

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

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2013**

**BOARD OF EDUCATION**

BOB RHINEHART, CHAIRMAN

CHIP CRAIG, VICE CHAIRMAN

LISA BALDWIN

PAT BRYANT

AMY CHURCHILL

ANN FRANKLIN

DUSTY PLESS

**SUPERINTENDENT**

TONY W. BALDWIN

PREPARED UNDER THE DIRECTION OF:  
DEPARTMENT OF FINANCE  
ROGER W. WARREN, INTERIM FINANCE OFFICER

BUNCOMBE COUNTY BOARD OF EDUCATION

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JUNE 30, 2013

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December 2, 2013

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

As Superintendent and Interim 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, 2013. 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 and #54 of the Governmental Accounting Standards Board (GASB).

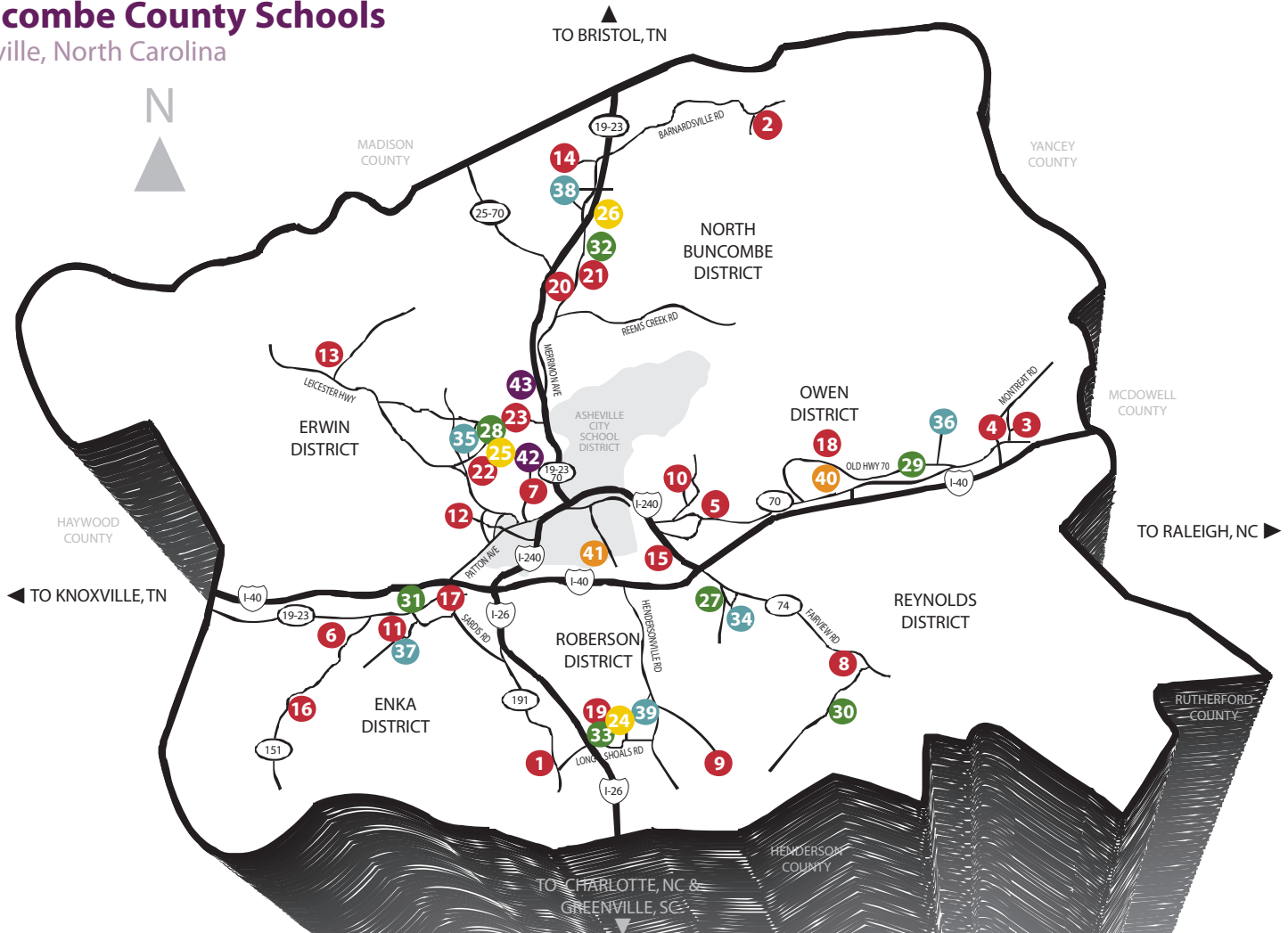
North Carolina General Statutes require that each local education agency, such as the Buncombe County Board of Education, have an annual audit of all funds under its control by an independent public accountant. Johnson Price Sprinkle PA, a firm of certified public accountants, has audited the basic financial 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. Johnson Price Sprinkle, PA's opinion on the basic financial statements is unqualified, 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, 2013, 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-fifth 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-four fiscal years has been submitted to the Association of School Business Officials International (ASBO) for review. For sixteen 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 March 2013, 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, 2012. This was the twenty-fourth 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	<b>Avery's Creek</b> 15 Park South Boulevard, Arden 28704	828.654.1810
2	<b>Barnardsville</b> 20 Hillcrest Drive, Barnardsville 28709	828.626.2290
3	<b>Black Mountain</b> 100 Flat Creek Road, Black Mountain 28711	828.669.5217
4	<b>Black Mountain Primary</b> 301 East State Street, Black Mountain 28711	828.669.2645
5	<b>C. C. Bell</b> 90 Maple Springs Road, Asheville 28805	828.298.3789
6	<b>Candler</b> 121 Candler School Road, Candler 28715	828.670.5018
7	<b>Emma</b> 37 Brickyard Road, Asheville 28806	828.232.4272
8	<b>Fairview</b> 1355 Charlotte Highway, Fairview 28730	828.628.2732
9	<b>Glen Arden</b> 50 Pinehurst Circle, Arden 28704	828.654.1800
10	<b>Haw Creek</b> 21 Trinity Chapel Road, Asheville 28805	828.298.4022
11	<b>Hominy Valley</b> 450 Enka Lake Road, Candler 28715	828.665.0619
12	<b>Johnston</b> 230 Johnston Boulevard, Asheville 28806	828.232.4291
13	<b>Leicester</b> 31 Gilbert Road, Leicester 28748	828.683.2341
14	<b>North Buncombe</b> 251 Flat Creek Church Road, Weaverville 28787	828.645.6054
15	<b>Oakley</b> 753 Fairview Road, Asheville 28803	828.274.7515
16	<b>Pisgah</b> 1495 Pisgah Highway, Candler 28715	828.670.5023
17	<b>Sand Hill-Venable</b> 154 Sand Hill School Road, Asheville 28806	828.670.5028
18	<b>W. D. Williams</b> 161 Bee Tree Road, Swannanoa 28778	828.686.3856
19	<b>W. W. Estes</b> 275 Overlook Road, Asheville 28803	828.654.1795
20	<b>Weaverville</b> 129 South Main Street, Weaverville 28787	828.645.3127
21	<b>Weaverville Primary</b> 39 South Main Street, Weaverville 28787	828.645.4275
22	<b>West Buncombe</b> 175 Erwin Hills Road, Asheville 28806	828.232.4282
23	<b>Woodfin</b> 108 Elk Mountain Road, Asheville 28804	828.232.4287

## INTERMEDIATE

24	<b>Charles T. Koontz Intermediate</b> 305 Overlook Road, Asheville 28803	828.684.1295
25	<b>Joe P. Eblen Intermediate</b> 59 Lee's Creek Road, Asheville 28806	828.255.5757
26	<b>North Windy Ridge</b> 20 Doan Road, Weaverville 28787	828.658.1892

## MIDDLE

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

## HIGH

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

## SPECIALIZED

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

## ADMINISTRATIVE

42	<b>Administrative Services</b> <b>Board of Education</b> <b>Superintendent's Office</b> <b>Maintenance</b> 175 Bingham Road, Asheville 28806	828.255.5921 828.232.4244
43	<b>Transportation</b> 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, 2013, also conforms to the ASBO requirements and will merit the Certificate of Excellence in Financial Reporting.

In May 2013, 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, 2012. This was the sixteenth 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 230,421 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 2012-13, Buncombe County Schools provided general, special, and career-technical education through twenty-three elementary schools (kindergarten-grade 5), three intermediate schools (grades 5 and 6), seven middle schools (grades 6-8), six high schools (grade 9-12) and two special unit-wide high schools. The special high schools are Community High School (for students who require an alternative to the usual school environment) and Early College/Middle College (for students concurrently taking courses at Asheville-Buncombe Technical College). The North Carolina Department of Public Instruction and AdvanceED 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 2012-13, Buncombe County Schools' ADM was higher for the first academic month at 25,547, an increase of 26 students from the prior year figure of 25,521. The State of North Carolina projects an ADM of 25,782 for 2013-14, an increase of 261 students.



