wide support services	47,509,694	303,660	19,560,728	1,038,616	(26,606,690)	-	(26,606,690)
Ancillary services	600,438	-	53,730	-	(546,708)	-	(546,708)
Total governmental activities	264,269,594	474,909	168,864,234	1,038,616	(93,891,835)	-	(93,891,835)
Business-type activities:							
School food service	13,374,171	3,076,721	9,595,916	15,185	-	(686,349)	(686,349)
Total primary government	\$ 277,643,765	\$ 3,551,630	\$ 178,460,150	\$ 1,053,801	(93,891,835)	(686,349)	(94,578,184)
General revenues:							
Unrestricted county appropriations - operating					57,770,876	-	57,770,876
Unrestricted county appropriations - capital					28,095,004	-	28,095,004
Unrestricted State appropriations - capital					2,835,709	-	2,835,709
Investment earnings, unrestricted					356,267	53,262	409,529
Miscellaneous, unrestricted					122,287	4,293	126,580
Transfers					(129,063)	129,063	-
Total general revenues and transfers					89,051,080	186,618	89,237,698
Change in net position					(4,840,755)	(499,731)	(5,340,486)
Net position-beginning, as restated					(78,027,014)	(3,884,701)	(81,911,715)
Net position-ending					\$ (82,867,769)	\$ (4,384,432)	\$ (87,252,201)

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

**BUNCOMBE COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2018**

Exhibit 3

	Major Funds			Non-major Fund	Total Governmental Funds	
	General	State Public School	Capital Outlay	Other Governmental Funds		
ASSETS						
Cash and cash equivalents	\$ 8,844,590	\$ -	\$ 13,504,154	\$ 7,712,393	\$ 4,103,881	\$ 34,165,018
Restricted cash and investments	-	-	-	-	226,737	226,737
Receivables	5,191	-	-	142,924	20	148,135
Due from other fund	-	-	-	327,920	106,795	434,715
Due from other governments	160,383	138,313	4,461,308	82,428	22,193	4,864,625
Inventories	487,781	-	-	-	-	487,781
Total assets	<u>\$ 9,497,945</u>	<u>\$ 138,313</u>	<u>\$ 17,965,462</u>	<u>\$ 8,265,665</u>	<u>\$ 4,459,626</u>	<u>\$ 40,327,011</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,501,234	\$ -	\$ 5,141,032	\$ 411,892	\$ 41,453	\$ 7,095,611
Accrued salaries and benefits	710,763	138,313	-	15,289	22,193	886,558
Due to other fund	106,795	-	-	-	162,295	269,090
Unearned revenue	-	-	-	341,612	-	341,612
Total liabilities	<u>2,318,792</u>	<u>138,313</u>	<u>5,141,032</u>	<u>768,793</u>	<u>225,941</u>	<u>8,592,871</u>
Fund balances:						
Nonspendable:						
Inventories	487,781	-	-	-	-	487,781
Restricted:						
Stabilization by State statute	165,574	-	8,595,119	553,272	-	9,313,965
Other specific revenue	-	-	-	1,241,598	-	1,241,598
Hazelton Trust	-	-	-	-	226,757	226,757
School capital outlay	-	-	4,229,311	-	-	4,229,311
Individual schools	-	-	-	-	4,006,928	4,006,928
Committed:						
Other specific revenue	-	-	-	5,702,002	-	5,702,002
Assigned:						
Subsequent year's expenditures	5,548,574	-	-	-	-	5,548,574
Unassigned	977,224	-	-	-	-	977,224
Total fund balances	<u>7,179,153</u>	<u>-</u>	<u>12,824,430</u>	<u>7,496,872</u>	<u>4,233,685</u>	<u>31,734,140</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,497,945</u>	<u>\$ 138,313</u>	<u>\$ 17,965,462</u>	<u>\$ 8,265,665</u>	<u>\$ 4,459,626</u>	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	310,027,586
Net OPEB asset	522,860
Deferred outflows of resources related to pensions.	39,433,033
Deferred outflows of resources related to OPEB	20,350,645
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.	(14,521,987)
Net pension liability	(77,060,077)
Net OPEB liability	(289,420,099)
Deferred inflows of resources related to OPEB	(100,571,512)
Deferred inflows of resources related to pensions	(3,362,358)
Net position of governmental activities	<u>\$ (82,867,769)</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

Exhibit 4

	Major Funds				Non-major Fund	Total Governmental Funds
	General	State Public School	Capital Outlay	Other Specific Revenue	Other Governmental Funds	
REVENUES						
State of North Carolina	\$ -	\$ 142,382,627	\$ 3,874,325	\$ 131,604	\$ -	\$ 146,388,556
Buncombe County	62,277,716	-	28,095,004	308,408	-	90,681,128
U.S. Government	-	-	-	578,450	14,853,989	15,432,439
Other	965,759	-	819,836	4,024,464	6,736,487	12,546,546
Total revenues	<u>63,243,475</u>	<u>142,382,627</u>	<u>32,789,165</u>	<u>5,042,926</u>	<u>21,590,476</u>	<u>265,048,669</u>
EXPENDITURES						
Current:						
Instructional services	38,140,866	125,119,360	4,197,882	3,864,827	21,479,492	192,802,427
System-wide support services	22,160,698	17,158,750	1,392,568	1,393,445	1,008,533	43,113,994
Ancillary services	68	7,353	62,605	31,192	15,185	116,403
Non-programmed charges	4,506,840	-	-	87,878	300,170	4,894,888
Debt service:						
Principal payments	-	-	1,038,616	-	-	1,038,616
Capital outlay	-	-	26,954,379	-	-	26,954,379
Total expenditures	<u>64,808,472</u>	<u>142,285,463</u>	<u>33,646,050</u>	<u>5,377,342</u>	<u>22,803,380</u>	<u>268,920,707</u>
Revenues over (under) expenditures	(1,564,997)	97,164	(856,885)	(334,416)	(1,212,904)	(3,872,038)
OTHER FINANCING SOURCES (USES)						
Transfers (to) from other funds	(1,807,540)	(97,164)	-	(42,918)	1,818,559	(129,063)
Installment purchase obligations issued	-	-	443,538	-	-	443,538
Total other financing sources (uses)	<u>(1,807,540)</u>	<u>(97,164)</u>	<u>443,538</u>	<u>(42,918)</u>	<u>1,818,559</u>	<u>314,475</u>
Net change in fund balance	(3,372,537)	-	(413,347)	(377,334)	605,655	(3,557,563)
Fund balances-beginning	10,600,506	-	13,237,777	7,874,206	3,628,030	35,340,519
Change in reserve for inventories	(48,816)	-	-	-	-	(48,816)
Fund balances-ending	<u>\$ 7,179,153</u>	<u>\$ -</u>	<u>\$ 12,824,430</u>	<u>\$ 7,496,872</u>	<u>\$ 4,233,685</u>	<u>\$ 31,734,140</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

Exhibit 4
(Continued)

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

Net changes in fund balances - total governmental funds	\$ (3,557,563)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	13,853,480
Proceeds from sale of assets	(21,620)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in reserve for inventories	(48,816)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	15,159,338
Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	8,704,668
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	595,078
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension expense	(20,323,428)
OPEB expense	(16,902,042)
Compensated absences	(1,386,359)
Loss on disposal of assets	(913,491)
	<hr/>
Total changes in net position of governmental activities	<u><u>\$ (4,840,755)</u></u>

BUNCOMBE COUNTY BOARD OF EDUCATION
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, 2018

Exhibit 5

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Buncombe County	62,427,689	62,250,254	62,277,716	27,462
U.S. Government	-	-	-	-
Other	1,110,000	1,313,315	965,759	(347,556)
Total revenues	<u>63,537,689</u>	<u>63,563,569</u>	<u>63,243,475</u>	<u>(320,094)</u>
Expenditures:				
Current:				
Instructional services	38,055,966	38,381,399	38,140,866	240,533
System-wide support services	23,243,852	22,876,543	22,160,698	715,845
Ancillary services	31,258	31,258	68	31,190
Non-programmed charges	4,639,177	4,603,560	4,506,840	96,720
Total expenditures	<u>65,970,253</u>	<u>65,892,760</u>	<u>64,808,472</u>	<u>1,084,288</u>
Revenues over (under) expenditures	(2,432,564)	(2,329,191)	(1,564,997)	764,194
Other financing sources (uses):				
Transfers to other funds	<u>(1,796,367)</u>	<u>(1,796,367)</u>	<u>(1,807,540)</u>	<u>(11,173)</u>
Revenues over (under) expenditures and other uses	(4,228,931)	(4,125,558)	(3,372,537)	753,021
Appropriated fund balance	<u>4,228,931</u>	<u>4,125,558</u>	<u>-</u>	<u>4,125,558</u>
Revenue and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>(3,372,537)</u>	<u>\$ (3,372,537)</u>
Fund balances, beginning of year			10,600,506	
Change in reserve for inventories			<u>(48,816)</u>	
Fund balances, end of year			<u>\$ 7,179,153</u>	

BUNCOMBE COUNTY BOARD OF EDUCATION
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, 2018

Exhibit 5 (Continued)

	State Public School Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
State of North Carolina	\$ 142,516,705	\$ 145,970,060	\$ 142,382,627	\$ (3,587,433)
Buncombe County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	<u>142,516,705</u>	<u>145,970,060</u>	<u>142,382,627</u>	<u>(3,587,433)</u>
Expenditures:				
Current:				
Instructional services	126,257,028	128,028,631	125,119,360	2,909,271
System-wide support services	16,164,283	17,728,965	17,158,750	570,215
Ancillary services	95,394	126,926	7,353	119,573
Non-programmed charges	-	-	-	-
Total expenditures	<u>142,516,705</u>	<u>145,884,522</u>	<u>142,285,463</u>	<u>3,599,059</u>
Revenues over (under) expenditures	-	85,538	97,164	11,626
Other financing sources (uses):				
Transfers to other funds	-	(85,538)	(97,164)	(11,626)
Revenues over (under) expenditures and other uses	-	-	-	-
Appropriated fund balance	-	-	-	-
Revenue and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			-	
Change in reserve for inventories			-	
Fund balances, end of year			<u>\$ -</u>	

BUNCOMBE COUNTY BOARD OF EDUCATION
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, 2018

Exhibit 5 (Continued)

	Other Specific Revenue Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
State of North Carolina	\$ 160,000	\$ 160,000	\$ 131,604	\$ (28,396)
Buncombe County	276,116	276,116	308,408	32,292
U.S. Government	547,693	605,628	578,450	(27,178)
Other	4,020,274	4,132,471	4,024,464	(108,007)
Total revenues	<u>5,004,083</u>	<u>5,174,215</u>	<u>5,042,926</u>	<u>(131,289)</u>
Expenditures:				
Current:				
Instructional services	4,412,344	4,547,295	3,864,827	682,468
System-wide support services	1,347,339	1,457,062	1,393,445	63,617
Ancillary services	33,400	33,400	31,192	2,208
Non-programmed charges	112,368	156,328	87,878	68,450
Total expenditures	<u>5,905,451</u>	<u>6,194,085</u>	<u>5,377,342</u>	<u>816,743</u>
Revenues over (under) expenditures	(901,368)	(1,019,870)	(334,416)	685,454
Other financing sources (uses):				
Transfers to other funds	<u>(40,000)</u>	<u>(105,508)</u>	<u>(42,918)</u>	<u>62,590</u>
Revenues over (under) expenditures and other uses	(941,368)	(1,125,378)	(377,334)	748,044
Appropriated fund balance	<u>941,368</u>	<u>1,125,378</u>	<u>-</u>	<u>1,125,378</u>
Revenue and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>(377,334)</u>	<u>\$ (377,334)</u>
Fund balances, beginning of year			7,874,206	
Change in reserve for inventories			<u>-</u>	
Fund balances, end of year			<u>\$ 7,496,872</u>	

BUNCOMBE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2018

Exhibit 6

	Enterprise Fund
	Major Fund
	Child Nutrition
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,948,900
Due from other governments	483,450
Receivables (net)	28,313
OPEB asset	12,258
Inventories	317,780
Total current assets	<u>5,790,701</u>
Noncurrent assets:	
Capital assets, net	97,472
Total assets	<u>5,888,173</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,401,634</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	63,446
Accrued salaries and benefits	33,462
Due to other fund	165,625
Compensated absences	128,712
Unearned revenue	128,134
Total current liabilities	<u>519,379</u>
Noncurrent liabilities:	
Net pension liability	1,806,680
Net OPEB liability	6,785,477
Compensated absences	125,965
Total liabilities	<u>9,237,501</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,436,738</u>
NET POSITION	
Net investment in capital assets	97,472
DIPNC OPEB plan	12,258
Unrestricted	<u>(4,494,162)</u>
Total net position	<u>\$ (4,384,432)</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND
For the Year Ended June 30, 2018