# Buncombe County Schools

## Average Daily Membership – Month 2 for School Year 2012-13

SCHOOL NAME	Kind	1	2	3	4	5	6	7	8	9	10	11	12	Higher	Total
COMMUNITY HIGH SCHOOL										19	45	35	37		136
EARLY COLLEGE										61	58	68	31	35	253
MIDDLE COLLEGE												18	64		82
OWEN HIGH										226	206	203	177		812
NORTH BUNCOMBE HIGH										315	269	276	228		1088
ERWIN HIGH										350	347	322	302		1,321
ROBERSON HIGH										379	406	356	325		1,466
ENKA HIGH										390	337	288	238		1,253
REYNOLDS HIGH										403	378	354	270		1,405
VALLEY SPRINGS MIDDLE							1	288	254						543
CANE CREEK MIDDLE							141	253	274						668
OWEN MIDDLE							198	195	195						588
REYNOLDS MIDDLE							203	209	206						618
ENKA MIDDLE							351	336	376						1,063
ERWIN MIDDLE								438	395						833
NORTH BUNCOMBE MIDDLE								337	325						662
NORTH WINDY RIDGE IN						281	319								600
EBLEN INTERMEDIATE						423	419								842
KOONTZ INTERMEDIATE						388	423								811
AVERY'S CREEK ELEMEN	148	144	126	126	122										666
BARNARDSVILLE ELEMEN	33	40	34	32	32										171
BELL ELEMENTARY	57	57	48	42	46	49									299
BLACK MOUNTAIN ELEME					122	112									234
BLACK MOUNTAIN PRIMA	131	120	125	116											492
CANDLER ELEMENTARY	107	89	88	114	103	94									595
EMMA ELEMENTARY	95	84	99	67	78										423
ESTES ELEMENTARY	163	146	137	141	150	2									739
FAIRVIEW ELEMENTARY	116	107	120	130	133	137									743
GLEN ARDEN ELEMENTAR	90	98	97	94	106	-									485
HAW CREEK ELEMENTARY	73	73	54	78	71	62									411
HOMINY VALLEY ELEMEN	84	74	77	72	84	88									479
JOHNSTON ELEMENTARY	70	69	66	62	66										333
LEICESTER ELEMENTARY	100	106	96	89	111										502
NORTH BUNCOMBE ELEME	138	126	141	148	154										707
OAKLEY ELEMENTARY	95	92	78	71	66	65									467
PISGAH ELEMENTARY	42	47	46	32	28	46									241
SAND HILL-VENABLE EL	116	130	126	115	119	124									730
WEAVERVILLE ELEMENTA			112	110	99										321
WEAVERVILLE PRIMARY	123	141													264
WEST BUNCOMBE ELEMEN	120	137	133	106	128										624
WILLIAMS ELEMENTARY	89	74	71	57	67	80									438
WOODFIN ELEMENTARY	34	31	30	26	18										139
TOTAL STUDENTS	2,024	1,985	1,904	1,828	1,903	1,951	2,055	2,056	2,025	2,143	2,046	1,920	1,672	35	25,547

The chart on the previous page shows student distribution among the 42 schools operated by the Board in 2012-13 for the second academic month, which is the most significant student count for overall funding purposes.

The Board employs approximately 3,088 full-time employees, of which 1,945 are classified as certified employees and 1,143 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 schools 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 is 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, 2013.

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 2013, 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 2011-12. 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 21<sup>st</sup> 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. Beginning in 2013-14 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.

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 was \$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.

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
6/30/2002	\$31,037,034	\$ 175,303	6/30/2008	\$43,553,643	\$2,588,231
6/30/2003	\$31,073,229	\$ 36,195	6/30/2009	\$46,744,879	\$3,191,236
6/30/2004	\$33,104,948	\$2,031,719	6/30/2010	\$46,006,702	(\$ 738,177)
6/30/2005	\$35,444,655	\$2,339,707	6/30/2011	\$46,112,033	\$ 105,331
6/30/2006	\$37,391,442	\$1,946,787	6/30/2012	\$48,346,758	\$2,234,725
6/30/2007	\$40,965,412	\$3,573,970	6/30/2013	\$48,010,003	(\$ 336,755)

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 below. 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 are expected in 2013-14 if the financial status of the state doesn't improve better than expected.

Category	Cumulative Loss of Positions at Other Locations	Additional Positions for Koontz & Eblen	Net Loss of Positions 2008 to 2012
<b><u>Licensed Staff</u></b>			
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
<b><u>Classified Staff</u></b>			
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
	<b>-170.5</b>	<b>31.5</b>	<b>-139</b>

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. Federal funding now makes up approximately 13% of our governmental non-capital budget whereas the pre-recession level was approximately 6%.

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 30<sup>th</sup> 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 30<sup>th</sup>.

With the goal of stabilizing operations in future years when federal funding is no longer at such a high level, in 2011, the Board also 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 have been implemented for 2012-13, although approximately \$3 million in fund balance has been 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 is expected to be appropriated to balance the 2013-14 General Fund budget.

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.

Year-to-year change in the Buncombe County Schools student population since fiscal year 1993-94 is shown below:

<u>Fiscal Year</u>	<u>Change from Prior Year</u>	<u>Fiscal Year</u>	<u>Change from Prior Year</u>
2013-2014	261 student increase (projected)	2003-2004	173 student increase
2012-2013	26 student increase	2002-2003	(99) student decrease
2011-2012	(50) student decrease	2001-0002	29 student increase
2010-2011	( 4) student decrease	2000-2001	(116) student decrease
2009-2010	(228) student decrease	1999-2000	(30) student decrease
2008-2009	(57) student increase	1998-1999	77 student increase
2007-2008	13 student increase	1997-1998	359 student increase
2006-2007	215 student increase	1996-1997	418 student increase
2005-2006	232 student increase	1995-1996	234 student increase
2004-2005	424 student increase	1994-1995	540 student increase
		1993-1994	405 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	Francine Delany	Other	Total	Fiscal Year	ArtSpace	Evergreen	Francine Delany	Other	Total
2013-2014 <i>Projected</i>	297	277	66	11	651	2005-2006	236	284	76	4	600
2012-2013	299	289	68	17	673	2004-2005	206	258	62	5	531
2011-2012	285	295	72	14	666	2003-2004	174	225	64	7	470
2010-2011	294	295	75	10	674	2002-2003	151	165	47	7	370
2009-2010	271	286	76	6	639	2001-0002	80	143	49	7	279
2008-2009	269	269	79	5	622	2000-2001	N/A	113	36	7	156
2007-2008	258	267	79	1	605	1999-2000	N/A	103	34	4	141
2006-2007	266	254	74	3	597	1998-1999	N/A	N/A	37	3	40

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.

The rate of increase in the charter school population has slowed in recent years, and we expect to see a leveling of charter student numbers in the future even though the General Assembly recently lifted the cap on the number of charter schools state-wide.



## 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, 2013.

## 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: Denise McLemore and Emily Weber, both in the Accounting division, Pamela Rowe, Internal Auditor, Jan Hildebrand, Financial Operations Manager; Diane Rumbough, the Assistant to the Chief Financial Officer, and Bernard Sochia and Sam Riddle of the Budget Office. 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



Roger W. Warren  
Interim Finance Officer

# Buncombe County Schools Organizational Chart

**Bob Rhinehart, Chairman**  
**Lisa Baldwin**  
**Pat Bryant**

**Chip Craig, Vice Chairman**  
**Dusty Pless**

**Ann Franklin**  
**Amy Churchill**

**Tony Baldwin, Ed.D.**  
Superintendent

**Susanne Swanger**  
Associate Superintendent

**JAN BLUNT**  
Director  
Communications

**MARY PARKER**  
Chief Financial  
Officer

**CYNTHIA LOPEZ**  
Personnel  
Administrator

**DAVID THOMPSON**  
Director  
Student Services

**CANDIE SELLERS**  
Director  
Elementary  
Education

**LELAND  
BLANKENSHIP**  
Director  
HS & MS Education

**Robbie Adell**  
Safe Schools/  
Athletics/Comm.  
Relations

**LYNETTE VAUGHN-  
HENSLEY**  
Director  
Child Nutrition

**JANA PLEMMONS**  
Director  
Special Services

**CHRISTY CHEEK**  
Director  
Career Technical Ed.

**JEFF GORSUCH**  
Director  
Testing

**GENEVA NEERIEMER**  
Director  
Title I/Migrant/ESL

**Principals**

**Teachers**  
xviii

**MONTY FUCHS**  
Director  
Technology

**TIM FIERLE**  
Director  
Facility Services

**GREGG FOX**  
Director  
Maintenance

**JOE HOUGH**  
Director  
Transportation



As of June 30, 2013

# Association of School Business Officials International



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

## **Buncombe County Board of Education**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO  
President

A handwritten signature in black ink, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Buncombe County  
Board of Education  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



## **Independent Auditors' Report**

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, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Buncombe County Board of Education's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

**Johnson Price Sprinkle PA**

## **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, North Carolina as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows 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 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 obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Buncombe County Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013, on our consideration of Buncombe County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and on 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* and should be read in conjunction with this report in considering the results of our audit.

*Johnson Price Sprinkle PA*

December 2, 2013

BUNCOMBE COUNTY BOARD OF EDUCATION

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**BUNCOMBE COUNTY BOARD OF EDUCATION**

## Management's Discussion and Analysis

June 30, 2013

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, 2013. 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 (\$640,536) or (0.22%); governmental activities' net position decreased by (843,966), or (0.29%); and business type activities' net position increased by \$203,430 or 3.13%.
  - The total invested in capital assets, net of related debt, decreased by (\$5,548,067) or (2.07%). Governmental activities' total invested in capital assets, net of related debt, decreased by (\$5,529,665) or (2.07%). Business-type activities' total invested in capital assets, net of related debt, decreased by (\$18,402) or (4.15%).
  - Total *restricted* net position rose by \$3,184,278, or 26.76%. Restricted net position is found only in the governmental activities.
  - The Board's total *unrestricted* net position increased by \$1,723,253 or 11.98%; governmental activities' unrestricted net position increased by \$1,501,421, or by 18.03%, and business-type activities' unrestricted net position increased by \$221,832, or 3.67%.
- The decrease in governmental activities' total invested in capital assets, net of related debt, resulted primarily from an increased depreciation as the value of the two new intermediate schools was moved from construction-in-progress to buildings and consequently began being depreciated. The small dollar decrease in business-type activities' total invested in capital assets, net of related debt, reflects depreciation on equipment.
- The increase in governmental activities' restricted net position resulted primarily from new grant awards and other restricted monies being received in 2012-13 for non-construction purposes, primarily instruction.
- Increases in both the governmental activities' unrestricted net position and the business-type activities' unrestricted net position resulted from cost-savings measures being employed in both types of activities. Cost-saving measures affecting governmental activities' unrestricted net position were undertaken in order to build up net position that could be used to fund operations in subsequent fiscal years when Federal American Recovery and Reinvestment Act (ARRA) and Federal Education Jobs Bill funds cease to be available. Cost-savings measures in business-type activities were undertaken in order to provide sufficient funds in subsequent years to implement higher nutritional standards in the school lunch program.

## ***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*
- *Supplemental section that presents combining and budgetary statements for non-major governmental funds, a budgetary schedule for the Capital Outlay fund, and budgetary statements for enterprise funds.*

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, 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 inflows of resources, and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary funds 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 inflows of resources, and liabilities. All of the current year's revenues and expenses are accounted for in the **Statement of Activities** regardless of when cash is received or paid.

The two government-wide statements report the Board's net position and how it has changed. Net position – the difference between the Board's assets 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 are 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. Child Nutrition and Before and After School Care services are included here.

The government-wide statements are shown as pages 15 and 16 of this report.

### **Fund Financial Statements**

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

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

Buncombe County Board of Education has two types of funds as described below and on the next page:

*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 fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental fund statements, in the form of reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has seven 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 pages 17 through 21 of this report.

*Proprietary funds:* 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. At the beginning of fiscal year 2011-12, Buncombe County Board of Education operated two proprietary funds – the Child Nutrition Fund and the Before and After School Care Fund – which were both enterprise funds. The Before and After School Care Fund ceased operations during fiscal year 2011-12 and had no assets, liabilities, or net assets as of June 30, 2012.

The proprietary fund statements are shown on pages 22, 23, and 24 of this report.

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

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities and deferred inflows of resources by \$293,724,995 as of June 30, 2013. The largest component of net position is invested in capital assets, net of related debt, of \$262,536,287. It comprises 89.38% of the total net position.

Following is a summary of the Statement of Net Position:

**Table I**  
**Condensed Statement of Net Position**

	2013			2012		
	Governmental	Business- type	Total	Governmental	Business- type	Total
	<u>Activities</u>	<u>Activities</u>	<u>Government- wide</u>	<u>Activities</u>	<u>Activities</u>	<u>Government- wide</u>
Current assets	\$39,940,568	\$6,627,745	\$46,568,313	\$36,016,861	\$6,419,502	\$42,436,363
Capital assets	262,777,678	424,499	263,202,177	268,323,016	442,901	268,765,917
Total assets	<u>302,718,246</u>	<u>7,052,244</u>	<u>309,770,490</u>	<u>304,339,877</u>	<u>6,862,403</u>	<u>311,202,280</u>
Current liabilities	4,774,494	177,054	4,951,548	4,630,244	151,463	4,781,707
Long-term liabilities	8,973,167	177,310	9,150,477	11,596,674	216,490	11,813,164
Total liabilities	<u>13,747,661</u>	<u>354,364</u>	<u>14,102,025</u>	<u>16,226,918</u>	<u>367,953</u>	<u>16,594,871</u>
Deferred inflows of resources	<u>1,943,470</u>	-	<u>1,943,470</u>	<u>241,878</u>	-	<u>241,878</u>
Invested in capital assets, net of related debt	262,111,788	424,499	262,536,287	267,641,453	442,901	268,084,354
Restricted net position	15,085,000	-	15,085,000	11,900,722	-	11,900,722
Unrestricted net position	<u>9,830,327</u>	<u>6,273,381</u>	<u>16,103,708</u>	<u>8,328,906</u>	<u>6,051,549</u>	<u>14,380,455</u>
Total net position	<u>\$287,027,115</u>	<u>\$6,697,880</u>	<u>\$293,724,995</u>	<u>\$287,871,081</u>	<u>\$6,494,450</u>	<u>\$294,365,531</u>

Note that net position decreased during the year, indicating a decline in the financial condition of the Board. The decrease in net position (0.22%) was largely because of the (\$5,529,665) or (2.07%) decrease in governmental activities' invested in capital assets, net of related debt. This reflects a provision of the North Carolina constitution that makes county governments responsible for providing school facilities and for issuing debt to pay for them. Accordingly, the long-term debt used to finance construction is shown as a liability on the county's Statement of Net Position not on the school district's Statement of Net Position. The value of any new construction thus appears on the school district's Statement of Net Position without an offsetting liability, creating a situation in which the amount invested in capital assets, net of related debt, in governmental activities' increases by the net value of additions to construction-in-progress and facilities less depreciation on existing facilities and equipment. This year depreciation exceeded additions to construction-in-progress and facilities.

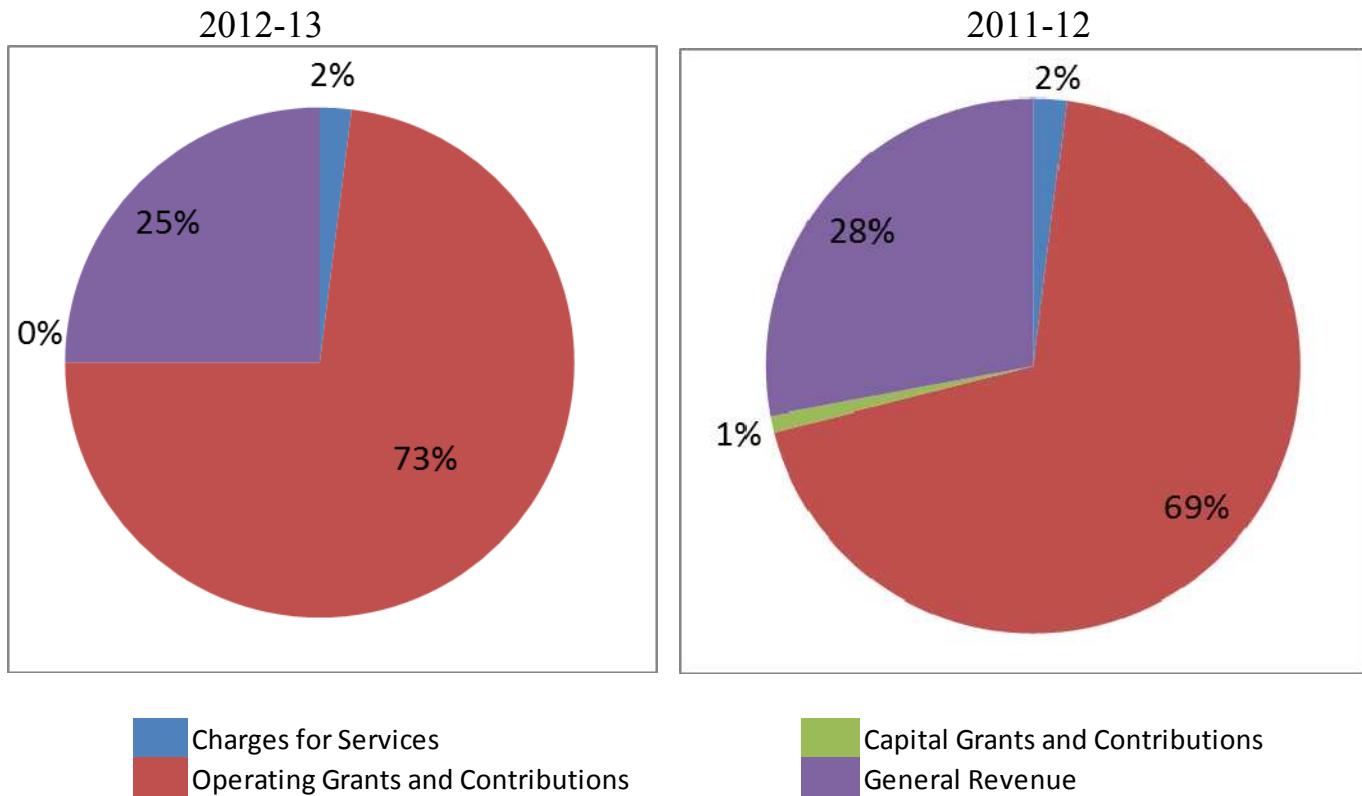
On the next page, Table 2 summarizes the revenues and expenses for the Board. The explanation that follows the table provides additional detail about operations during the 2012-13 fiscal year.

**Table 2**  
**Condensed Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended June 30, 2013 and 2012**

	2013			2012		
	Governmental	Business- type	Total	Governmental	Business- type	Total
	<u>Activities</u>	<u>Activities</u>	<u>Government- wide</u>	<u>Activities</u>	<u>Activities</u>	<u>Government- wide</u>
Revenues:						
<b>Program revenues:</b>						
Charges for services	\$348,645	\$4,458,408	\$4,807,053	\$366,295	\$4,805,162	\$5,171,457
Operating grants and contributions	162,238,601	9,794,799	\$172,033,400	158,210,395	8,705,803	166,916,198
Capital grants and contributions	135,693	-	\$135,693	1,075,664	-	1,075,664
<b>General revenue:</b>						
County appropriations	57,629,040	-	\$57,629,040	67,282,099	-	67,282,099
State appropriations	1,219,079	-	\$1,219,079	681,563	-	681,563
Other revenues	<u>1,329,471</u>	<u>20,012</u>	<u>\$1,349,483</u>	<u>562,647</u>	<u>32,671</u>	<u>595,318</u>
<b>Total revenue</b>	<u>222,900,529</u>	<u>14,273,219</u>	<u>237,173,748</u>	<u>228,178,663</u>	<u>13,543,636</u>	<u>241,722,299</u>
Expenses:						
<b>Governmental activities:</b>						
Instructional services	182,848,286	-	182,848,286	180,010,195	-	180,010,195
System-wide Support services	40,006,534	-	40,006,534	41,108,400	-	41,108,400
Ancillary services	800,654	-	800,654	820,953	-	820,953
<b>Business-type activities:</b>						
Child Nutrition	-	14,158,810	14,158,810	-	13,584,330	13,584,330
Before and After School Care	-	-	-	-	<u>-5,636</u>	<u>-5,636</u>
<b>Total expenses</b>	<u>223,655,474</u>	<u>14,158,810</u>	<u>237,814,284</u>	<u>221,939,548</u>	<u>13,578,694</u>	<u>235,518,242</u>
Excess (deficiency) before transfers	-754,945	114,409	-640,536	6,239,115	-35,058	6,204,057
Transfers in (out)	<u>-89,021</u>	<u>89,021</u>	-	<u>-162,077</u>	<u>162,077</u>	-
Change in Net Position	-843,966	203,430	-640,536	6,077,038	127,019	6,204,057
Net position -beginning	<u>287,871,081</u>	<u>6,494,450</u>	<u>294,365,531</u>	<u>281,794,043</u>	<u>6,367,431</u>	<u>288,161,474</u>
Net position -ending	<u>\$287,027,115</u>	<u>\$6,697,880</u>	<u>\$293,724,995</u>	<u>\$287,871,081</u>	<u>\$6,494,450</u>	<u>\$294,365,531</u>