Exhibit 7

	Enterprise Fund
	Major Fund
	Child Nutrition
OPERATING REVENUES	
Food sales	\$ 3,076,721
OPERATING EXPENSES	
Purchase of food	5,852,888
Salaries and benefits	6,392,067
Indirect costs	752,082
Materials and supplies	110,784
Repairs and maintenance	127,801
Other purchased services	43,514
Depreciation	46,037
Other	48,998
Total operating expenses	13,374,171
Operating loss	(10,297,450)
NONOPERATING REVENUES	
Federal reimbursements	8,533,287
Federal commodities	973,802
Federal grant	45,000
State reimbursements	43,827
Interest earned	53,262
Gain on sale of capital assets	4,293
Total nonoperating revenues	9,653,471
Income (loss) before transfers	(643,979)
Donated capital assets	15,185
Transfer from other funds	129,063
Change in net position	(499,731)
Total net position - beginning, as previously reported	4,577,114
Restatement	(8,461,815)
Total net position - beginning, as restated	(3,884,701)
Total net position - ending	\$ (4,384,432)

BUNCOMBE COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Year Ended June 30, 2018

Exhibit 8

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>Child Nutrition</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 3,091,052
Cash paid for goods and services	(5,718,170)
Cash paid to employees for services	(6,025,135)
Net cash used by operating activities	<u>(8,652,253)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal reimbursements and grants	8,508,073
State reimbursements	43,827
Due to other funds	124,041
Net cash provided by noncapital financing activities	<u>8,675,941</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(11,701)
Proceeds from the sale of capital assets	4,293
Net cash provided (used) by capital and financing activities	<u>(7,408)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments and other	<u>53,262</u>
Net increase (decrease) in cash and cash equivalents	69,542
Balances-beginning of the year	<u>4,879,358</u>
Balances-end of the year	<u>\$ 4,948,900</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Year Ended June 30, 2018

Exhibit 8
(Continued)

Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (10,297,450)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	46,037
Donated commodities consumed	973,802
Transfers from other funds	129,063
Changes in assets deferred outflows of resources, and liabilities:	
(Increase) decrease in accounts receivable	3,304
(Increase) decrease in net OPEB asset	(12,258)
(Increase) decrease in inventory	115,032
Increase (decrease) in accounts payable	26,070
Increase (decrease) in accrued salaries and benefits	(13,676)
(Increase) decrease in deferred outflows	(59,135)
Increase (decrease) in net pension liability	(243,581)
Increase (decrease) in net OPEB liability	(1,676,338)
Increase (decrease) in deferred inflows	2,321,940
Increase (decrease) in unearned revenue	11,027
Increase (decrease) in compensated absences	23,910
	<hr/>
Total adjustments	1,645,197
	<hr/>
Net cash used by operating activities	<u>\$ (8,652,253)</u>

Noncash investing, capital, and financing activities:

The State Public School Fund paid salaries and benefits of \$97,164 to administrative personnel of the Child Nutrition Fund during the fiscal year. The payment is reflected as an operating transfer in and an operating expense on Exhibit 7.

The Child Nutrition Fund received donated commodities with a value of \$973,802 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue.

The Child Nutrition Fund received \$15,185 of capital assets as a contribution from the Federal Grants Fund.

The General Fund paid salaries and benefits of \$11,173 to administrative personnel of the Child Nutrition Fund during the fiscal year. The payment is reflected as an operating transfer in and an operating expense on Exhibit 7.

The Other Special Revenue Fund transferred \$20,726 to the Child Nutrition Fund during the fiscal year for the payment of unpaid meals. The payment is reflected as an operating transfer in and an operating expense on Exhibit 7.

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Buncombe County Board of Education (the “Board”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Buncombe County Board of Education (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 Buncombe County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. Since North Carolina school systems have no authority to issue long-term debt, capital assets of the Board are financed primarily by general obligation bonds issued by Buncombe County (the “County”). The Board’s members are elected by the public, have the authority to designate management and to significantly influence operations and are primarily accountable for fiscal matters, including deficits. The Board is not accountable to the County for its fiscal matters beyond the County’s annual allocations which have historically averaged less than 20% of the Board’s total budget.

The individual schools have activity funds to account for the revenues and expenditures of the various clubs, organizations and other school related activities and events. These activity funds are included in the Board’s reporting entity.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Inter-fund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Fund Financial Statements: The fund financial statements provide information about the Board's funds. Separate statements for each fund category – *governmental and proprietary* – 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 nonmajor funds.

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. Proprietary fund operating expenses, such as food costs and salaries and benefits result from transactions associated with the principal activity of the fund.

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 required to be accounted for in another fund. This fund includes the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426].

Other Specific Revenue Fund. The Other Specific Revenue Fund includes revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs.

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.

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 monies, proceeds of Buncombe County bonds issued for public school construction, lottery proceeds as well as certain State assistance.

The Board reports the following major enterprise fund:

Child Nutrition Fund. The Child Nutrition Fund is used to account for the food service program within the school system.

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Measurement Focus and Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is 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 60 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 are both restricted and unrestricted net position available to finance the program. It is the Board's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds or the Hazelton Trust Fund. 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. Budget information presented in the financial statements at a more detailed level is for informational purposes only. The Board has authorized the Superintendent to move monies without limitation from one function to another within a fund. Such transfers must be reported to the board at its next regular meeting. All amendments must be approved by the governing board. Amendments which alter the county appropriations or transfer monies to or from Capital Projects Fund also require the approval of the Buncombe County Board of Commissioners. 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. The primary revenue sources of the Board are the State of North Carolina, the Federal government and Buncombe County appropriations. Unexpended allocations from the State of North Carolina revert back to the State at the end of the fiscal year.

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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 the 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.

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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. The inventories of the Board's General Fund consist of expendable materials and supplies, which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reserved.

Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

Capital Assets

Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1980 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of four 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 installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid 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 and all sales tax reimbursement requirements have been met.

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

	<u>Years</u>
Buildings	50
Site Improvements	25
Improvements to buildings	15
Equipment and Furniture	4-12
Vehicles	5-12

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Deferred outflows and inflows of resources

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

Long-term obligations

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

Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. In addition, certain employees may accumulate up to 25 additional bonus vacation leave days, which are fully vested when earned. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2018 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate of the current portion of compensated absences based on prior years' records has been made.

The sick leave policy of the Board provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent 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.

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Fund Balances

In the governmental fund financial statements, fund balance is composed of five 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:

Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

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 other specific revenue – portion of funds balance that has externally enforceable limitation on use from various grantors and other governments.

Restricted for Hazelton Trust – portion of fund balance that is restricted by the donor for the benefit of special needs children.

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.

Committed fund balance – portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of Buncombe County Board of Education’s governing body (highest level of decision-making authority) and in certain instances approval by the County’s governing body is required. Any changes or removal of specific purpose requires majority action by the governing bodies that approved the original action.

Committed for other specific revenue – portion of fund balance that is committed for future textbook purchases.

Assigned fund balance – portion of fund balance that Buncombe County 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 or committed. The governing body approves the appropriation.

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Buncombe County Board of Education has a revenue spending policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted fund balance as the source of funding for an expenditure made from an eligible funding source rather than unrestricted fund balance. For the purpose 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.

Defined Benefit Pension Plans

For purposes of measuring the net pension asset, 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) and additions to/deductions from TSERS' fiduciary net position have been determined on the same basis as they are reported by TSERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's 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. Investments are reported at fair value.

BUNCOMBE COUNTY BOARD OF EDUCATION
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Reconciliation of Government-wide and Fund Financial Statements

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 \$(114,601,909) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
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)	\$ 550,370,283
Less Accumulated Depreciation	<u>(240,342,697)</u>
Net capital assets	310,027,586
 Net OPEB asset	 20,350,645
 Pension related deferred outflows of resources	 39,433,033
OPEB related deferred outflows of resources	522,860
 Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment financing	(1,127,490)
Compensated absences	(13,394,497)
Net pension liability	(77,060,077)
Net OPEB liability	(289,420,099)
Deferred inflows of resources related to pensions	(3,362,358)
Deferred inflows of resources related to OPEB	<u>(100,571,512)</u>
 Total adjustment	 <u>\$ (114,601,909)</u>

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 \$(1,283,192) as follows:

BUNCOMBE COUNTY BOARD OF EDUCATION
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Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 28,009,275
Depreciation expenses, the allocation of those assets over their useful lives, that is recorded on the statement of activities but no in the fund statements.	(14,155,795)
Proceeds from the sale of assets	(21,620)
Change in reserve for inventories	(48,816)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities	(443,538)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position in the government-wide statements	1,038,616
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	15,159,338
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	8,704,668
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	(20,323,428)
OPEB expense	(16,902,042)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(1,386,359)
Loss on disposal of capital assets	<u>(913,491)</u>
Total adjustment	<u>\$ (1,283,192)</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
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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 concentration risk or custodial credit risk for deposits.

At June 30, 2018, the Board had deposits with banks with a carrying amount of \$8,536,400 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$10,476,390 and \$993,958, respectively. Of these balances, \$3,959,952 was covered by federal depository insurance, and \$7,510,396 was covered by collateral held under the Pooling Method.

Investments

At June 30, 2018, the Board of Education had \$30,804,255 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.5 years at June 30, 2018. The Board has no policy for managing interest rate risk or credit risk.

BUNCOMBE COUNTY BOARD OF EDUCATION
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Accounts Receivable

Receivables at the government-wide level at June 30, 2018, were as follows:

	Due from other funds (Internal Balances)	Due from other governments	Other
Governmental activities:			
General Fund	\$ (106,795)	\$ 160,383	\$ 5,191
State Public School Fund	-	138,313	-
Individual Schools Fund	(55,500)	-	-
Capital Outlay Fund	-	4,461,308	-
Other Specific Revenue Fund	327,920	82,428	142,924
Other Government Funds	-	22,193	20
Total	<u>\$ 165,625</u>	<u>\$ 4,864,625</u>	<u>\$ 148,135</u>
Business-type activities:			
Child Nutrition Service	<u>\$ (165,625)</u>	<u>\$ 483,450</u>	<u>\$ 28,313</u>

Due from other governments consists of the following:

Governmental activities:			
Federal Grants Fund	\$ 22,193	Federal grant funds	
State Public School Fund	138,313	Operating funds from DPI	
Capital Outlay Fund	4,461,308	Buncombe County	
Other Special Revenue Fund	82,428	Federal, State and local funds	
General Fund	126,369	Sales tax from State	
General Fund	34,014	Buncombe County	
Total	<u>\$ 4,864,625</u>		
Business-type activities:			
School Food Service Fund	<u>\$ 483,450</u>	Federal grants	

BUNCOMBE COUNTY BOARD OF EDUCATION
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Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balances	Increases and transfers	Retirements and transfers	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,243,726	\$ -	\$ -	\$ 8,243,726
Construction in progress	39,119,761	19,511,856	7,178,638	51,452,979
Total capital assets not being depreciated	<u>47,363,487</u>	<u>19,511,856</u>	<u>7,178,638</u>	<u>59,696,705</u>
Capital assets being depreciated:				
Buildings	403,619,765	10,744,796	483,330	413,881,231
Site improvements	37,968,636	3,497,365	1,521,234	39,944,767
Equipment	6,424,128	511,893	119,130	6,816,891
Vehicles	29,247,512	922,003	138,826	30,030,689
Total capital assets being depreciated	<u>477,260,041</u>	<u>15,676,057</u>	<u>2,262,520</u>	<u>490,673,578</u>
Less accumulated depreciation for:				
Buildings	188,347,643	10,622,182	362,477	198,607,348
Site improvements	15,570,051	1,426,077	706,976	16,289,152
Equipment	4,734,923	476,570	119,130	5,092,363
Vehicles	18,861,694	1,630,966	138,826	20,353,834
Total accumulated depreciation	<u>227,514,311</u>	<u>14,155,795</u>	<u>1,327,409</u>	<u>240,342,697</u>
Total capital assets being depreciated, net	<u>249,745,730</u>			<u>250,330,881</u>
Governmental activity capital assets, net	<u>\$ 297,109,217</u>			<u>\$ 310,027,586</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
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	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Child Nutrition Fund:				
Capital assets being depreciated:				
Furniture and equipment	\$ 5,367,398	\$ 26,886	\$ 20,517	\$ 5,373,767
Vehicles	189,904	-	-	189,904
Total capital assets being depreciated	<u>5,557,302</u>	<u>26,886</u>	<u>20,517</u>	<u>5,563,671</u>
Less accumulated depreciation for:				
Furniture and equipment	5,285,744	38,495	20,517	5,303,722
Vehicles	154,935	7,542	-	162,477
Total accumulated depreciation	<u>5,440,679</u>	<u>46,037</u>	<u>20,517</u>	<u>5,466,199</u>
Child Nutrition capital assets, net:	<u>\$ 116,623</u>			<u>\$ 97,472</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 12,048,259
System-wide support services	1,630,966
Ancillary services	476,570
Total	<u>\$ 14,155,795</u>

Construction commitments

Buncombe County has active construction projects as of June 30, 2018, for the benefit of Buncombe County Board of Education. At year-end, the County's commitments with contractors for school construction are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Roofing various	\$ 2,519,296
Food labs	56,643
Track and turf repair/replacement	1,468,494
Zeugner pool	2,569,053
School additions and renovations	<u>8,806,187</u>
Total	<u>\$ 15,419,673</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
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Liabilities

Pension Plan Obligations

a. Teachers' and State Employees' Retirement System

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

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

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TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in 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, 2018 was 10.78% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by the employees during the year. Contributions to the pension plan from the Board were \$15,514,753 for the year ended June 30, 2018.

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, 2018, the Board reported a liability of \$78,866,757 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Board's proportionate share 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, 2017 and at June 30, 2016, the Boards proportion was .99%.

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For the year ended June 30, 2018, the Board recognized pension expense of \$20,817,283. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,709,685	\$ 2,580,143
Changes of assumptions	12,459,758	-
Net difference between projected and actual earnings on pension plan investments	10,673,348	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	861,046
Board contributions subsequent to the measurement date	<u>15,514,753</u>	<u>-</u>
Total	<u>\$ 40,357,544</u>	<u>\$ 3,441,189</u>

\$15,514,753 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ 3,940,048
2020	14,704,146
2021	7,028,997
2022	(4,271,589)
2023	-
Thereafter	<u>-</u>
Total	<u>\$ 21,401,602</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.5% to 8.1%, including inflation and productivity factor
Investment rate of return	7.20%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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, 2017 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit

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

Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discounted Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 162,340,432	\$ 78,866,787	\$ 8,926,457

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

b. Other Post-employment Benefits

Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

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

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

Benefits provided. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for

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Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

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

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

RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.05% of covered payroll which amounted to \$8,707,260.

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At June 30, 2018, Board reported a liability of \$296,205,576 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. The total OPEB liability was then rolled forward to the measurement date of June 30, 2017 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, 2017 and at June 30, 2016, the Boards proportion was 0.90% and 0.83%, respectively.

\$8,707,260 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2019	\$ (18,258,949)
2020	(18,258,949)
2021	(18,258,949)
2022	(18,258,949)
2023	(18,231,430)
Thereafter	--
Total	<u>\$ (91,267,226)</u>

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

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

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 3.58%. 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 3.58% was used as the discount rate used to measure the total OPEB liability. The 3.58% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2017.

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NOTES TO THE FINANCIAL STATEMENTS
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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 (2.58 percent) or 1-percentage point higher (4.58 percent) than the current discount rate:

	<u>1% Decrease (2.58%)</u>	<u>Discounted Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Net OPEB liability	\$ 353,354,599	\$ 296,205,576	\$ 250,875,826

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage point higher (4.58 percent) than the current discount rate:

	<u>1% Decrease (Medical- 4.00-5.50%, Pharmacy- 4.00-6.25%, Medicare Advantage - 3.00-4.00%, Administrative - 2.00%)</u>	<u>Healthcare Trend Rates (Medical - 5.00-6.50%, Pharmacy - 5.00-7.25%, Medicare Advantage - 4.00-5.00%, Administrative - 3.00%)</u>	<u>1% Increase (Medical- 6.00-7.50%, Pharmacy- 6.00-8.25%, Medicare Advantage - 5.00-6.00%, Administrative - 4.00%)</u>
Net OPEB liability	\$ 241,971,553	\$ 296,205,576	\$ 368,286,324

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

Disability Benefits

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

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

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2018, employers made a statutory contribution of 0.14% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$201,490 for the year ended June 30, 2018.

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, 2018, Board reported an OPEB asset of \$535,118 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016. The total OPEB asset was then rolled forward to the measurement date of June 30, 2017 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, 2017 and at June 30, 2016, the Boards proportion was .88%.

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

\$201,490 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2019	\$	75,849
2020		75,849
2021		75,823
2022		29,304
2023		--
Thereafter		--
Total		<u>\$ 256,825</u>

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

Inflation	3.00%
Salary increases	3.5% to 8.10%, including a 3.5% inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan investment expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage point higher (4.75 percent) than the current discount rate:

	<u>1% Decrease (2.75%)</u>	<u>Discounted Rate (3.75%)</u>	<u>1% Increase (4.75%)</u>
Net OPEB asset	\$ 454,929	\$ 535,118	\$ 615,491

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2016 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, 2017. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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

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

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense	\$ 17,016,400	\$ 281,912	\$ 17,298,312
OPEB liability (asset)	296,205,576	(535,118)	295,670,458
Proportionate share of the net OPEB liability (asset)	0.903%	0.876%	
Deferred of Outflows of Resources			
Differences between expected and actual experience	-	146,720	146,720
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on plan investments	-	117,293	117,293
Changes in proportion and defferences between Board contributions and proportionate share of contributions	11,655,005	-	11,655,005
Board contributions subsequent to the measurement date	8,707,260	201,490	8,908,750
Deferred of Inflows of Resources			
Differences between expected and actual experience	21,238,485	-	21,238,485
Changes of assumptions	81,573,663	-	81,573,663
Changes in proportion and defferences between Board contributions and proportionate share of contributions	-	7,188	7,188
Net difference between projected and actual earnings on plan investments	110,083	-	110,083

Accounts Payable

Accounts payable at June 30, 2018, are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities			
General	\$ 1,501,234	\$ 710,763	\$ 2,211,997
Other Governmental	5,594,377	175,795	5,770,172
Total-governmental activities	<u>\$ 7,095,611</u>	<u>\$ 886,558</u>	<u>\$ 7,982,169</u>
Business-type Activities			
School Food Service	<u>\$ 63,446</u>	<u>\$ 33,462</u>	<u>\$ 96,908</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Unearned Revenues

The balance in unearned revenues at year-end is composed of the following elements:

	<u>Unavailable Revenue</u>
Various grants (Other Special Revenue Fund)	<u>\$ 341,612</u>
Prepaid lunch balances (School Food Service Fund)	<u>\$ 128,134</u>

Unearned revenue in governmental activities consists of grant revenues for which eligibility requirements other than time requirements have not been met.

Deferred Outflows and Deferred Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 11,655,005	\$ 868,234
Changes of assumptions	12,459,758	81,573,663
Difference between projected and actual earnings on plan investments	10,790,641	110,083
Board contributions subsequent to the measurement date	24,423,503	-
Difference between expected and actual experience	<u>1,856,405</u>	<u>23,818,628</u>
Totals	<u>\$ 61,185,312</u>	<u>\$ 106,370,608</u>

Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 \$2,000,000 and \$1,000,000 each loss and \$2,000,000 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

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

employees not paid from State funds, the Board also carries workers' compensation and employers liability through private insurance of \$1,000,000 each accident and \$1,000,000 each employee, with a policy limit of \$1 million. Directed by the North Carolina General Assembly, the North Carolina Department of Public Instruction implemented, in 2011, an Excess Educator's Legal Liability policy. This policy is in excess of the Board's insurance policies, covers all employees of the school system, and there is no requirement that employees join any association to receive coverage of \$1,000,000 per insured per occurrence with a \$1,000,000 aggregate per insured.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. The Board pays the full 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 moneys at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000. The remaining employees are covered by a crime policy in the amount of \$250,000 per incident and per employee.

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

Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through third party financing arrangements with various companies. The Board has entered into such contracts for the purchase of school buses. The financing contracts require four equal principal-only payments of \$22,167 to \$296,484.

The future minimum payments of the installment purchases as of June 30, 2018 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2019	\$ 711,027
2020	305,579
2021	110,884
Total	<u>\$ 1,127,490</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2018:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Current Maturities
Governmental activities:					
Installment purchases	\$ 1,722,568	\$ 443,538	\$ 1,038,616	\$ 1,127,490	\$ 711,027
Net pension liability	89,295,740	-	12,235,663	77,060,077	-
Net OPEB liability	370,046,726	-	80,626,627	289,420,099	-
Compensated absences	<u>12,008,138</u>	<u>9,938,672</u>	<u>8,552,313</u>	<u>13,394,497</u>	<u>5,219,616</u>
Total	<u>\$ 473,073,172</u>	<u>\$ 10,382,210</u>	<u>\$ 102,453,219</u>	<u>\$ 381,002,163</u>	<u>\$ 5,930,643</u>
Business-type activities:					
Net pension liability	\$ 2,050,261	\$ -	\$ 243,581	\$ 1,806,680	\$ -
Net OPEB liability	8,682,809	-	1,897,332	6,785,477	-
Compensated absences	<u>230,767</u>	<u>284,142</u>	<u>260,232</u>	<u>254,677</u>	<u>128,712</u>
Total	<u>\$ 10,963,837</u>	<u>\$ 284,142</u>	<u>\$ 2,401,145</u>	<u>\$ 8,846,834</u>	<u>\$ 128,712</u>

Compensated absences for governmental activities are typically liquidated by the general and other governmental funds.

Fund Balance

Restricted for programs portion of fund balance consists of the following:

Other Specific Revenue Fund:

Medicaid fee-for-service reimbursement	\$ 1,058,143
Hominy Valley special supplemental tax	158,677
Pisgah Forest Fund	10,065
Enka High School Agriculture Grant	202
WCU Science Grant	2,359
Preschool Assessment Grant	279
Paddison Grant	6,986
Be Active NC grant	1,000
I-SAFE Grant	1,630
Wachovia Technology Grant	559
BCS-E ELOP	<u>1,698</u>
	<u>\$ 1,241,598</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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	\$ 7,179,153
Less:	
Inventories	(487,781)
Stabilization by State statute	(165,574)
Appropriated Fund Balance in 2019 budget	<u>(5,548,574)</u>
Remaining fund balance	<u>\$ 977,224</u>

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year end.

Capital Outlay

Encumbrances	<u>\$ 4,133,811</u>
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Interfund Activity

Transfers to/from other funds

Transfers to/from other funds at June 30, 2018, consist of the following:

	<u>Amount</u>
From the General Fund to the Individual Schools Fund for instructional supplies, materials and textbooks	<u>\$ 1,796,367</u>
From the General Fund to the Child Nutrition Fund for bad debt expense	<u>\$ 11,173</u>
From the State Public School Fund to the Child Nutrition Fund for administrative salaries	<u>\$ 97,164</u>
From the Other Specific Revenue Fund to the Individual Schools Fund for supplies, materials and textbooks	<u>\$ 22,192</u>
From the Other Specific Revenue Fund to the Child Nutrition Fund for bad debt expense	<u>\$ 20,726</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

Due to/from other funds

All such balances as of June 30, 2018 relate to funding the operations of the various funds of the Board and are anticipated to be repaid within the following 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 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

The Board implemented Governmental Accounting Standards Board (GASB) statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the Board to record beginning net OPEB liability and Net OPEB asset and the effects on net position from contributions made by the Board during the measurement period (fiscal year end June 30, 2017). As a result, net position for the governmental and business-type activities decreased by \$360,920,732 and \$8,461,815, respectively.

BUNCOMBE COUNTY BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Teachers' and State Employees' Retirement System
Last Five Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset)	0.994%	0.994%	0.994%	0.994%	0.996%
Board's proportionate share of the net pension liability (asset)	\$ 78,866,757	\$ 91,346,001	\$ 36,633,448	\$ 11,654,568	\$ 60,467,349
Board's covered-employee payroll	\$137,921,402	\$132,610,379	\$133,509,355	\$128,369,832	\$132,692,459
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	57.18%	68.88%	27.44%	9.08%	45.57%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	87.32%	94.64%	98.24%	90.60%

This schedule is required supplementary information

* 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 in this schedule.

BUNCOMBE COUNTY BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of Board Contributions
Teachers' and State Employees' Retirement System
Last Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 15,514,753	\$ 13,764,556	\$ 12,133,850	\$ 12,216,106	\$ 11,154,834
Contributions in relation to the contractually required contribution	<u>15,514,753</u>	<u>13,764,556</u>	<u>12,133,850</u>	<u>12,216,106</u>	<u>11,154,834</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered-employee payroll	\$143,921,646	\$137,921,402	\$132,610,379	\$133,509,355	\$128,369,832
Contributions as a percentage of covered-employee payroll	10.78%	9.98%	9.15%	9.15%	8.69%

This schedule is required supplementary information

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 in this schedule.

BUNCOMBE COUNTY BOARD OF EDUCATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
*Last Two Fiscal Years**

	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.903%	0.832%
Board's proportionate share of the net OPEB liability (asset)	\$ 296,205,576	\$ 378,480,708
Board's covered-employee payroll	\$ 137,921,402	\$ 132,610,379
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	214.76%	285.41%
Plan fiduciary net position as a percentage of the total OPEB liability	3.52%	2.41%

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

This schedule is required supplementary information.