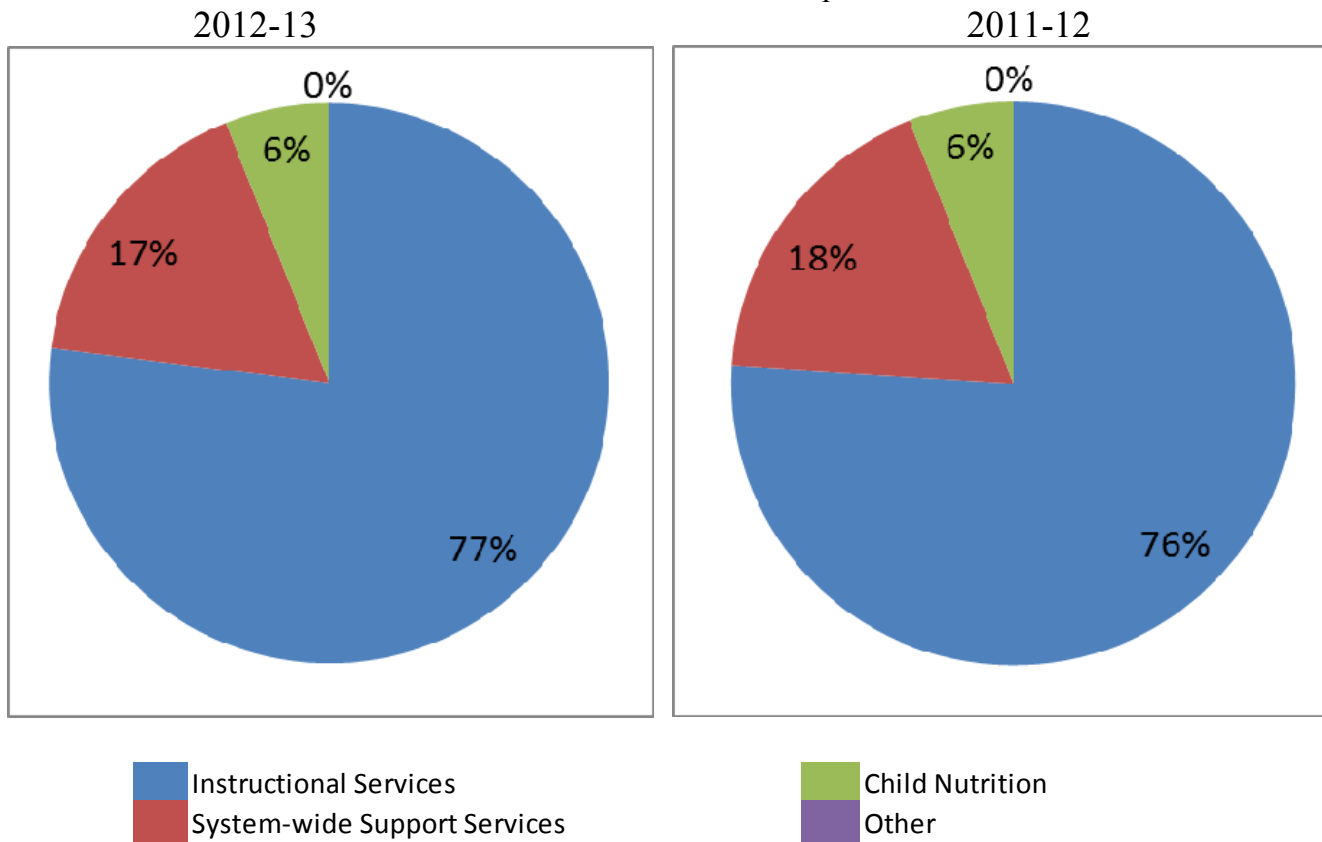
Total governmental activities generated revenues of \$222,900,529 while expenses in this category totaled \$223,655,474 for the year ended June 30, 2013. Comparatively, revenues were \$228,178,663 and expenses totaled \$221,939,548 for the year ended June 30, 2012. After transfers to the business-type activities, the decrease in net position stands at (\$843,966) at June 30, 2013, compared to an increase of \$6,077,038 in 2012. Instructional services expenses comprised 81.75% of total governmental-type expenses while system-wide support services made up 17.89% of those expenses for 2013. County funding comprised 25.85% of total governmental revenue while unrestricted State funding added another 0.55% for 2013. In 2012, County funding was 29.49% and unrestricted State funding added 0.30%. Much of the remaining 73.60% of total governmental revenue for 2013 consists of restricted State and federal money. This revenue represented 70.21% of total revenue in 2012. Business-type activities generated revenue of \$14,273,219 and expenses of \$14,158,810. Net position increased in the business-type activities by \$203,430, after transfers from the governmental activities of \$89,021.

Figure I  
Government-wide Revenue



As Figure I shows, from 2011-12 to 2012-13, the charges for services overall share of government-wide expenses remained constant, while operating grants and contributions increased from 69% to 73%, the capital grants and contributions decreased by 1%, and the general revenue decreased from 28% to 25%. The chart on the following page shows the percentage of government-wide expenses from 2011-12 to 2012-13. As Figure II shows instructional services increased from 76% to 77%, system-wide support services decreased from 18% to 17%, while both child nutrition and other remained constant between the two years. The fact that instructional services increased shows the effort from Buncombe County Schools to maximize funding in the classroom.

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.

The Board’s governmental funds reported a combined fund balance of \$33,222,604, a \$2,077,865 increase over last year. All of the Board’s governmental funds, except for the State Public School Fund, the Federal Grants Fund, and the Hazelton Trust Fund had revenues and other financing sources that exceeded expenditures and other uses. State funding increased \$4,341,674 and county funding decreased by (\$9,653,059). Expenditures decreased overall, mainly due to the decrease of (\$10,829,950) in capital outlay.

Proprietary Funds: The Board’s business-type funds performed well in the past year. The Child Nutrition Fund reflected an increase in net position of \$203,430 over last year. Revenues and expenses remained constant overall; however, non-operating revenue brought about the increase in net position with increases in federal reimbursements.

### ***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. Even with the adjustments in revenue, the Board was able to reduce spending and end the year with a small surplus. Adjusted estimates in revenues and corresponding revisions in appropriations totaled a decrease of (\$2,586,980) in the General Fund.

### ***Capital Assets***

Capital Assets decreased by (\$5,563,740), or (2.07%), from the previous year. This is primarily a result of accumulated depreciation exceeding additions for buildings. The main cause of this is the completion of the two new intermediate schools in the previous year.

**Table 3**  
**Summary of Capital Assets**  
**June 30, 2013 and 2012**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$6,239,427	\$6,240,049	\$0	\$0	\$6,239,427	\$6,240,049
Construction in progress	3,451,452	1,687,911	0	0	\$3,451,452	1,687,911
Buildings	224,495,281	232,105,071	0	0	\$224,495,281	232,105,071
Site improvements	17,522,255	17,424,199	0	0	\$17,522,255	17,424,199
Equipment and furniture	1,231,751	1,310,180	360,766	364,642	\$1,592,517	1,674,822
Vehicles	9,837,512	9,555,606	63,733	78,259	9,901,245	9,633,865
<b>Total</b>	<u>\$262,777,678</u>	<u>\$268,323,016</u>	<u>\$424,499</u>	<u>\$442,901</u>	<u>\$263,202,177</u>	<u>\$268,765,917</u>

Additional information regarding the Board's capital assets can be found in Note III. A. 4 of the notes to the financial statements.

### ***Debt Outstanding***

The Board is limited by North Carolina General Statutes with regard 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 compensated absences and installment financing agreements. Additional information regarding the Board's debt can be found in Note III. B. 8. of the notes to the financial statements. Due to the net of a (\$15,973) reduction in installment purchase contracts and a (\$2,607,534) decrease in compensated absences liability, total long-term debt for governmental activities decreased by (\$2,623,507), from \$11,596,674 at June 30, 2012 to \$8,973,167 at June 30, 2013. Total long-term debt related to business-type operations decreased by (\$39,180) from \$216,490 at June 30, 2012 to \$177,310 at June 30, 2013. The business-type operations long-term debt consists of compensated absences.



### ***Economic Factors***

During 2012-13, the County Commissioners sustained the County's operating appropriation to the school district; however Buncombe County's appropriation decreased slightly because the ratio of students decreases when compared to Asheville City School's average daily membership. The County's operating appropriation is funded primarily by property tax receipts. Up until 2009-10, significant annual increases in property values in Buncombe County contributed to its economic well-being, and the high degree of support of new residents of the area for giving education a priority in the County Commissioners' budget contributed to a favorable funding climate locally. With the collapse of the housing market nationally, property values also fell in Buncombe County. Some concern continues to exist with respect to the health of the property tax base locally, although it appears to be recovering, particularly with respect to properties listing for over \$1 million.

County governments in North Carolina have the option of reassessing property either every 4 years or every 8 years. In 2009, the County Commissioners, who had been reassessing property every 4 years, declined to undertake a property reassessment process that would have been effective for the 2010-11 tax levy. The next reassessment is now scheduled to occur for the 2014-2015 tax levy, 8 years after the previous one for the 2006-07 tax levy. The County of Buncombe's decision signaled an expectation that property values, and consequently county revenue, would benefit from delaying reassessment.

However, the revenue stream for the building program, which comes from sales tax revenue, and the County's support for capital appropriations, is still 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.

The federal support from the American Recovery & Reinvestment Act (ARRA) is almost completely gone and the State funding has not increased enough to fill the hole it created back in 2008-09. Because it was known all along the high level of federal funding was only temporary, throughout 2012-13, economy and efficiency measures continued in order to reduce expenditures to a sustainable level once federal funding returned to normal levels.