BUNCOMBE COUNTY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 8,707,260	\$ 8,007,458	\$ 7,426,181	\$ 7,329,664	\$ 6,931,971
Contributions in relation to the contractually required contribution	<u>8,707,260</u>	<u>8,007,458</u>	<u>7,426,181</u>	<u>7,329,664</u>	<u>6,931,971</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered-employee payroll	\$ 143,921,646	\$ 137,921,402	\$ 132,610,379	\$ 133,509,355	\$ 128,369,832
Contributions as a percentage of covered-employee payroll	6.05%	5.81%	5.60%	5.49%	5.40%

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contribution	\$ 7,032,700	\$ 6,523,909	\$ 6,569,425	\$ 6,045,284	\$ 6,035,433
Contributions in relation to the contractually required contribution	<u>7,032,700</u>	<u>6,523,909</u>	<u>6,569,425</u>	<u>6,045,284</u>	<u>6,035,433</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered-employee payroll	\$ 132,692,453	\$ 130,478,180	\$ 134,069,898	\$ 134,339,644	\$ 147,205,683
Contributions as a percentage of covered-employee payroll	5.30%	5.00%	4.90%	4.50%	4.10%

This schedule is required supplementary information.

**BUNCOMBE COUNTY BOARD OF EDUCATION
 SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 DISABILITY INCOME PLAN OF NORTH CAROLINA
 Last Two Fiscal Years***

	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset	0.876%	0.884%
Board's proportionate share of the net OPEB asset	\$ 535,118	\$ 548,827
Board's covered-employee payroll	\$ 137,921,402	\$ 132,610,379
Board's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	0.39%	0.41%
Plan fiduciary net position as a percentage of the total OPEB asset	116.23%	116.06%

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

This schedule is required supplementary information.

BUNCOMBE COUNTY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 201,490	\$ 523,724	\$ 543,703	\$ 547,388	\$ 564,827
Contributions in relation to the contractually required contribution	<u>201,490</u>	<u>523,724</u>	<u>543,703</u>	<u>547,388</u>	<u>564,827</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered-employee payroll	\$ 143,921,646	\$ 137,921,402	\$ 132,610,379	\$ 133,509,355	\$ 128,369,832
Contributions as a percentage of covered-employee payroll	0.14%	0.38%	0.41%	0.41%	0.44%

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contribution	\$ 583,847	\$ 678,487	\$ 697,163	\$ 698,566	\$ 765,470
Contributions in relation to the contractually required contribution	<u>583,847</u>	<u>678,487</u>	<u>697,163</u>	<u>698,566</u>	<u>765,470</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered-employee payroll	\$ 132,692,453	\$ 130,478,180	\$ 134,069,898	\$ 134,339,644	\$ 147,205,683
Contributions as a percentage of covered-employee payroll	0.44%	0.52%	0.52%	0.52%	0.52%

This schedule is required supplementary information.

BUNCOMBE COUNTY BOARD OF EDUCATION
COMBINING STATEMENTS FOR NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- Federal Grants Fund – This fund accounts for the revenues and expenditures of the Federal grants that are awarded to the district.

- Individual Schools Fund – This fund accounts for the revenues and expenditures of the district that are restricted for the various clubs, organizations, athletic events, and various fund-raising activities for which they were collected.

- Hazelton Trust Fund – This fund accounts for the portion of the district’s fund balance that is restricted by the donor for the benefit of special needs children.

BUNCOMBE COUNTY BOARD OF EDUCATION

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BUNCOMBE COUNTY BOARD OF EDUCATION
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2018

Exhibit A-1

	<u>Special Revenue Funds</u>			Total Non-major Governmental Funds
	<u>Federal Grants Fund</u>	<u>Individual Schools</u>	<u>Hazelton Trust</u>	
ASSETS				
Cash and cash equivalents	\$ -	\$ 4,103,881	\$ -	\$ 4,103,881
Restricted cash and investments	-	-	226,737	226,737
Receivables	-	-	20	20
Due from other fund	-	106,795	-	106,795
Due from other governments	22,193	-	-	22,193
Total assets	<u>\$ 22,193</u>	<u>\$ 4,210,676</u>	<u>\$ 226,757</u>	<u>\$ 4,459,626</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 41,453	\$ -	\$ 41,453
Due to other funds	-	162,295	-	162,295
Accrued salaries and wages payable	22,193	-	-	22,193
Total liabilities	<u>22,193</u>	<u>203,748</u>	<u>-</u>	<u>225,941</u>
Fund balances:				
Restricted				
Individual schools	-	4,006,928	-	4,006,928
Donor restricted	-	-	226,757	226,757
Total fund balances	<u>-</u>	<u>4,006,928</u>	<u>226,757</u>	<u>4,233,685</u>
Total liabilities and fund balances	<u>\$ 22,193</u>	<u>\$ 4,210,676</u>	<u>\$ 226,757</u>	<u>\$ 4,459,626</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

Exhibit A-2

	<u>Special Revenue Funds</u>			<u>Total Non-major Governmental Funds</u>
	<u>Federal Grants Fund</u>	<u>Individual Schools</u>	<u>Hazelton Trust</u>	
Revenues:				
U.S. Government	\$ 14,853,989	\$ -	\$ -	\$ 14,853,989
Other	-	6,733,857	2,630	6,736,487
Total revenues	<u>14,853,989</u>	<u>6,733,857</u>	<u>2,630</u>	<u>21,590,476</u>
Expenditures:				
Current:				
Instructional services	13,530,101	7,947,911	1,480	21,479,492
System-wide support services	1,008,533	-	-	1,008,533
Ancillary services	15,185	-	-	15,185
Non-programmed charges	300,170	-	-	300,170
Total expenditures	<u>14,853,989</u>	<u>7,947,911</u>	<u>1,480</u>	<u>22,803,380</u>
Revenues over (under) expenditures	-	(1,214,054)	1,150	(1,212,904)
Other financing sources (uses):				
Transfers from other funds	-	1,818,559	-	1,818,559
Revenues and other sources over (under) expenditures	-	604,505	1,150	605,655
Fund balances:				
Beginning of year, July 1	-	3,402,423	225,607	3,628,030
End of year, June 30	<u>\$ -</u>	<u>\$ 4,006,928</u>	<u>\$ 226,757</u>	<u>\$ 4,233,685</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FEDERAL GRANTS FUND
For the Year Ended June 30, 2018

Exhibit A-3

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
U. S. Government	<u>\$ 20,240,081</u>	<u>\$ 14,853,989</u>	<u>\$ (5,386,092)</u>
Expenditures:			
Instructional services	16,431,385	13,530,101	2,901,284
System-wide support services	1,264,044	1,008,533	255,511
Ancillary services	26,138	15,185	10,953
Non-programmed charges	<u>2,518,514</u>	<u>300,170</u>	<u>2,218,344</u>
Total expenditures	<u>20,240,081</u>	<u>14,853,989</u>	<u>5,386,092</u>
Revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	

BUNCOMBE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL OUTLAY FUND
For the Year Ended June 30, 2018

Exhibit B-1

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 1,038,616	\$ 1,038,616	\$ -
Public School Capital Fund - lottery	4,374,953	2,835,709	(1,539,244)
Total State of North Carolina	<u>5,413,569</u>	<u>3,874,325</u>	<u>(1,539,244)</u>
Local Government:			
Restricted portion of sales tax		24,699,569	
Limited obligation bonds		3,395,435	
	<u>55,527,802</u>	<u>28,095,004</u>	<u>(27,432,798)</u>
Other	451,619	819,836	368,217
Total revenues	<u>61,392,990</u>	<u>32,789,165</u>	<u>(28,603,825)</u>
Expenditures:			
Instructional services	5,581,422	4,197,882	1,383,540
System-wide support services	1,497,593	1,392,568	105,025
Ancillary services	63,114	62,605	509
Capital outlay	58,959,726	26,954,379	32,005,347
Debt service			
Principal payments	1,061,854	1,038,616	23,238
Total expenditures	<u>67,163,709</u>	<u>33,646,050</u>	<u>33,517,659</u>
Revenues over (under) expenditures	(5,770,719)	(856,885)	4,913,834
OTHER FINANCING SOURCES			
Installment purchase obligations issued	443,538	443,538	-
Revenues over (under) expenditures and other sources	(5,327,181)	(413,347)	4,913,834
Appropriated fund balance	<u>5,327,181</u>	<u>-</u>	<u>(5,327,181)</u>
Revenues, other sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(413,347)</u>	<u>\$ (413,347)</u>
Fund balances:			
Beginning of year, July 1		<u>13,237,777</u>	
End of year, June 30		<u>\$ 12,824,430</u>	

BUNCOMBE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-
GAAP) - CHILD NUTRITION FUND
For the Year Ended June 30, 2018

Exhibit C-1

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales	\$ 4,173,557	\$ 3,076,721	\$ (1,096,836)
Operating expenditures:			
Business support services:			
Purchase of food		5,737,856	
Salaries and benefits		6,025,271	
Materials and supplies		110,784	
Contracted services		127,801	
Indirect costs		752,082	
Repairs and maintenance		43,514	
Other		44,705	
Capital outlay		11,701	
Total operating expenditures	13,834,493	12,853,714	980,779
Operating loss	(9,660,936)	(9,776,993)	(116,057)
Nonoperating revenues:			
Federal reimbursements and grants	9,139,113	8,578,287	(560,826)
Federal commodities	434,462	973,802	539,340
State reimbursements	46,277	43,827	(2,450)
Interest earned	20,682	53,262	32,580
Total nonoperating revenues	9,640,534	9,649,178	8,644
Revenues over (under) expenditures before other financing sources	(20,402)	(127,815)	(107,413)
Other financing sources:			
Transfers from other funds	20,402	129,063	108,661
Revenues and other sources over (under) expenditures	\$ -	\$ 1,248	\$ 1,248

**BUNCOMBE COUNTY BOARD OF EDUCATION
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-
 GAAP) - CHILD NUTRITION FUND
 For the Year Ended June 30, 2018**

**Exhibit C-1
 (Continued)**

	<u>Actual</u>
Reconciliation of modified accrual to full accrual basis:	
Revenues and other sources under expenditures	\$ 1,248
Reconciling items:	
Depreciation	(46,037)
Capital outlay	11,701
Inventory	(115,032)
Compensated absences	(23,910)
Deferred outflows	59,135
Net pension liability	243,581
Net OPEB liability	1,676,338
Deferred inflows	(2,321,940)
Capital contributions	<u>15,185</u>
Change in net position	<u>\$ (499,731)</u>



Statistical Section

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 say about Buncombe County Board of Education's 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 Board'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 Board's most significant local revenue sources. Information regarding Buncombe County's property tax base have been included since the Board receives a significant amount from the County.

Debt Capacity Schedules

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. State law prohibits the Board of Education from issuing debt.

Demographic and Economic Information Schedules

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

Operating Information Schedules

These schedules contain service and capital asset data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs. The Board has no infrastructure assets.

BUNCOMBE COUNTY BOARD OF EDUCATION
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Net investment in capital assets	\$ 308,900,096	\$ 295,386,649	\$ 290,942,328	\$ 273,351,905
Restricted	15,534,491	16,391,957	17,315,735	17,355,945
Unrestricted	<u>(407,302,356)</u>	<u>(28,884,888)</u>	<u>(25,175,644)</u>	<u>(33,281,193)</u>
Total Governmental Activities Net Position	<u>\$ (82,867,769)</u>	<u>\$ 282,893,718</u>	<u>\$ 283,082,419</u>	<u>\$ 257,426,657</u>
Business Type Activities				
Net investment in capital assets	\$ 97,472	\$ 116,623	\$ 153,986	\$ 381,681
Restricted	\$ 12,258	\$ -	\$ -	\$ -
Unrestricted	<u>(4,494,162)</u>	<u>4,460,491</u>	<u>4,307,083</u>	<u>4,062,829</u>
Total Business-Type Activities Net Position	<u>\$ (4,384,432)</u>	<u>\$ 4,577,114</u>	<u>\$ 4,461,069</u>	<u>\$ 4,444,510</u>
Primary Government				
Net investment in capital assets	\$ 308,997,568	\$ 295,503,272	\$ 291,096,314	\$ 273,733,586
Restricted	15,546,749	16,391,957	17,315,735	17,355,945
Unrestricted	<u>(411,796,518)</u>	<u>(24,424,397)</u>	<u>(20,868,561)</u>	<u>(29,218,364)</u>
Total Primary Government Net Position	<u>\$ (87,252,201)</u>	<u>\$ 287,470,832</u>	<u>\$ 287,543,488</u>	<u>\$ 261,871,167</u>

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2009 through June 30, 2018.