### ***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:

Roger Warren, Interim Finance Officer  
Buncombe County Board of Education  
175 Bingham Road  
Asheville, North Carolina 28806

BUNCOMBE COUNTY BOARD OF EDUCATION

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**BUNCOMBE COUNTY BOARD OF EDUCATION**

**Statement of Net Position**

**June 30, 2013**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 29,357,074	\$ 6,093,430	\$ 35,450,504
Restricted cash and cash equivalents	906,072	-	906,072
Due from other governments	6,129,568	163,509	6,293,077
Receivables (net)	336,815	34,022	370,837
Internal balances	123,864	(123,864)	-
Prepaid costs	2,638,676	58,635	2,697,311
Inventories	448,499	402,013	850,512
Capital assets (Note III):			
Land and construction in progress	9,690,879	-	9,690,879
Other capital assets, net of depreciation	253,086,799	424,499	253,511,298
Total capital assets	<u>262,777,678</u>	<u>424,499</u>	<u>263,202,177</u>
Total assets	<u>302,718,246</u>	<u>7,052,244</u>	<u>309,770,490</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	3,308,293	37,757	3,346,050
Accrued salaries and wages payable	1,466,201	34,831	1,501,032
Unearned revenue	-	104,466	104,466
Long-term liabilities:			
Due within one year	8,672,383	177,310	8,849,693
Due in more than one year	300,784	-	300,784
Total liabilities	<u>13,747,661</u>	<u>354,364</u>	<u>14,102,025</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,943,470</u>	<u>-</u>	<u>1,943,470</u>
<b>NET POSITION:</b>			
Invested in capital assets, net of related debt	262,111,788	424,499	262,536,287
Restricted for:			
Capital projects	10,030,998	-	10,030,998
Stabilization by State statute	4,147,930	-	4,147,930
Instructional services	905,072	-	905,072
System-wide support services	1,000	-	1,000
Unrestricted	<u>9,830,327</u>	<u>6,273,381</u>	<u>16,103,708</u>
Total net position	\$ <u>287,027,115</u>	\$ <u>6,697,880</u>	\$ <u>293,724,995</u>

The accompanying notes are an integral part of these financial statements.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**Statement of Activities**  
**Year Ended June 30, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
Instructional services	\$ 182,848,286	\$ 72,883	\$ 144,345,016	\$ -	\$ (38,430,387)	\$ -	\$ (38,430,387)
System-wide support services	40,006,534	275,762	17,868,696	135,693	(21,726,383)	-	(21,726,383)
Ancillary services	800,654	-	24,889	-	(775,765)	-	(775,765)
Total governmental activities	<u>223,655,474</u>	<u>348,645</u>	<u>162,238,601</u>	<u>135,693</u>	<u>(60,932,535)</u>	<u>-</u>	<u>(60,932,535)</u>
Business-type activities:							
Child nutrition	14,158,810	4,458,408	9,794,799	-	-	94,397	94,397
Total business-type activities	<u>14,158,810</u>	<u>4,458,408</u>	<u>9,794,799</u>	<u>-</u>	<u>-</u>	<u>94,397</u>	<u>94,397</u>
Total primary government	<u>\$ 237,814,284</u>	<u>\$ 4,807,053</u>	<u>\$ 172,033,400</u>	<u>\$ 135,693</u>	<u>(60,932,535)</u>	<u>94,397</u>	<u>(60,838,138)</u>
General revenues:							
Unrestricted county appropriations - operating					48,286,119	-	48,286,119
Unrestricted county appropriations - capital					9,342,921	-	9,342,921
Unrestricted State appropriations - capital					1,219,079	-	1,219,079
Investment earnings, unrestricted					123,012	20,012	143,024
Miscellaneous, unrestricted					1,206,459	-	1,206,459
Transfers					(89,021)	89,021	-
Total general revenues and transfers					<u>60,088,569</u>	<u>109,033</u>	<u>60,197,602</u>
Change in net position					(843,966)	203,430	(640,536)
Net Position-beginning					<u>287,871,081</u>	<u>6,494,450</u>	<u>294,365,531</u>
Net Position-ending					<u>\$ 287,027,115</u>	<u>\$ 6,697,880</u>	<u>\$ 293,724,995</u>

The accompanying notes are an integral part of these financial statements.

**BUNCOMBE COUNTY BOARD OF EDUCATION**

Balance Sheet  
Governmental Funds  
June 30, 2013

	Major Funds				Non-major Funds	Total
	General Fund	Other Specific Revenue Fund	State Public School	Capital Outlay	Other Governmental Funds	Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,940,092	\$ 5,619,157	\$ -	\$ 9,646,372	\$ 3,151,453	\$ 29,357,074
Restricted cash and investments	-	677,520	-	-	228,552	906,072
Due from other governments	2,664,057	192,565	917,664	2,306,662	48,620	6,129,568
Receivables	125	335,502	-	1,188	-	336,815
Prepays	2,018,038	10,587	610,051	-	-	2,638,676
Inventories	448,499	-	-	-	-	448,499
Due from other funds	679,330	76,525	-	-	96,337	852,192
<b>TOTAL ASSETS</b>	<b>\$ 16,750,141</b>	<b>\$ 6,911,856</b>	<b>\$ 1,527,715</b>	<b>\$ 11,954,222</b>	<b>\$ 3,524,962</b>	<b>\$ 40,668,896</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 549,390	\$ 143,260	\$ -	\$ 1,877,132	\$ 172,546	\$ 2,742,328
Due to other funds	96,336	10,587	610,051	-	11,354	728,328
Accrued salaries and wages	468,938	30,993	917,664	-	48,606	1,466,201
Other accrued liabilities	564,233	1,732	-	-	-	565,965
<b>TOTAL LIABILITIES</b>	<b>1,678,897</b>	<b>186,572</b>	<b>1,527,715</b>	<b>1,877,132</b>	<b>232,506</b>	<b>5,502,822</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>1,897,364</b>	<b>-</b>	<b>46,092</b>	<b>14</b>	<b>1,943,470</b>
<b>FUND BALANCES:</b>						
<b>Nonspendable:</b>						
Prepays	2,018,038	10,587	-	-	-	2,028,625
Inventories	448,499	-	-	-	-	448,499
<b>Restricted:</b>						
Stabilization by State statute	3,506,035	641,896	-	2,836,969	-	6,984,900
Other specific revenue	-	677,520	-	-	-	677,520
Hazleton Trust	-	-	-	-	228,552	228,552
School capital outlay	-	-	-	6,023,779	-	6,023,779
<b>Committed:</b>						
Stabilization amounts	4,805,221	-	-	-	-	4,805,221
Other specific revenue	-	2,381,391	-	-	-	2,381,391
Individual schools	-	-	-	-	3,063,890	3,063,890
<b>Assigned:</b>						
Subsequent year's expenditures	4,293,451	1,116,526	-	1,170,250	-	6,580,227
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>15,071,244</b>	<b>4,827,920</b>	<b>-</b>	<b>10,030,998</b>	<b>3,292,442</b>	<b>33,222,604</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 16,750,141</b>	<b>\$ 6,911,856</b>	<b>\$ 1,527,715</b>	<b>\$ 11,954,222</b>	<b>\$ 3,524,962</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	262,777,678
Liabilities for long-term debt are not payable within the current period and therefore not reported in the funds:	
Installment purchase contracts	(665,590)
Compensated absences	(8,307,577)
<b>Net position of governmental activities</b>	<b>\$ 287,027,115</b>

The accompanying notes are an integral part of these financial statements.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2013

	Major Funds				Non-major Funds	Total Governmental Funds
	General Fund	Other Specific Revenue Fund	State Public School	Capital Outlay	Other Governmental Funds	
REVENUES:						
State of North Carolina	\$ 28,084	\$ 5,047	\$ 133,176,597	\$ 1,243,527	\$ -	\$ 134,453,255
Buncombe County	48,010,003	276,116	-	9,342,921	-	57,629,040
U. S. Government	-	975,846	-	-	20,170,030	21,145,876
Other	728,268	2,297,391	-	354,609	7,313,348	10,693,616
<b>TOTAL REVENUES</b>	<b>48,766,355</b>	<b>3,554,400</b>	<b>133,176,597</b>	<b>10,941,057</b>	<b>27,483,378</b>	<b>223,921,787</b>
EXPENDITURES:						
Instructional services	24,644,594	2,928,943	117,627,244	3,267,765	26,267,918	174,736,464
System-wide support services	20,620,099	467,185	15,449,645	2,013,349	2,238,146	40,788,424
Ancillary services	1,327	29,602	22,846	642	-	54,417
Non-programmed charges	1,324,404	71,553	-	-	225,366	1,621,323
Debt service:						
Principal repayments	-	-	-	1,219,079	-	1,219,079
Capital outlay, uncategorized	-	-	-	4,566,423	-	4,566,423
<b>TOTAL EXPENDITURES</b>	<b>46,590,424</b>	<b>3,497,283</b>	<b>133,099,735</b>	<b>11,067,258</b>	<b>28,731,430</b>	<b>222,986,130</b>
Revenues over (under) expenditures	2,175,931	57,117	76,862	(126,201)	(1,248,052)	935,657
OTHER FINANCING SOURCES (USES):						
Proceeds from the sale of capital assets	-	-	-	47,095	-	47,095
Issuance of installment financing contract	-	-	-	1,203,106	-	1,203,106
Transfers from other funds	-	-	-	-	1,889,683	1,889,683
Transfers to other funds	(1,798,081)	(103,761)	(76,862)	-	-	(1,978,704)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,798,081)</b>	<b>(103,761)</b>	<b>(76,862)</b>	<b>1,250,201</b>	<b>1,889,683</b>	<b>1,161,180</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>377,850</b>	<b>(46,644)</b>	<b>-</b>	<b>1,124,000</b>	<b>641,631</b>	<b>2,096,837</b>
Fund balances at beginning of year	14,712,366	4,874,564	-	8,906,998	2,650,811	31,144,739
Change in reserve for inventories	(18,972)	-	-	-	-	(18,972)
<b>Fund balances at end of year</b>	<b>\$ 15,071,244</b>	<b>\$ 4,827,920</b>	<b>\$ -</b>	<b>\$ 10,030,998</b>	<b>\$ 3,292,442</b>	<b>\$ 33,222,604</b>

The accompanying notes are an integral part of these financial statements.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2013

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

Net changes in fund balances - total governmental funds	\$	2,096,837
Change in fund balance due to change in reserve for inventories		(18,972)
<p>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. The various capital outlay reconciling items are as follows:</p>		
Capital outlays		6,402,868
Current provision for depreciation		(11,835,331)
Net book value of capital assets disposed of during the year, not recognized on the modified accrual basis		(112,875)
<p>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:</p>		
New debt issued		(1,203,106)
Repayment of long-term debt		1,219,079
<p>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:</p>		
Compensated absences		2,607,534
Total changes in net position of governmental activities	\$	(843,966)

The accompanying notes are an integral part of these financial statements.

**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  
Year Ended June 30, 2013

	General Fund				Other Specific Revenue Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>								
State of North Carolina	\$ 23,000	\$ 28,084	\$ 28,084	\$ -	\$ 45,741	\$ 53,741	\$ 5,047	\$ (48,694)
Buncombe County	48,010,003	48,010,003	48,010,003	-	276,116	276,116	276,116	-
U. S. Government	-	-	-	-	1,198,056	1,452,987	975,846	(477,141)
Other	895,000	744,282	728,268	(16,014)	2,299,758	2,463,477	2,297,391	(166,086)
<b>TOTAL REVENUES</b>	<u>48,928,003</u>	<u>48,782,369</u>	<u>48,766,355</u>	<u>(16,014)</u>	<u>3,819,671</u>	<u>4,246,321</u>	<u>3,554,400</u>	<u>(691,921)</u>
<b>EXPENDITURES:</b>								
<b>Current:</b>								
Instructional services	27,122,783	25,016,907	24,644,594	372,313	3,840,585	4,058,660	2,928,943	1,129,717
System-wide support services	22,232,191	21,342,344	20,620,099	722,245	879,978	801,109	467,185	333,924
Ancillary services	11,608	25,000	1,327	23,673	29,754	33,463	29,602	3,861
Non-programmed charges	1,512,000	1,571,735	1,324,404	247,331	391,202	391,602	71,553	320,049
<b>TOTAL EXPENDITURES</b>	<u>50,878,582</u>	<u>47,955,986</u>	<u>46,590,424</u>	<u>1,365,562</u>	<u>5,141,519</u>	<u>5,284,834</u>	<u>3,497,283</u>	<u>1,787,551</u>
Revenues over (under) expenditures	<u>(1,950,579)</u>	<u>826,383</u>	<u>2,175,931</u>	<u>1,349,548</u>	<u>(1,321,848)</u>	<u>(1,038,513)</u>	<u>57,117</u>	<u>1,095,630</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Appropriated fund balance	3,389,872	948,526	-	(948,526)	1,361,591	1,175,405	-	(1,175,405)
Transfers to other funds	(1,439,293)	(1,774,909)	(1,798,081)	(23,172)	(39,743)	(136,892)	(103,761)	33,131
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,950,579</u>	<u>(826,383)</u>	<u>(1,798,081)</u>	<u>(971,698)</u>	<u>1,321,848</u>	<u>1,038,513</u>	<u>(103,761)</u>	<u>(1,142,274)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	377,850	\$ <u>377,850</u>	\$ <u>-</u>	\$ <u>-</u>	(46,644)	\$ <u>(46,644)</u>
Fund balances at beginning of year			14,712,366				4,874,564	
Change in reserve for inventories			(18,972)				-	
Fund balances at end of year			\$ <u>15,071,244</u>				\$ <u>4,827,920</u>	

Continued on Next Page



**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  
 Year Ended June 30, 2013

State Public School Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES:				
State of North Carolina	\$ 133,596,187	\$ 136,595,231	\$ 133,176,597	\$ (3,418,634)
TOTAL REVENUES	<u>133,596,187</u>	<u>136,595,231</u>	<u>133,176,597</u>	<u>(3,418,634)</u>
EXPENDITURES:				
Current:				
Instructional services	119,887,672	120,604,216	117,627,244	2,976,972
System-wide support services	13,599,829	15,695,638	15,449,645	245,993
Ancillary services	<u>108,686</u>	<u>211,776</u>	<u>22,846</u>	<u>188,930</u>
TOTAL EXPENDITURES	<u>133,596,187</u>	<u>136,511,630</u>	<u>133,099,735</u>	<u>3,411,895</u>
Revenues over (under) expenditures	<u>-</u>	<u>83,601</u>	<u>76,862</u>	<u>(6,739)</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	<u>-</u>	<u>(83,601)</u>	<u>(76,862)</u>	<u>6,739</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(83,601)</u>	<u>(76,862)</u>	<u>6,739</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund balances at beginning of year			<u>-</u>	
Fund balances at end of year			\$ <u><u>-</u></u>	

The accompanying notes are an integral part of these financial statements.

**BUNCOMBE COUNTY BOARD OF EDUCATION**

Statement of Net Position

Proprietary Fund

June 30, 2013

	<u>Major Fund</u>	
	<u>Child Nutrition</u>	<u>Total</u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 6,093,430	\$ 6,093,430
Due from other governments	163,509	163,509
Receivables	34,022	34,022
Prepays	58,635	58,635
Inventories	402,013	402,013
Total current assets	<u>6,751,609</u>	<u>6,751,609</u>
Non-current assets:		
Capital assets:		
Furniture and equipment, net	424,499	424,499
Total non-current assets	<u>424,499</u>	<u>424,499</u>
Total assets	<u>7,176,108</u>	<u>7,176,108</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable	37,757	37,757
Accrued salaries and wages	34,831	34,831
Unearned revenue	104,466	104,466
Compensated absences	177,310	177,310
Due to other funds	123,864	123,864
Total current liabilities	<u>478,228</u>	<u>478,228</u>
Total liabilities	<u>478,228</u>	<u>478,228</u>
<b>NET POSITION:</b>		
Net invested in capital assets	424,499	424,499
Unrestricted	<u>6,273,381</u>	<u>6,273,381</u>
Total net position	\$ <u>6,697,880</u>	\$ <u>6,697,880</u>

The accompanying notes are an integral part of these financial statements.

**BUNCOMBE COUNTY BOARD OF EDUCATION**

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Fund

Year Ended June 30, 2013

	<u>Major Fund</u>	
	<u>Child Nutrition</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>		
Food sales	\$ 4,458,408	\$ 4,458,408
Total operating revenues	<u>4,458,408</u>	<u>4,458,408</u>
<b>OPERATING EXPENSES:</b>		
Food costs:		
Purchase of foods	6,191,010	6,191,010
Donated commodities	749,795	749,795
Salaries and benefits	6,063,288	6,063,288
Indirect costs	719,522	719,522
Materials and supplies	186,273	186,273
Repairs and maintenance	110,890	110,890
Other purchased services	45,827	45,827
Depreciation	76,032	76,032
Miscellaneous	16,173	16,173
Total operating expenses	<u>14,158,810</u>	<u>14,158,810</u>
Operating income (loss)	<u>(9,700,402)</u>	<u>(9,700,402)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Federal reimbursements	9,045,004	9,045,004
Federal commodities	749,795	749,795
Interest earned on investments	20,012	20,012
Total nonoperating revenues (expenses)	<u>9,814,811</u>	<u>9,814,811</u>
Income (loss) before transfers	114,409	114,409
Transfers from other funds	<u>89,021</u>	<u>89,021</u>
Change in net position	203,430	203,430
Total net position, beginning	<u>6,494,450</u>	<u>6,494,450</u>
Total net position, ending	<u>\$ 6,697,880</u>	<u>\$ 6,697,880</u>

The accompanying notes are an integral part of these financial statements.

## BUNCOMBE COUNTY BOARD OF EDUCATION

Statement of Cash Flows  
Proprietary Fund  
Year Ended June 30, 2013

	Major Fund Child Nutrition Fund	Total
Cash flows from operating activities:		
Cash received from customers	\$ 4,458,408	\$ 4,458,408
Cash paid for goods and services	(7,158,776)	(7,158,776)
Cash paid to employees	(5,999,852)	(5,999,852)
Net cash provided (used) by operating activities	(8,700,220)	(8,700,220)
Cash flows from noncapital financing activities:		
Federal reimbursements	9,045,004	9,045,004
Net cash provided (used) by noncapital financing activities	9,045,004	9,045,004
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(70,163)	(70,163)
Net cash provided (used) by capital and related financing activities	(70,163)	(70,163)
Cash flows from investing activities:		
Interest on investments	20,012	20,012
Net cash provided (used) by investing activities	20,012	20,012
Net increase (decrease) in cash and equivalents	294,633	294,633
Cash and cash equivalents, beginning	5,798,797	5,798,797
Cash and cash equivalents, ending	\$ 6,093,430	\$ 6,093,430
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (9,700,402)	\$ (9,700,402)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	76,032	76,032
Donated commodities consumed	749,795	749,795
Loss on disposal of capital assets	12,533	12,533
Expenses paid by other funds	89,021	89,021
Change in assets and liabilities:		
(Increase) decrease in due from other governments	(63,801)	(63,801)
(Increase) decrease in receivables	80,808	80,808
(Increase) decrease in prepaids	(677)	(677)
(Increase) decrease in inventories	142,124	142,124
Increase (decrease) in accounts payable	(4,519)	(4,519)
Increase (decrease) in accrued salaries and wages	13,595	13,595
Increase (decrease) in unearned revenue	16,515	16,515
Increase (decrease) in accrued compensated absences	(39,180)	(39,180)
Increase (decrease) in due to other funds	(72,064)	(72,064)
Total adjustments	1,000,182	1,000,182
Net cash provided (used) by operating activities	\$ (8,700,220)	\$ (8,700,220)

Noncash operating and noncapital financing activities:

The State Public School Fund and General Fund paid salaries and benefits of \$76,861 and \$12,160, respectively, to administrative personnel of the Child Nutrition Fund. These payments are reflected as transfers in and expenses.

The Child Nutrition Fund received donated commodities with a value of \$749,795 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue. The Fund recorded the consumption of donated commodities as an operating expense on the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund.

The accompanying notes are an integral part of these financial statements.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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I. 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:

A. 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.

B. 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. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Board and for each function of the Board’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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I. Summary of Significant Accounting Policies – continued

activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

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

Propriety fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. 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.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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I. Summary of Significant Accounting Policies – continued

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

C. 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 and all unspent monies are classified as restricted grant agreements.

*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 is both restricted and unrestricted net position available to finance the program. It is the Board's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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I. Summary of Significant Accounting Policies – continued

D. 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 moneys 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.

E. Assets, Liabilities, Deferred Inflows, and Fund Equity

1. 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.



**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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I. Summary of Significant Accounting Policies – continued

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 fair value as determined by quoted market prices. The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. The STIF securities are reported at cost and maintain a constant \$1 per share value. 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.

2. 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.