Note: Buncombe County Schools began to report net asset classification in accordance with GASB Statement 54 in 2011. GASB 54 has been applied retroactively, using the Board policies in place each year presented.

Note: Net position for 2014 and before is not comparable to 2015 (and after) net position due to the implementation of GASB 68 for the year ended June 30, 2015. The standard requires the Board to record its share of the net pension liability associated with the Board's participation in the statewide Teacher's and State Employee's Retirement System (TSERS)

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

Financial Trends
Schedule 1

Fiscal Year	2013	2012	2011	2010	2009
2014					
\$ 266,953,473	\$ 262,111,788	\$ 267,641,453	\$ 263,716,589	\$ 245,285,982	\$ 240,498,317
14,191,309	15,085,000	11,900,722	12,609,649	8,239,305	8,679,420
9,833,122	9,830,327	8,328,906	5,467,805	1,670,218	(3,091,296)
<u>\$ 290,977,904</u>	<u>\$ 287,027,115</u>	<u>\$ 287,871,081</u>	<u>\$ 281,794,043</u>	<u>\$ 255,195,505</u>	<u>\$ 246,086,441</u>
\$ 439,315	\$ 424,499	\$ 442,901	\$ 499,102	\$ 659,273	\$ 875,941
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,869,038	6,273,381	6,051,549	5,868,329	5,107,993	4,738,829
<u>\$ 6,308,353</u>	<u>\$ 6,697,880</u>	<u>\$ 6,494,450</u>	<u>\$ 6,367,431</u>	<u>\$ 5,767,266</u>	<u>\$ 5,614,770</u>
\$ 267,392,788	\$ 262,536,287	\$ 268,084,354	\$ 264,215,691	\$ 245,945,255	\$ 241,374,258
14,191,309	15,085,000	11,900,722	12,609,649	8,239,305	8,679,420
15,702,160	16,103,708	14,380,455	11,336,134	6,778,211	1,647,533
<u>\$ 297,286,257</u>	<u>\$ 293,724,995</u>	<u>\$ 294,365,531</u>	<u>\$ 288,161,474</u>	<u>\$ 260,962,771</u>	<u>\$ 251,701,211</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
EXPENSES, PROGRAM REVENUES AND NET (EXPENSE)
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses				
Governmental activities:				
Instructional programs	\$ 216,159,462	\$ 196,542,413	\$ 178,955,903	\$ 182,210,065
Support services	47,509,694	46,649,417	43,080,793	43,651,487
Other	600,438	469,956	843,055	1,008,247
Total governmental activities expenses	<u>264,269,594</u>	<u>243,661,786</u>	<u>222,879,751</u>	<u>226,869,799</u>
Business-type activities:				
Child nutrition	13,374,171	13,057,798	13,133,243	13,977,222
After school care	-	-	-	-
Total business-type activities	<u>13,374,171</u>	<u>13,057,798</u>	<u>13,133,243</u>	<u>13,977,222</u>
Total government-wide expenses	<u>277,643,765</u>	<u>256,719,584</u>	<u>236,012,994</u>	<u>240,847,021</u>
Program Revenues				
Governmental activities:				
Charges for Services:				
Instructional programs - regular instructional	171,249	85,154	79,462	69,751
Support services - operational support	303,660	295,572	383,739	288,088
Total charges for services	<u>474,909</u>	<u>380,726</u>	<u>463,201</u>	<u>357,839</u>
Operating grants and contributions	168,864,234	165,016,966	162,160,426	164,209,438
Capital grants and contributions	1,038,616	1,543,349	1,083,270	1,380,119
Total governmental activities program revenues	<u>170,377,759</u>	<u>166,941,041</u>	<u>163,706,897</u>	<u>165,947,396</u>
Business-type activities:				
Charges for Services:				
Child nutrition	3,076,721	3,163,006	3,134,386	3,409,296
Before and after school care	-	-	-	-
Total charges for services	<u>3,076,721</u>	<u>3,163,006</u>	<u>3,134,386</u>	<u>3,409,296</u>
Operating grants and contributions	9,595,916	9,852,770	9,843,003	9,796,575
Capital grants and contributions	15,185	7,452	21,243	-
Total business-type program revenue	<u>12,687,822</u>	<u>13,023,228</u>	<u>12,998,632</u>	<u>13,205,871</u>
Total government-wide program revenue	<u>183,065,581</u>	<u>179,964,269</u>	<u>176,705,529</u>	<u>179,153,267</u>
Net (Expense)	<u>\$ (94,578,184)</u>	<u>\$ (76,755,315)</u>	<u>\$ (59,307,465)</u>	<u>\$ (61,693,754)</u>

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2009 through June 30, 2018.

Note: The Before and Afterschool Business-type activity began operations in fiscal year 2005 and ended operations in fiscal year 2012.

Buncombe County Schools began to report net asset classification in accordance with GASB Statement 54 in 2011. GASB 54 has been applied retroactively, using the Board policies in place each year presented.

Financial Trends
Schedule 2

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 182,185,485	\$ 182,848,286	\$ 180,010,195	\$ 179,862,385	\$ 177,630,711	\$ 182,684,462
41,502,874	40,006,534	41,108,400	38,360,240	37,280,916	39,039,136
818,433	800,654	820,953	697,220	756,400	1,945,028
<u>224,506,792</u>	<u>223,655,474</u>	<u>221,939,548</u>	<u>218,919,845</u>	<u>215,668,027</u>	<u>223,668,626</u>
14,316,228	14,158,810	13,584,330	12,711,227	12,843,518	13,691,999
-	-	(5,636)	248,949	320,737	302,225
<u>14,316,228</u>	<u>14,158,810</u>	<u>13,578,694</u>	<u>12,960,176</u>	<u>13,164,255</u>	<u>13,994,224</u>
<u>238,823,020</u>	<u>237,814,284</u>	<u>235,518,242</u>	<u>231,880,021</u>	<u>228,832,282</u>	<u>237,662,850</u>
76,111	72,883	107,693	145,155	126,390	53,925
266,359	275,762	258,602	285,666	212,048	284,973
<u>342,470</u>	<u>348,645</u>	<u>366,295</u>	<u>430,821</u>	<u>338,438</u>	<u>338,898</u>
156,151,459	162,238,601	158,210,395	163,356,343	160,046,318	161,274,990
8,568,607	135,693	1,075,664	238,205	114,190	1,037,680
<u>165,062,536</u>	<u>162,722,939</u>	<u>159,652,354</u>	<u>164,025,369</u>	<u>160,498,946</u>	<u>162,651,568</u>
3,921,680	4,458,408	4,805,162	4,999,130	5,419,483	5,482,648
-	-	-	236,369	273,159	229,847
<u>3,921,680</u>	<u>4,458,408</u>	<u>4,805,162</u>	<u>5,235,499</u>	<u>5,692,642</u>	<u>5,712,495</u>
9,876,946	9,794,799	8,705,803	8,186,661	7,469,881	6,724,579
-	-	-	-	-	-
<u>13,798,626</u>	<u>14,253,207</u>	<u>13,510,965</u>	<u>13,422,160</u>	<u>13,162,523</u>	<u>12,437,074</u>
<u>178,861,162</u>	<u>176,976,146</u>	<u>173,163,319</u>	<u>177,447,529</u>	<u>173,661,469</u>	<u>175,088,642</u>
<u>\$ (59,961,858)</u>	<u>\$ (60,838,138)</u>	<u>\$ (62,354,923)</u>	<u>\$ (54,432,492)</u>	<u>\$ (55,170,813)</u>	<u>\$ (62,574,208)</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2018	2017	2016	2015
Net (Expense) Revenue				
Governmental activities	\$ (93,891,835)	\$ (76,720,745)	\$ (59,172,854)	\$ (60,922,403)
Business-type activities	(686,349)	(34,570)	(134,611)	(771,351)
Total primary government net (expense)	<u>\$ (94,578,184)</u>	<u>\$ (76,755,315)</u>	<u>\$ (59,307,465)</u>	<u>\$ (61,693,754)</u>
General revenues and transfers:				
Governmental activities:				
State of North Carolina	\$ 2,835,709	\$ 1,502,126	\$ 701,261	\$ 939,033
Buncombe County - unrestricted	57,770,876	54,376,743	49,842,177	51,666,972
Buncombe County - restricted construction proceeds	28,095,004	18,586,239	33,121,940	20,132,777
Other revenues	478,554	2,190,338	1,286,149	2,832,323
Transfers (out)	(129,063)	(123,402)	(122,911)	(120,247)
Total governmental activities general revenues and transfers	<u>89,051,080</u>	<u>76,532,044</u>	<u>84,828,616</u>	<u>75,450,858</u>
Business-type activities:				
Other revenues	57,555	27,213	28,259	20,076
Transfers in	129,063	123,402	122,911	120,247
Total business-type activities general revenue and transfers	<u>186,618</u>	<u>150,615</u>	<u>151,170</u>	<u>140,323</u>
Total government-wide general revenues and transfers	<u>89,237,698</u>	<u>76,682,659</u>	<u>84,979,786</u>	<u>75,591,181</u>
Change in Net Position				
Governmental activities	(4,840,755)	(188,701)	25,655,762	14,528,455
Business-type activities	(499,731)	116,045	16,559	(631,028)
Total primary government	<u>\$ (5,340,486)</u>	<u>\$ (72,656)</u>	<u>\$ 25,672,321</u>	<u>\$ 13,897,427</u>

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2009 through June 30, 2018.

Note: Buncombe County Schools began to report net asset classification in accordance with GASB Statement 54 in 2011. GASB 54 has been applied retroactively, using the Board policies in place each year presented.

Financial Trends
Schedule 3

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ (59,444,256)	\$ (60,932,535)	\$ (62,287,194)	\$ (54,894,476)	\$ (55,169,081)	\$ (61,017,058)
(517,602)	94,397	(67,729)	461,984	(1,732)	(1,557,150)
<u>\$ (59,961,858)</u>	<u>\$ (60,838,138)</u>	<u>\$ (62,354,923)</u>	<u>\$ (54,432,492)</u>	<u>\$ (55,170,813)</u>	<u>\$ (62,574,208)</u>
\$ 364,806	\$ 1,219,079	\$ 681,563	\$ 3,867,376	\$ 3,616,675	\$ 2,537,009
49,014,628	48,286,119	48,622,874	46,388,149	46,282,818	47,020,995
12,052,079	9,342,921	18,659,225	29,769,839	12,336,374	7,857,632
2,069,429	1,329,471	562,647	1,554,240	2,128,568	2,927,778
(105,897)	(89,021)	(162,077)	(86,590)	(86,290)	(54,204)
<u>63,395,045</u>	<u>60,088,569</u>	<u>68,364,232</u>	<u>81,493,014</u>	<u>64,278,145</u>	<u>60,289,210</u>
22,178	20,012	32,671	51,591	67,938	912,025
105,897	89,021	162,077	86,590	86,290	54,204
<u>128,075</u>	<u>109,033</u>	<u>194,748</u>	<u>138,181</u>	<u>154,228</u>	<u>966,229</u>
63,523,120	60,197,602	68,558,980	81,631,195	64,432,373	61,255,439
3,950,789	(843,966)	6,077,038	26,598,538	9,109,064	(727,848)
(389,527)	203,430	127,019	600,165	152,496	(590,921)
<u>\$ 3,561,262</u>	<u>\$ (640,536)</u>	<u>\$ 6,204,057</u>	<u>\$ 27,198,703</u>	<u>\$ 9,261,560</u>	<u>\$ (1,318,769)</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
 FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2018	2017	2016	2015
General Fund				
Non-spendable	\$ 487,781	\$ 536,597	\$ 518,291	\$ 510,207
Restricted	165,574	291,133	225,095	379,818
Committed	-	5,647,218	5,090,709	5,034,846
Assigned	5,548,574	4,125,558	5,489,839	6,580,250
Unassigned	977,224	-	-	-
Total General Fund	\$ 7,179,153	\$ 10,600,506	\$ 11,323,934	\$ 12,505,121
All Other Governmental Funds				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	18,852,985	19,503,247	19,980,803	16,976,129
Committed	5,702,002	5,236,766	4,883,654	7,125,185
Assigned	-	-	-	502,315
Unassigned	-	-	-	-
Total all other governmental funds	\$ 24,554,987	\$ 24,740,013	\$ 24,864,457	\$ 24,603,629

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2009 through June 30, 2018.

Note: Buncombe County Schools began to report fund balance classification in accordance with GASB Statement 54 in 2011. GASB 54 has been applied retroactively, using the Board policies in place each year presented.

Financial Trends
Schedule 4

Fiscal Year		2014	2013	2012	2011	2010	2009				
\$	1,842,532	\$	2,466,537	\$	2,386,811	\$	1,426,797	\$	1,438,265	\$	1,658,651
	422,359		3,506,035		1,289,022		789,339		875,586		1,584,123
	4,436,869		4,805,221		4,313,026		4,134,101		-		-
	5,972,830		4,293,451		1,258,706		-		177,176		25,959
	827,479		-		5,464,801		5,641,808		6,241,583		4,089,393
\$	13,502,069	\$	15,071,244	\$	14,712,366	\$	11,992,045	\$	8,732,610	\$	7,358,126
\$	-	\$	10,587	\$	12,114	\$	-	\$	-	\$	-
	12,589,633		10,408,716		11,580,907		11,820,310		7,372,832		7,095,297
	6,083,698		5,445,281		4,157,825		3,310,721		-		-
	2,009,358		2,286,776		681,527		1,363,053		-		-
	-		-		-		-		4,526,735		1,857,356
\$	20,682,689	\$	18,151,360	\$	16,432,373	\$	16,494,084	\$	11,899,567	\$	8,952,653

BUNCOMBE COUNTY BOARD OF EDUCATION
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2018	2017	2016	2015
Revenues:				
Intergovernmental sources:				
State of North Carolina	\$ 146,388,556	\$ 142,752,510	\$ 138,426,084	\$ 138,748,218
U. S. Government	15,432,439	14,437,446	15,001,993	19,967,051
Local sources:				
Buncombe County - unrestricted	62,277,716	58,303,442	53,069,656	51,390,856
Buncombe County - restricted	28,403,412	18,885,692	33,441,269	20,408,893
Other local revenues	12,546,546	13,149,600	12,632,093	10,636,959
Total revenues	265,048,669	247,528,690	252,571,095	241,151,977
Expenditures:				
Instructional Programs	192,802,427	184,281,301	177,187,041	175,521,208
Support Services	43,113,994	44,276,273	42,816,224	42,397,393
Capital Outlay	26,954,379	15,829,794	30,316,614	17,910,384
Debt service				
Principal	1,038,616	1,543,349	1,083,270	939,033
Interest	-	-	-	-
Other	5,011,291	4,398,740	3,648,505	2,689,114
Total expenditures	268,920,707	250,329,457	255,051,654	239,457,132
Revenues over (under) expenditures	(3,872,038)	(2,800,767)	(2,480,559)	1,694,845
Other financing (uses)				
Transfers from other funds	1,818,559	(2,147,455)	1,608,871	1,520,517
Transfers to other funds	(1,947,622)	2,024,053	(1,731,782)	(1,640,764)
Capital lease obligations and installment purchase contracts issued	443,538	1,964,716	1,746,210	1,276,510
Proceeds from the sale of capital assets	-	-	-	18,822
Total other financing (uses)	314,475	1,841,314	1,623,299	1,175,085
Change in reserve for inventories	(48,816)	111,581	(63,099)	54,062
Net change in fund balances	\$ (3,606,379)	\$ (847,872)	\$ (920,359)	\$ 2,923,992
Debt Service as a Percentage of Noncapital Expenditures				
	0.42%	0.72%	0.56%	0.44%

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2009 through June 30, 2018.

Note: Buncombe County Schools began to report fund balance classification in accordance with GASB Statement 54 in 2011.

Financial Trends
Schedule 5

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ 141,823,368	\$ 134,453,255	\$ 130,111,581	\$ 132,915,550	\$ 132,782,729	\$ 141,764,461	
15,145,552	21,145,876	21,925,840	26,785,294	24,191,013	14,835,839	
48,738,512	48,010,003	48,346,758	46,112,033	46,006,702	47,020,995	
12,328,195	9,619,037	18,935,341	30,045,955	12,612,490	7,857,632	
10,772,901	10,693,616	11,016,739	11,211,293	10,638,087	11,794,191	
228,808,528	223,921,787	230,336,259	247,070,125	226,231,021	223,273,118	
169,721,060	174,736,464	170,233,127	170,641,076	168,128,975	175,173,458	
40,360,430	40,788,424	37,780,597	39,269,816	37,041,452	41,155,779	
15,715,102	4,566,423	17,152,423	27,516,170	13,331,553	6,136,204	
364,806	1,219,079	681,563	1,528,025	1,223,115	2,416,345	
-	-	-	-	1,716	4,216	
1,620,907	1,675,740	2,004,788	2,018,632	2,429,514	1,716,915	
227,782,305	222,986,130	227,852,498	240,973,719	222,156,325	226,602,917	
1,026,223	935,657	2,483,761	6,096,406	4,074,696	(3,329,799)	
1,579,248	1,889,683	990,352	519,334	2,001,722	533,103	
(1,685,145)	(1,978,704)	(1,152,429)	(605,924)	(2,088,012)	(587,307)	
-	1,203,106	256,116	1,816,328	397,683	3,356,657	
56,274	47,095	9,316	50,343	45,754	41,917	
(49,623)	1,161,180	103,355	1,780,081	357,147	3,344,370	
(14,446)	(18,972)	71,494	(22,535)	(110,445)	102,334	
\$ 962,154	\$ 2,077,865	\$ 2,658,610	\$ 7,853,952	\$ 4,321,398	\$ 116,905	
0.17%	0.57%	0.33%	0.74%	0.60%	1.14%	

BUNCOMBE COUNTY BOARD OF EDUCATION
 ASSESSED VALUE OF TAXABLE PROPERTY FOR BUNCOMBE COUNTY
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Real Property				
Fiscal Year	Residential Property	Commercial Property	Use Value Farm	Historical Property
2009	18,814,352	5,319,589	1,054,015	94,003
2010	19,278,789	5,608,552	1,209,375	96,685
2011	19,693,086	5,598,080	1,209,847	97,799
2012	19,823,205	5,672,300	1,206,920	96,645
2013	19,980,840	5,765,143	1,202,337	100,086
2014	18,671,008	5,784,047	1,007,838	96,053
2015	18,895,973	5,995,685	1,015,256	96,185
2016	19,122,947	6,143,178	1,034,999	97,419
2017	19,416,142	6,445,705	1,014,952	97,091
2018	23,644,415	7,987,749	1,281,038	118,491

Source: Buncombe County Tax Department.

Note: Property in the County can be reassessed every four years. The County assesses property at approximately 100 percent of actual value. Tax rates are per \$100 of assessed value. Property was reassessed in fiscal year 2014 as well as fiscal year 2018.

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

Revenue Capacity
Schedule 6

<u>Personal Property</u>			<u>Public Service</u>		
Motor Vehicles	Other	Less: Tax Exempt Real Property*	Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate
1,687,764	1,635,196	1,043,461	524,793	28,230,299	0.525
1,628,826	1,627,503	1,125,844	517,281	28,841,167	0.525
1,576,012	1,546,946	1,148,428	513,573	29,086,915	0.525
1,693,881	1,477,741	1,181,347	525,644	29,314,988	0.525
1,765,488	1,528,991	1,192,171	529,268	29,679,981	0.525
1,342,270	1,595,537	968,969	529,435	28,057,219	0.604
1,952,226	1,653,573	1,263,593	532,418	28,877,723	0.604
2,100,032	1,726,624	1,268,909	588,226	29,544,516	0.604
2,215,126	1,902,707	1,260,614	585,936	30,417,045	0.604
2,320,683	1,893,655	1,595,053	613,635	36,264,613	0.539

BUNCOMBE COUNTY BOARD OF EDUCATION
PROPERTY TAX RATES--DIRECT AND ALL OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Per \$100 of Assessed Value)

	Fiscal Year				
	2018	2017	2016	2015	2014
County of Buncombe Direct Rates					
General County-wide Rate	\$ 0.539	\$ 0.604	\$ 0.604	\$ 0.604	\$ 0.604
Fire Districts	0.127	0.118	0.118	0.118	0.118
Total average direct rate	0.666	0.722	0.722	0.722	0.722
City					
City of Asheville	0.429	0.475	0.475	0.475	0.460
Towns					
Biltmore Forest	0.330	0.395	0.395	0.385	0.385
Weaverville	0.380	0.440	0.440	0.420	0.420
Black Mountain	0.333	0.375	0.375	0.375	0.375
Woodfin	0.280	0.305	0.305	0.305	0.305
Districts					
Asheville School	0.120	0.150	0.150	0.150	0.150

Source: Buncombe County Tax Department

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

Revenue Capacity
Schedule 7

	2013	2012	2011	2010	2009
\$	0.525	\$ 0.525	\$ 0.525	\$ 0.525	\$ 0.525
	0.113	0.113	0.113	0.113	0.113
	0.638	0.638	0.638	0.638	0.638
	0.420	0.420	0.420	0.420	0.420
	0.330	0.320	0.320	0.300	0.300
	0.375	0.375	0.355	0.355	0.365
	0.365	0.365	0.365	0.320	0.320
	0.265	0.265	0.265	0.265	0.265
	0.150	0.150	0.150	0.150	0.150

BUNCOMBE COUNTY BOARD OF EDUCATION
 PRINCIPAL PROPERTY TAXPAYERS FOR BUNCOMBE COUNTY
 Current Year and Nine Years Ago

Taxpayer	2018		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress Inc	\$ 368,489,563	1	1.02%
Ingles Markets Inc	309,850,492	2	0.85%
GPI Resort Holdings LLC	121,525,900	3	0.34%
New Belgium Brewing Company Inc	119,963,329	4	0.33%
Biltmore Company	114,453,764	5	0.32%
Jacob Holm Industries	97,698,006	6	0.27%
Asheville Mall CMBS LLC	95,656,800	7	0.26%
Town Square West LLC	86,896,287	8	0.24%
Linamar North Carolina Inc.	72,515,106	9	0.20%
Novo Nordisk Pharmaceutical Inc.	69,082,219	10	0.19%
The Cliffs at Walnut Cove LLC	-		-
Arvato Digital Services (Sonopress)	-		-
Bellsouth Tel Co - AT & T North Carolina	-		-
Southeastern Container	-		-
Borgwarner Turbo Systems	-		-
Totals	\$ 1,456,131,466		4.02%
Total Overall Valuation	\$ 36,264,612,567		

Source: Buncombe County Tax Department

Revenue Capacity
Schedule 8

2009		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 305,649,932	1	1.08%
185,810,320	2	0.66%
102,511,800	4	0.36%
94,737,970	6	0.34%
75,689,620.00	8	0.27%
153,161,700	3	0.54%
99,160,850	5	0.35%
89,149,301	7	0.32%
75,501,700	9	0.27%
65,384,381	10	0.23%
<u>\$ 1,246,757,574</u>		<u>4.42%</u>

\$ 28,230,299,496

BUNCOMBE COUNTY BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS FOR BUNCOMBE COUNTY
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Total Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount	Percentage of Levy
2009	147,652	145,745	98.7%	19	145,763	98.72%
2010	151,681	149,601	98.6%	3	149,662	98.67%
2011	153,044	151,007	98.7%	6	151,036	98.69%
2012	154,046	152,262	98.8%	24	152,284	98.86%
2013	156,148	154,652	99.0%	6	154,811	99.14%
2014	167,069	166,098	99.4%	106	166,161	99.46%
2015	174,422	173,958	99.7%	8	173,958	99.73%
2016	178,618	178,338	99.8%	29	178,557	99.97%
2017	183,816	183,615	99.9%	146	183,615	99.89%
2018	195,601	195,331	99.9%	-	195,331	99.86%

Source: Buncombe County Tax Department

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

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

<u>Fiscal year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2009	67,919	0.24%	288
2010	65,470	0.23%	274
2011	58,823	0.20%	241
2012	51,256	0.17%	212
2013	44,717	0.15%	180
2014	38,344	0.14%	152
2015	30,124	0.11%	111
2016	27,254	0.09%	107
2017	24,373	0.08%	94
2018	21,498	0.06%	82

Source: Buncombe County Comprehensive Annual Financial Reports.

See the Schedule of Assessed Value of Taxable Property on pages 80 and 81 for property value data.

Population data can be found in the Schedule of Demographic and Economic Statistics on page 94.

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

Fiscal Year	Governmental Activities		Project Development Financing Bonds	Business-type Activities	
	General Obligation	Installment		Special Obligation	Installment
	Bonds	Notes		Bonds	Notes
2009	67,919	90,980	12,803	9,494	14,411
2010	65,470	127,153	12,803	7,536	13,825
2011	58,823	172,049	12,812	5,530	13,224
2012	51,256	170,913	12,960	4,218	-
2013	44,717	225,725	12,960	2,867	3,450
2014	38,344	395,806	-	1,462	3,156
2015	30,124	476,157	-	-	2,860
2016	27,248	447,545	-	-	2,559
2017	24,373	420,856	-	-	2,254
2018	21,498	450,948	-	-	1,944

Source: Buncombe County Comprehensive Annual Financial Reports.

See the Schedule of Demographic and Economic Statistics on page 94 for personal income and population data.