3. 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.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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I. Summary of Significant Accounting Policies – continued

4. Capital Assets

The Board’s capital assets are recorded at original cost. Donated assets are listed at their estimated fair value at the date of donation or forfeiture. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 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, excluding land and construction in progress, 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 – continued**  
**JUNE 30, 2013**

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I. Summary of Significant Accounting Policies – continued

5. Deferred Inflows of Resources

In additions to liabilities, the statement of financial position will sometimes report 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 so will not be recognized as revenue until then. The Board has three items that meet this criterion – grants receivable in the Other Specific Revenue Fund, Article 39 sales tax receivable in the Capital Outlay Fund, and sales tax refunds receivable in the Other Governmental Funds.

6. 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.

7. Compensated Absences

The Board follows the State’s policy for vacation and sick leave. Employees may accumulate up to 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, 2013 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years’ records, of the current portion of compensated absences.

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

8. Net Position/Fund Balances

Net Position

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

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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I. Summary of Significant Accounting Policies – continued

Fund Balance

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.

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

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 fund balance that has externally enforceable limitations 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].

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 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.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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I. Summary of Significant Accounting Policies – continued

Committed for stabilization amounts – portion of fund balance that is committed as a stabilization amount and can only be used to provide an emergency source of operating monies should a catastrophic event occur.

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

Committed for individual schools – portion of fund balance that is committed for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for the individual schools.

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.

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.

An amount of fund balance equal to one-month's operating expenses for the General Fund (1/12 of the General Fund's estimated revenue for the ensuing fiscal year) shall be committed by the Buncombe County Board of Education to remain unappropriated in the General Fund as a stabilization amount. By vote of the majority of the Buncombe County Board of Education, the Board may add to or remove this commitment and allow these funds to be appropriated to provide an emergency source of operating monies should a catastrophic event occur. The authority for establishing a stabilization amount originated in Board policy 501, Business and Non-Instructional Operations – Financial Planning and Budgeting. The stabilization amount at June 30, 2013 is \$4,805,221.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

Noncompliance with North Carolina General Statutes

There were no significant violations of finance-related legal and contractual provisions.

III. Detail Notes on All Funds

A. Assets

1. Deposits

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

At June 30, 2013, the Board had deposits with banks with a carrying amount of \$4,747,401 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$8,117,335 and \$1,132,336, respectively. Of these balances, \$3,094,709 was covered by federal depository insurance, \$5,022,626 was covered by collateral held under the Pooling Method and \$1,132,336 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds - continued

2. Investments

At June 30, 2013, the Board of Education had \$31,609,175 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.6 years at June 30, 2013. The Board has no policy for managing interest rate risk or credit risk.

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2013 were as follows:

	Due from other funds (Internal <u>Balances</u> )	Due from other <u>governments</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General Fund	\$ 582,994	\$ 2,664,057	\$ 125	\$ 3,247,176
Other Specific Revenue Fund	65,938	192,565	335,502	594,005
State Public School Fund	(610,051)	917,664	-	307,613
Capital Outlay	-	2,306,662	1,188	2,307,850
Other governmental activities	84,983	48,620	-	133,603
Total governmental activities	<u>\$ 123,864</u>	<u>\$ 6,129,568</u>	<u>\$ 336,815</u>	<u>\$ 6,590,247</u>
	Due from other funds (Internal <u>Balances</u> )	Due from other <u>governments</u>	<u>Other</u>	<u>Total</u>
Business-type activities:				
Child Nutrition	\$ (123,864)	\$ 163,509	\$ 34,022	\$ 73,667
Total business-type activities	<u>\$ (123,864)</u>	<u>\$ 163,509</u>	<u>\$ 34,022</u>	<u>\$ 73,667</u>

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

Due from other funds consists of the following:

Governmental activities:

General Fund	\$	610,051	From State Public School Fund for prepayment of July health insurance
		10,587	From Other Specific Revenue Fund for prepayment of July health insurance
		58,635	From Child Nutrition Fund for prepayment of July health insurance
		(96,337)	To Individual Schools for sales tax reimbursements, investment accounts and scholarship accounts
		58	From Individual schools for maintenance charges
Other Specific Revenue Fund		11,296	From Individual Schools for activity bus charges
		65,229	From Child Nutrition for indirect costs, transportation, and maintenance charges
		(10,587)	To General Fund for prepayment of July health insurance
State Public School Fund		(610,051)	To General Fund for prepayment of July health insurance
Other governmental activities		96,337	Individual Schools from General Fund for sales tax reimbursements, investment accounts and scholarship accounts
		(11,354)	Individual Schools to Other Specific Revenue Fund for activity bus charges
			<hr/>
Total governmental activities	\$	<u>123,864</u>	



**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

Business-type activities:

Child Nutrition	\$ (58,635)	To General Fund for prepayment of July health insurance
	(65,229)	To Other Specific Revenue Fund for indirect costs, transportation, and maintenance charges
	(123,864)	
Total business-type activities	\$ (123,864)	

Due from other governments consists of the following:

Governmental activities:

General Fund	\$ 95,250	State – Sales tax reimbursement
	2,519,742	County – June Appropriation
	49,065	County – Fines and forfeitures
Other Specific Revenue Fund	54,413	Federal – Medicaid fee for services
	30,820	Federal – JROTC
	5,110	State – Sales tax reimbursement
	455	State – NC Dept of Education for Health insurance for employee in internship position
	23,010	County – June Appropriation
	26,100	Land of Sky Regional Council – Work based learning grant reimbursement
	50,499	Asheville City Schools – TSA salary reimbursement
	1,246	Asheville City Schools – transportation expense reimbursement
	912	Avery County – AMP grant
State Public School Fund	917,664	State – Operating funds from DPI
Capital Outlay Fund	108,195	State – Sales tax reimbursement
	2,198,467	County – Sales tax revenue, capital projects revenue, and lottery proceeds
Other governmental activities	14	State – Sales tax reimbursement
	48,606	State – Operating funds from DPI
	48,606	
Total governmental activities	\$ 6,129,568	

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

III. Detail Notes on All Funds – continued

Business-type activities:

Child Nutrition	\$ 152,710	State – USDA reimbursement, Fresh Fruit & Vegetable grant reimbursement, and Summer feeding program reimbursements from DPI
	<u>10,799</u>	State – sales tax reimbursement

Total business-type activities \$ 163,509

4. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 6,240,049	\$ -	\$ 622	\$ 6,239,427
Construction in progress	<u>1,687,911</u>	<u>1,869,555</u>	<u>106,014</u>	<u>3,451,452</u>
Total capital assets not being depreciated	<u>7,927,960</u>	<u>1,869,555</u>	<u>106,636</u>	<u>9,690,879</u>
<b>Capital assets being depreciated:</b>				
Buildings	374,889,424	1,535,782	84,711	376,340,495
Site improvements	27,622,960	1,225,266	62,994	28,785,232
Equipment	5,505,366	204,392	102,498	5,607,260
Vehicles	<u>24,416,160</u>	<u>1,674,509</u>	<u>795,460</u>	<u>25,295,209</u>
Total capital assets being depreciated	<u>432,433,910</u>	<u>4,639,949</u>	<u>1,045,663</u>	<u>436,028,196</u>
<b>Less accumulated depreciation for:</b>				
Buildings	142,784,353	9,084,456	23,595	151,845,214
Site improvements	10,198,761	1,094,540	30,324	11,262,977
Equipment	4,195,186	266,392	86,069	4,375,509
Vehicles	<u>14,860,554</u>	<u>1,389,943</u>	<u>792,800</u>	<u>15,457,697</u>
Total accumulated depreciation	<u>172,038,854</u>	<u>11,835,331</u>	<u>932,788</u>	<u>182,941,397</u>
Total capital assets being depreciated, net	<u>260,395,056</u>			<u>253,086,799</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 268,323,016</u>			<u>\$ 262,777,678</u>

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

Depreciation was charged to governmental functions as follows:

Regular instructional services	\$ 9,010,032
Special populations services	2,435
School leadership services	270,762
Special populations support and development	7,148
Technology support services	36,403
Operational support services	1,505,883
Financial and human resources services	3,394
System-wide pupil support services	6,162
Policy, leadership and public relations	249,027
Ancillary services	<u>744,085</u>
<b>Total</b>	<b><u>\$ 11,835,331</u></b>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Business-type activities:</b>				
<b>Child Nutrition Fund:</b>				
<b>Capital assets being depreciated</b>				
Furniture and equipment	\$ 6,440,411	\$ 70,163	\$ 26,608	\$ 6,483,966
Vehicles	<u>189,904</u>	<u>-</u>	<u>-</u>	<u>189,904</u>
Total capital assets being depreciated	<u>6,630,315</u>	<u>70,163</u>	<u>26,608</u>	<u>6,673,870</u>
<b>Less accumulated depreciation for:</b>				
Furniture and equipment	6,075,769	61,506	14,075	6,123,200
Vehicles	<u>111,645</u>	<u>14,526</u>	<u>-</u>	<u>126,171</u>
Total accumulated depreciation	<u>6,187,414</u>	<u>76,032</u>	<u>14,075</u>	<u>6,249,371</u>
<b>Child Nutrition capital assets, net</b>	<u>\$ 442,901</u>			<u>\$ 424,499</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 442,901</u>			<u>\$ 424,499</u>

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

Construction commitments

Buncombe County has active construction projects as of June 30, 2013, 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>
New intermediate schools – EMC Engineers	\$ 51,683
New intermediate schools – Melloul-Blamey Construction	811,948
New intermediate schools – Shelco	789,485
Enka High HVAC phase 2 – Innovative Design	20,140
Owen Middle Roof – REI Engineers	6,780
Erwin Middle Roof – Metal Roof Consultants	<u>7,800</u>
	<u>\$ 1,687,836</u>

B. Liabilities

1. Pension Plan Obligations and Other Postemployment Obligations

a. Teachers’ and State Employees’ Retirement System

*Plan Description.* Buncombe County Board of Education contributes to 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 provides retirement benefits to plan members and beneficiaries. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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, or by calling (919) 981-5454.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

*Funding Policy.* Plan members are required to contribute six percent of their annual covered salary and the Board is required to contribute at an actuarially determined rate. The current rate is 8.33% of annual covered payroll. The contribution requirements of plan members and Buncombe County Board of Education are established and may be amended by the North Carolina General Assembly. The Board's contributions to TSERS for the years ended June 30, 2013, 2012, and 2011 were \$11,053,282, \$9,707,577, and \$6,609,646, respectively, equal to the required contributions for each year.

b. Other Postemployment Benefits

1. Healthcare Benefits

*Plan Description.* The postemployment healthcare benefits are provided through a cost-sharing multiple-employer defined benefit plan administered by the Executive Administrator and the Board of Trustees of the Comprehensive Major Medical Plan (the Plan). The Executive Administrator and the Board of Trustees of the Plan establishes premium rates except as may be established by the General Assembly in an appropriation act. The Plan's benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3 of the General Statutes and may be amended only by the North Carolina General Assembly. By General Statute, the Plan accumulates contributions from employers and any earnings on those contributions in the Retiree Health Benefit Fund. These assets shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. These contributions are irrevocable. Also by law, these assets are not subject to the claims of creditors of the employers making contributions to the Plan.