Debt Capacity
Schedule 11

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
195,607	2.46%	829
226,787	2.80%	949
262,438	3.15%	1,099
239,347	2.69%	975
289,719	3.12%	1,164
438,768	4.59%	1,751
509,141	4.91%	2,026
477,352	4.31%	1,877
447,483	N/A	1,735
474,390	N/A	1,814

BUNCOMBE COUNTY BOARD OF EDUCATION
OUTSTANDING DEBT
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total	Percentage of Personal Income	Per Capita
	Capital Leases	Installment Purchase Contracts			
2009	8,652	1,638,977	1,647,629	0.02%	7
2010	2,678	819,519	822,197	0.01%	3
2011	-	1,107,010	1,107,010	0.01%	5
2012	-	681,563	681,563	0.01%	3
2013	-	665,590	665,590	0.01%	3
2014	-	300,784	300,784	0.00%	1
2015	-	638,261	638,261	0.01%	3
2016	-	1,301,201	1,301,201	0.01%	5
2017	-	1,722,568	1,722,568	N/A	7
2018	-	1,127,490	1,127,490	N/A	4

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports,
Years Ended June 30, 2009 through June 30, 2018

See the Schedule of Demographic and Economic Statistics on page 94 for personal
income and population data.

BUNCOMBE COUNTY BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT FOR BUNCOMBE COUNTY
As of June 30, 2018

Government Unit	Debt Outstanding	Percentage Applicable to County (1)	Estimated share of Direct and Overlapping debt (2)
Net general obligation bonded debt			
City of Asheville	\$ 370,000	100%	\$ 370,000
Installment debt			
City of Asheville	50,649,773	100%	50,649,773
Town of Biltmore Forest	333,739	100%	333,739
Town of Black Mountain	1,516,218	100%	1,516,218
Town of Weaverville	1,551,978	100%	1,551,978
Town of Woodfin	257,105	100%	257,105
Subtotal, overlapping debt			54,678,813
County direct debt		100%	<u>417,717,489</u>
Total direct and overlapping debt			<u><u>\$ 472,396,302</u></u>

Source: Buncombe County Comprehensive Annual Financial Reports.

(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.

BUNCOMBE COUNTY BOARD OF EDUCATION
 LEGAL DEBT MARGIN FOR BUNCOMBE COUNTY
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt limit	\$ 2,901,169	\$ 2,433,364	\$ 2,363,561	\$ 2,154,040
Total net debt applicable limit	<u>432,220</u>	<u>406,791</u>	<u>431,485</u>	<u>454,994</u>
Legal debt margin	<u>\$ 2,468,949</u>	<u>\$ 2,026,573</u>	<u>\$ 1,932,076</u>	<u>\$ 1,699,046</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>14.90%</u>	<u>16.72%</u>	<u>18.26%</u>	<u>21.12%</u>

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value of taxable property	<u>\$ 36,264,613</u>
Debt Limit - Eight Percent (8%) of assessed value	2,901,169
Gross Debt:	
Total Bonded Debt	21,497
Installment Purchase Agreements	<u>410,723</u>
Gross Debt	<u>432,220</u>
Total amount of debt applicable to debt limit (net debt)	<u>\$ 432,220</u>
Legal debt margin	<u>\$ 2,468,949</u>

Source: Buncombe County Comprehensive Annual Financial Reports.

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

Debt Capacity
Schedule 14

<u>Fiscal Year</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 2,210,098	\$ 2,374,398	\$ 2,345,199	\$ 2,326,953	\$ 2,307,293	\$ 2,246,900
402,098	257,377	219,141	240,305	190,738	173,379
<u>\$ 1,808,000</u>	<u>\$ 2,117,021</u>	<u>\$ 2,126,058</u>	<u>\$ 2,086,648</u>	<u>\$ 2,116,555</u>	<u>\$ 2,073,521</u>
<u>18.19%</u>	<u>10.84%</u>	<u>9.34%</u>	<u>10.33%</u>	<u>8.27%</u>	<u>7.72%</u>

BUNCOMBE COUNTY BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2009	235,879	7,955,053	33,725	40.6	25,399	9.0%
2010	238,884	8,100,049	33,908	40.7	25,286	8.3%
2011	243,673	8,459,317	34,716	40.7	25,258	8.2%
2012	241,419	8,884,892	36,803	40.7	25,260	7.9%
2013	248,929	9,282,566	37,290	40.7	25,370	7.1%
2014	251,995	9,552,676	37,908	40.8	25,341	6.3%
2015	251,271	10,378,772	41,305	40.1	24,761	4.8%
2016	254,344	11,071,174	43,232	41.0	24,305	3.5%
2017	257,931	N/A	N/A	41.1	24,148	4.1%
2018	261,532	N/A	N/A	41.7	23,801	4.1%

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. School enrollment is based on the census at the start of the school year.

BUNCOMBE COUNTY BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

MANUFACTURING

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Eaton Corporation - Electrical Division	750-999	1	0.54%-0.71%	1,010	1	0.92%
Thermo Fisher Scientific, Inc.	500-749	2	0.36%-0.53%	550	4	0.50%
Borgwarner Turbo & Emissions Systems	500-749	3	0.36%-0.53%	830	2	0.75%
Kearfott Guidance & Navigation Corp.	400-499	4	0.29%-0.36%	420	5	0.38%
GE Aviation	400-499	5	0.29%-0.36%			
Plasticard-Locktech International	300-399	6	0.21%-0.28%			
Nypro Asheville	300-399	7	0.21%-0.28%			
Medical Action Industries	300-399	8	0.21%-0.28%	250	10	0.23%
Flint Group (Day International)	300-399	9	0.21%-0.28%			
TE Connectivity	200-299	10	0.14%-0.21%			
Milkco, Inc				280	9	0.25%
Unison Engine Components				325	7	0.30%
Asheville Citizen Times				290	8	0.26%
Day International				380	6	0.35%
Arvato Digital Services				650	3	0.59%
Total	3950-5390		2.82%-3.85%			

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BUNCOMBE COUNTY BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

NON-MANUFACTURING

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mission Health System and Hospital	3,000+	1	2.14%	6,990	1	6.35%
Buncombe County Public Schools	3,000+	2	2.14%	4,010	2	3.64%
Asheville-Buncombe Technical Community College	1,000-2,999	3	0.71%-2.14%			
The Biltmore Company	1,000-2,999	4	0.71%-2.14%	1,580	5	1.43%
Buncombe County Government	1,000-2,999	5	0.71%-2.14%	1,670	4	1.52%
City of Asheville	1,000-2,999	6	0.71%-2.14%	1,000	8	0.91%
Ingles Markets, Inc.	1,000-2,999	7	0.71%-2.14%	3,050	3	2.77%
Omni Grove Park Inn	1,000-2,999	8	0.71%-2.14%	1,100	7	1.00%
VA Medical Center - Asheville	1,000-2,999	9	0.71%-2.14%	1,140	6	1.04%
CarePartners	750-999	10	0.54%-0.71%	750	9	0.68%
Asheville City Schools				730	10	0.66%
Total	13,750-21,992		9.8%-15.7%			

* Labor Force Estimate for 2017 per NC Employment Security Commission: 140,180
 Labor Force Estimate for 2008 per NC Employment Security Commission: 122,527

SOURCE: Asheville Chamber of Commerce

NOTE: Many of the top employers for manufacturing have changed in the past 10 years. Therefore, many companies that were top employers in 2009 are not in business in 2018 and many companies that are top employers in 2018 were not here in 2009.

BUNCOMBE COUNTY BOARD OF EDUCATION
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
2018	1,958	937	2,895	23,801	12.2
2017	1,940	967	2,907	24,148	12.4
2016	1,941	956	2,897	24,305	12.5
2015	1,926	1,034	2,960	24,564	12.8
2014	1,923	1,104	3,027	25,035	13.0
2013	1,945	1,143	3,088	25,370	13.0
2012	1,966	1,144	3,110	25,260	12.8
2011	1,977	1,158	3,135	25,286	12.8
2010	1,947	1,186	3,133	25,399	13.0
2009	1,998	1,179	3,177	25,367	12.7

Source: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instructions, 2009 through 2018.

BUNCOMBE COUNTY BOARD OF EDUCATION
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	Hispanic	White	Other
2018	23,801	21,943	\$ 9,408	57th	52.16%	6.67%	16.92%	69.77%	6.64%
2017	24,148	22,933	8,914	65th	54.20%	6.83%	16.11%	70.76%	6.30%
2016	24,305	23,151	8,579	71st	56.58%	6.71%	15.74%	71.46%	6.09%
2015	24,564	24,576	8,386	68th	55.86%	6.65%	14.54%	72.84%	5.97%
2014	25,035	23,753	7,856	80th	55.58%	6.47%	13.80%	73.62%	6.11%
2013	25,370	24,152	7,992	81st	55.63%	6.21%	12.96%	75.79%	5.04%
2012	25,260	24,147	7,823	84th	55.06%	5.95%	11.95%	75.56%	6.54%
2011	25,258	24,017	7,873	81st	53.20%	5.96%	11.38%	76.39%	6.27%
2010	25,286	23,952	7,876	77th	48.09%	10.80%	9.07%	78.17%	1.96%
2009	25,399	24,238	8,057	79th	46.39%	10.47%	8.52%	79.22%	1.79%

Source:

Free and Reduced Price Meals: Buncombe County Board of Education Child Nutrition Department.

Information other than Free and Reduced Price Meals: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instructions, 2009 through 2018.

Table on Per Pupil Expenditures, Child Nutrition Excluded.

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

Note 2: Prior to the fiscal year ended June 30, 2011, NCDPI included the students who reported themselves as belonging to two or more ethnic groups in the category labeled "Black". Beginning in the fiscal year ended June 30, 2011, NCDPI no longer consolidates students reporting themselves as belonging to two or more ethnic groups with any other group; they are therefore now included in the "Other" category on the chart above.

BUNCOMBE COUNTY BOARD OF EDUCATION
TEACHERS' SALARIES
Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
2018	\$ 37,975	\$ 87,125	\$ 49,469
2017	37,975	84,872	45,858
2016	37,205	92,678	47,109
2015	35,079	92,685	46,828
2014	32,740	82,645	44,380
2013	32,740	76,134	44,168
2012	32,347	75,152	45,468
2011	32,347	75,152	46,077
2010	32,347	75,152	45,933
2009	32,347	75,152	47,792

Source: Buncombe County Board of Education, Office of the Chief Financial Officer

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

BUNCOMBE COUNTY BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 20

School Name	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Special Schools										
Buncombe Early College										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	244	244	244	244	244	244	244	N/A	N/A	N/A
Best 1 of first 2 months membership	278	278	269	266	253	253	242	243	245	216
Buncombe Middle College										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	88	88	88	88	88	88	88	N/A	N/A	N/A
Best 1 of first 2 months membership	74	61	70	74	81	81	84	57	75	69
Buncombe Community High										
Square Feet	46,664	46,664	46,664	46,664	46,664	46,664	46,664	46,664	46,664	46,664
Capacity	205	205	205	205	205	205	205	205	205	205
Best 1 of first 2 months membership	143	163	140	119	136	136	191	199	172	136
Career Education Center										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	74,254	74,254	74,254
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	300	300	300
Best 1 of first 2 months membership	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nesbitt Discovery Academy										
Square Feet	59,174	59,174	44,174	44,174	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	310	310	210	210	N/A	N/A	N/A	N/A	N/A	N/A
Best 1 of first 2 months membership	389	296	199	100	N/A	N/A	N/A	N/A	N/A	N/A

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BUNCOMBE COUNTY BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 20

School Name	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
High Schools										
A.C. Reynolds High										
Square Feet	257,184	257,184	257,184	257,184	257,184	257,184	257,184	257,184	257,184	257,184
Capacity	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,655	1,655
Best 1 of first 2 months membership	1,208	1,299	1,309	1,348	1,409	1,409	1,409	1,372	1,365	1,424
Charles D. Owen High										
Square Feet	190,159	190,159	190,159	190,159	190,159	190,159	190,159	190,159	190,159	190,159
Capacity	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,335	1,155	1,155
Best 1 of first 2 months membership	766	782	775	780	816	816	844	887	870	873
Clyde A. Erwin High										
Square Feet	250,419	250,419	250,419	250,419	250,419	250,419	250,419	250,419	250,419	250,419
Capacity	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,480	1,480
Best 1 of first 2 months membership	1,245	1,310	1,320	1,323	1,324	1,324	1,326	1,374	1,235	1,233
Enka High										
Square Feet	238,304	238,304	238,304	238,304	238,304	238,304	238,304	238,304	238,304	238,304
Capacity	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430
Best 1 of first 2 months membership	1,081	1,126	1,217	1,227	1,252	1,252	1,250	1,275	1,262	1,325
North Buncombe High										
Square Feet	202,307	202,307	202,307	202,307	202,307	202,307	202,307	202,307	202,307	202,307
Capacity	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,195	1,195
Best 1 of first 2 months membership	1,074	1,124	1,131	1,111	1,091	1,091	1,092	1,154	1,140	1,143
T. C. Roberson High										
Square Feet	293,284	293,284	293,284	293,284	293,284	293,284	293,284	293,284	293,284	293,284
Capacity - Regular School Facility	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675
Capacity - PEP Facility	126	126	126	126	126	126	126	126	126	126
Best 1 of first 2 months membership	1,570	1,614	1,588	1,587	1,482	1,482	1,500	1,491	1,594	1,600

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BUNCOMBE COUNTY BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 20

School Name	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Middle Schools										
A.C. Reynolds Middle										
Square Feet	117,544	117,544	117,544	117,544	117,544	117,544	117,544	117,544	117,544	117,544
Capacity	748	748	748	748	748	748	748	748	748	748
Best 1 of first 2 months membership	519	508	528	554	622	622	607	596	614	585
Cane Creek Middle										
Square Feet	127,989	127,989	127,989	127,989	127,989	127,989	127,989	127,989	127,989	127,989
Capacity	826	826	826	826	826	826	826	826	826	826
Best 1 of first 2 months membership	556	578	617	657	676	676	748	813	818	800
Charles D. Owen Middle										
Square Feet	110,430	110,430	110,430	110,430	110,430	110,430	110,430	110,430	110,430	110,430
Capacity	732	732	732	732	732	732	732	775	775	775
Best 1 of first 2 months membership	522	529	549	585	589	589	596	606	639	635
Clyde A. Erwin Middle										
Square Feet	121,787	121,787	121,787	121,787	121,787	121,787	121,787	121,787	121,787	121,787
Capacity	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,035	1,035
Best 1 of first 2 months membership	670	687	778	830	841	841	753	1,115	1,063	1,110
Enka Middle										
Square Feet	146,172	146,172	146,172	146,172	146,172	146,172	146,172	146,172	146,172	146,172
Capacity	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,044	1,063	1,063
Best 1 of first 2 months membership	593	595	910	978	1,068	1,068	1,066	1,081	1,061	1,021
North Buncombe Middle										
Square Feet	108,776	108,776	108,776	108,776	108,776	108,776	108,776	108,776	108,776	108,776
Capacity	687	687	687	687	687	687	687	701	687	687
Best 1 of first 2 months membership	557	574	600	604	662	662	615	561	581	590
Valley Springs Middle										
Square Feet	144,035	144,035	144,035	144,035	144,035	144,035	144,035	144,035	144,035	143,075
Capacity - Regular School Facility	1,032	1,032	1,032	1,032	1,032	1,032	1,032	949	949	949
Capacity - PEP Facility	100	100	100	100	100	100	100	42	42	42
Best 1 of first 2 months membership	600	622	621	670	547	547	495	780	790	844

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BUNCOMBE COUNTY BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 20

School Name	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Intermediate Schools										
North Windy Ridge										
Square Feet	94,253	94,253	94,253	94,253	94,253	94,253	94,253	94,253	94,253	94,253
Capacity	826	826	826	826	826	826	826	714	714	714
Best 1 of first 2 months membership	607	593	573	577	600	600	848	642	605	548
Koontz Intermediate										
Square Feet	106,918	106,918	106,918	106,918	106,918	106,918	106,918	N/A	N/A	N/A
Capacity	894	894	894	894	894	894	894	N/A	N/A	N/A
Best 1 of first 2 months membership	740	709	675	683	814	814	693	N/A	N/A	N/A
Eblen Intermediate										
Square Feet	106,918	106,918	106,918	106,918	106,918	106,918	106,918	N/A	N/A	N/A
Capacity	878	878	878	878	878	878	878	N/A	N/A	N/A
Best 1 of first 2 months membership	703	730	712	730	844	844	858	N/A	N/A	N/A
Enka Intermediate										
Square Feet	111,169	111,169	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	990	990	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Best 1 of first 2 months membership	638	631	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elementary Schools										
Barnardsville										
Square Feet	39,596	39,596	39,596	39,596	39,596	39,596	39,596	39,596	39,596	39,596
Capacity	267	267	267	267	267	267	267	241	241	241
Best 1 of first 2 months membership	148	146	156	153	174	174	175	173	187	188
Black Mountain Elem.										
Square Feet	40,378	40,378	40,378	40,378	40,378	40,378	40,378	40,378	40,378	40,378
Capacity	374	374	374	374	374	374	374	332	332	332
Best 1 of first 2 months membership	225	216	209	212	236	236	240	232	230	247
Black Mountain Prim.										
Square Feet	69,134	69,134	69,134	69,134	69,134	69,134	69,134	69,134	69,134	69,134
Capacity	703	703	703	703	703	703	703	566	566	566
Best 1 of first 2 months membership	400	402	426	442	495	495	491	492	502	483

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BUNCOMBE COUNTY BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 20

School Name	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Candler										
Square Feet	78,424	78,424	78,424	78,424	78,424	78,424	78,424	78,424	78,424	78,424
Capacity	696	696	696	696	696	696	696	654	654	654
Best 1 of first 2 months membership	439	425	550	576	597	597	635	632	604	619
Charles C. Bell										
Square Feet	49,826	49,826	49,826	49,826	49,826	49,826	49,826	49,826	49,826	49,826
Capacity	471	471	471	471	471	471	471	450	450	450
Best 1 of first 2 months membership	296	275	287	303	301	301	316	303	300	296
Emma										
Square Feet	70,595	70,595	70,595	70,595	70,595	70,595	70,595	70,595	70,595	70,595
Capacity	566	566	566	566	566	566	566	514	514	514
Best 1 of first 2 months membership	363	354	383	428	423	423	439	535	527	529
Fairview										
Square Feet	98,403	98,403	98,403	98,403	98,403	98,403	98,403	98,403	98,403	98,403
Capacity	851	851	851	851	851	851	851	828	828	828
Best 1 of first 2 months membership	740	681	672	699	749	749	747	737	768	777
Glen Arden										
Square Feet	95,813	95,813	95,813	95,813	95,813	95,813	95,813	95,813	95,813	95,813
Capacity	695	695	695	695	695	695	695	690	690	690
Best 1 of first 2 months membership	573	542	492	476	488	488	476	622	672	710
Haw Creek										
Square Feet	71,873	71,873	71,873	71,873	71,873	71,873	71,873	71,873	71,873	71,873
Capacity	628	628	628	628	628	628	628	541	541	541
Best 1 of first 2 months membership	401	382	390	399	414	414	416	440	443	458

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BUNCOMBE COUNTY BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 20

School Name	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Hominy Valley										
Square Feet	80,254	80,254	80,254	80,254	80,254	80,254	80,254	80,254	80,254	80,254
Capacity	670	670	670	670	670	670	670	597	597	597
Best 1 of first 2 months membership	400	381	459	482	483	483	493	503	524	531
Johnston										
Square Feet	71,125	71,125	71,125	71,125	71,125	71,125	71,125	71,125	71,125	71,125
Capacity	435	435	435	435	435	435	435	336	336	336
Best 1 of first 2 months membership	281	299	298	319	339	339	325	379	400	382
Leicester										
Square Feet	80,774	80,774	80,774	80,774	80,774	80,774	80,774	80,774	80,774	80,774
Capacity	644	644	644	644	644	644	644	576	576	576
Best 1 of first 2 months membership	426	461	475	477	504	504	515	621	626	623
North Buncombe Elem.										
Square Feet	95,400	95,400	95,400	95,400	95,400	95,400	95,400	95,400	95,400	95,400
Capacity	716	716	716	716	716	716	716	687	701	701
Best 1 of first 2 months membership	581	630	646	668	709	709	713	731	757	754
Oakley										
Square Feet	74,472	74,472	74,472	74,472	74,472	74,472	74,472	74,472	74,472	74,472
Capacity	722	722	722	722	722	722	722	581	581	581
Best 1 of first 2 months membership	450	465	452	468	471	471	474	497	448	469
Pisgah										
Square Feet	32,566	32,566	32,566	32,566	32,566	32,566	32,566	32,566	32,566	32,566
Capacity	246	246	246	246	246	246	246	251	251	251
Best 1 of first 2 months membership	168	178	230	237	244	244	245	225	228	215

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BUNCOMBE COUNTY BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 20

School Name	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Sand Hill/Venable										
Square Feet	112,376	112,376	112,376	112,376	112,376	112,376	112,376	112,376	112,376	112,376
Capacity	836	836	836	836	836	836	836	893	893	893
Best 1 of first 2 months membership	573	634	729	726	733	733	746	749	764	738
Avery's Creek										
Square Feet	86,287	86,287	86,287	86,287	86,287	86,287	86,287	86,287	86,287	86,287
Capacity	765	765	765	765	765	765	765	722	722	722
Best 1 of first 2 months membership	591	586	602	641	668	668	652	756	748	753
W. D. Williams										
Square Feet	89,475	89,475	89,475	89,475	89,475	89,475	89,475	89,475	89,475	89,475
Capacity	675	675	675	675	675	675	675	628	628	628
Best 1 of first 2 months membership	450	459	439	443	440	440	458	454	487	509
W. W. Estes										
Square Feet	115,153	115,153	115,153	115,153	115,153	115,153	115,153	115,153	115,153	115,153
Capacity - Regular School Facility	896	896	896	896	896	896	896	841	841	841
Capacity - PEP Facility	60	60	60	60	60	60	60	42	42	42
Best 1 of first 2 months membership	756	761	751	730	745	745	697	817	808	817
Weaverville Elementary										
Square Feet	66,844	66,844	66,844	66,844	66,844	66,844	66,844	66,844	66,844	66,844
Capacity	518	518	518	518	518	518	518	501	501	501
Best 1 of first 2 months membership	351	360	366	375	324	324	325	328	357	362
Weaverville Primary										
Square Feet	40,173	40,173	40,173	40,173	40,173	40,173	40,173	40,173	40,173	40,173
Capacity	294	294	294	294	294	294	294	248	248	248
Best 1 of first 2 months membership	240	241	207	223	265	265	247	236	225	223

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BUNCOMBE COUNTY BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 20

School Name	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
West Buncombe										
Square Feet	101,027	101,027	101,027	101,027	101,027	101,027	101,027	101,027	101,027	101,027
Capacity	836	836	836	836	836	836	836	763	763	763
Best 1 of first 2 months membership	548	561	628	617	625	625	610	745	772	805
Woodfin										
Square Feet	42,762	42,762	42,762	42,762	42,762	42,762	42,762	42,762	42,762	42,762
Capacity	251	251	251	251	251	251	251	267	267	267
Best 1 of first 2 months membership	138	141	157	147	143	143	153	188	172	163
Total Schools										
Square Feet	4,536,216	4,536,216	4,410,047	4,410,047	4,365,873	4,365,873	4,365,873	4,226,291	4,226,291	4,225,331
Capacity	33,155	33,155	32,065	32,065	31,855	31,855	31,855	28,888	28,823	28,823
Best 1 of first 2 months membership	24,071	24,389	24,585	25,044	25,677	25,677	25,805	25,641	25,678	25,803
Administrative Facilities	129,463	129,463	129,463	129,463	129,463	129,463	129,463	129,463	129,463	129,463
Grand total Facilities Square Footage	4,665,679	4,665,679	4,495,336	4,495,336	4,495,336	4,495,336	4,495,336	4,355,754	4,355,754	4,354,794

Source: Building square footages from Buncombe County Board of Education Maintenance Department records.

Capacity calculations from Buncombe County Board of Education Facilities Planning Department reports. Theoretical capacity is reported in this spreadsheet. This methodology calculates the maximum capacity to accommodate only NC Core requirements in regular classrooms and also includes Self Contained classrooms. Facilities for itinerant teachers and all non-core educational programs (such as art and music) as well as pull-out programs like ESL, Resource, and AIG funded by the Buncombe County Board of Education are displaced with the assumption that a Regular classroom can be in its place.

Membership from North Carolina Department of Public Instruction's Best 1 of 2 Months Actual Average Daily Membership (ADM) Report for listed fiscal year (this ADM is used as the basis for allotting funds to school districts within the State of North Carolina).

Notes:

-Over the past ten years, Buncombe County Board of Education created and/or closed several schools. Buncombe Community East and Buncombe Community West both ceased operations at the end of school year 2005-06, and the Community High School began operating in 2006-07. The Career Education Center closed at the end of 2010-11. Buncombe Middle College began operations in 2007-08. The Koontz and Eblen Intermediate Schools opened in 2011-12. Nesbitt Discovery Academy opened in 2014-15. Enka Intermediate opened in 2016-17.

BUNCOMBE COUNTY BOARD OF EDUCATION

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