The State of North Carolina issues a publicly available financial report that includes financial statements and required supplementary information for the State's Comprehensive Major Medical Plan (also referred to as the State Health Plan). An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.ncosc.net/> and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

*Funding Policy.* The Comprehensive Major Medical Plan is administered by the Executive Administrator and Board of Trustees of the Plan, which establishes premium rates except as may be established by the General Assembly in an appropriation act. The healthcare benefits for retired and disabled employees are the same as for active employees, except that the coverage becomes secondary when former employees become eligible for Medicare. For employees first hired on and after October 1, 2006, future coverage as retired employees 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 and after October 1, 2006 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 total noncontributory premium. For employees hired before October 1, 2006, healthcare benefits are provided to retirees (at no charge to the retirees) who have at least five years of contributing retirement membership prior to disability or retirement. In addition, persons who became surviving spouses of retirees prior to October 1, 1986, receive the same coverage as retirees at the State's expense.

Contributions are determined as a percentage of covered monthly payroll. Annually, the monthly contribution rates to the Plan, 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 fiscal years ended June 30, 2013, 2012, and 2011, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of \$7,032,700, \$6,523,909 and \$6,569,425, respectively. These contributions represented 5.30%, 5.00%, and 4.90% of covered payroll, respectively.

2. Long-term Disability Benefits

*Plan Description.* Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan. The DIPNC is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System. Long-term disability benefits are payable as an other postemployment benefit 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. 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 accumulates contributions from employers and any earnings on those contributions in the Disability Income Plan Trust Fund. The plan does not provide for automatic post-retirement benefit increases.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

The State of North Carolina issues a publicly available financial report that includes financial statements and required supplementary information for the DIPNC. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.ncosc.net/> and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

*Funding Policy.* An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in the Teachers' and State Employees' Retirement System of North Carolina, 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 the Retirement System; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from the Retirement System after (1) reaching the age of 65 and completing five years of creditable service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

The monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled. The monthly benefit shall be further reduced by the amount of any monthly payments from the Department of Veterans Affairs, any other federal agency or any payments made under the provisions of G.S. 127A-108, to which the participant or beneficiary may be entitled on account of the same disability. Provided in any event, the benefits payable shall be no less than \$10 a month. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS. For members who obtain five years of membership service on or after August 1, 2007, the monthly

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

long-term disability benefit is reduced by the primary Social Security retirement benefit to which one might be entitled should one become age 62 during the first 36 months. After 36 months of long-term disability, there will be no further payments from the DIPNC unless the member is approved for and are in receipt of primary Social Security disability benefits. It is payable so long as the member remains disabled and is in receipt of a primary Social Security disability benefit until eligible for an unreduced service retirement benefit. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS.

The Board’s contributions are established in the Appropriations Bill by the General Assembly. 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 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. For the fiscal years ended June 30, 2013, 2012, and 2011, the Board paid all annual required contributions to the DIPNC for disability benefits of \$583,847, \$678,487 and \$697,163, respectively. These contributions represented .44%, .52%, and .52% of covered payroll respectively.

2. Accounts Payable

Accounts payable as of June 30, 2013 are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Insurance</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ 549,390	\$ 468,938	\$ 491,153	\$ 73,080	\$ 1,582,561
Other Specific Revenue Fund	143,260	30,993	-	1,732	175,985
State Public School Fund	-	917,664	-	-	917,664
Capital Outlay Fund	1,877,132	-	-	-	1,877,132
Other governmental activities	<u>172,546</u>	<u>48,606</u>	<u>-</u>	<u>-</u>	<u>221,152</u>
Total governmental activities	<u>\$ 2,742,328</u>	<u>\$ 1,466,201</u>	<u>\$ 491,153</u>	<u>\$ 74,812</u>	<u>\$ 4,774,494</u>
Business-type activities:					
Child Nutrition	<u>\$ 37,757</u>	<u>\$ 34,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,588</u>
Total business-type activities	<u>\$ 37,757</u>	<u>\$ 34,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,588</u>



**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

3. Deferred Inflows of Resources

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

	<u>Deferred Inflows</u>
Governmental activities:	
Grants not yet earned (Other Specific Revenue Fund)	\$ 1,897,364
Article 39 sales tax revenue (Capital Outlay)	46,092
Sales tax refunds receivable (Other Governmental Funds)	<u>14</u>
Total governmental activities	<u>\$ 1,943,470</u>

4. Unearned Revenue

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

	<u>Unearned Revenue</u>
Business-type activities:	
Prepaid meals (Child Nutrition Fund)	<u>\$ 104,466</u>
Total business-type activities	<u>\$ 104,466</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 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

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

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. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits up to a \$5 million lifetime limit. 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 monies at any given time of the Board's funds 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 in the prior year. Claims did not exceed coverage for the years ended June 30, 2013 and 2012. Claims exceeded coverage during the year ended June 30, 2011, in the amount of \$611,476. The Board maintains flood insurance for all locations.

6. Contingent Liabilities

At June 30, 2013, the Board was a defendant to a lawsuit. In the opinion of the Board's management and the Board's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Board's financial position.

7. Long-Term Obligations

a. Installment Purchase Contracts

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 two bids to purchase Thomas Built Buses through a special third party financing arrangement by Mercedes Benz Financial Services USA LLC and Banc of America Public Capital Corporation, respectively, at total payments less than the purchase price. In the fiscal year ended June 30, 2011, the Board entered into an installment purchase contract to finance the

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

purchase of three school buses. In the fiscal year ending June 30, 2012, the Board entered into an installment purchase contract to finance the purchase of fifteen school buses. The financing contracts require only principal payments of \$64,029 and \$300,777, respectively, at the beginning of each contract year.

The future minimum payments of the installment purchases as of June 30, 2013 are as follows:

<u>Year ending June 30</u>	<u>Governmental Activities - Principal</u>
2014	\$ 364,806
2015	<u>300,784</u>
Total	<u>\$ 665,590</u>

b. 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, 2013:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities:					
Installment purchase contracts	\$ 681,563	\$ 1,203,106	\$ 1,219,079	\$ 665,590	\$ 364,806
Compensated absences	<u>10,915,111</u>	<u>8,549,130</u>	<u>11,156,664</u>	<u>8,307,577</u>	<u>8,307,577</u>
	<u>\$ 11,596,674</u>	<u>\$ 9,752,236</u>	<u>\$ 12,375,743</u>	<u>\$ 8,973,167</u>	<u>\$ 8,672,383</u>
Business-type Activities:					
Compensated absences	<u>\$ 216,490</u>	<u>\$ 243,231</u>	<u>\$ 282,411</u>	<u>\$ 177,310</u>	<u>\$ 177,310</u>

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

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

C. Fund Balance

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

Other Specific Revenue Fund:

Medicaid fee-service reimbursement	\$ 351,791
Hominy Valley special supplemental tax	293,325
Pisgah Forest Fund	10,065
Enka High School Agriculture Grant	202
WCU Science Grant	2,359
Preschool Assessment Grant	7,905
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>\$ 677,520</u>

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.

An amount of fund balance equal to one-month's operating expenses for the General Fund (1/12 of the General Fund's estimated revenue for the ensuing fiscal year) shall be committed by the Buncombe County Board of Education to remain unappropriated in the General Fund as a stabilization amount. By vote of the majority of the Buncombe County Board of Education, the Board may remove this commitment and allow these funds to be appropriated to provide an emergency source of operating monies should a catastrophic event occur.

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

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	\$ 15,071,244
Less:	
Prepays	2,018,038
Inventories	448,499
Stabilization by State statute	3,506,035
Committed	<u>4,805,221</u>
Remaining fund balance	<u>\$ 4,293,451</u>

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

	<u>General Fund</u>	<u>Other Specific Revenue Fund</u>	<u>Capital Outlay</u>
Encumbrances	<u>\$ 162,523</u>	<u>\$ 37,304</u>	<u>\$ 529,119</u>

D. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2013 consist of the following:

	<u>Amount</u>
From the General Fund to the Nonmajor governmental funds to record transfers for instructional supplies and materials and textbooks	<u>\$ 1,445,904</u>
From the General Fund to the Nonmajor governmental funds for individual schools allotments	<u>\$ 346,630</u>
From the General Fund to the Child Nutrition Fund for the Child Nutrition Director’s salary and benefits	<u>\$ 5,547</u>

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**JUNE 30, 2013**

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III. Detail Notes on All Funds – continued

From the Other Specific Revenue Fund to the Nonmajor governmental funds  
for individual schools textbook reserve allotments \$ 97,149

From the Other Specific Revenue Fund to the Child Nutrition Fund for bad  
debt expense \$ 6,612

From the State Public School Fund to the Child Nutrition Fund for the Child  
Nutrition Director’s salary and benefits \$ 76,862

IV. 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.

V. Significant Effects of Subsequent Events

Subsequent Events

In preparing these financial statements, the Buncombe County Board of Education has evaluated events and transactions for potential recognition or disclosure through December 2, 2013, the date the financial statements were available to be issued, and noted no subsequent events to disclose.

VI. Change in Accounting Principles

The Board implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously Reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, or Net Position.

# Combining Statements for Nonmajor Governmental Funds

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## **SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds of specific revenue sources which are legally restricted to be expended for particular purposes. Special Revenue Funds are accounted for on a modified accrual basis of accounting.

**Federal Grants Fund** – This fund includes appropriations from numerous federal agencies which flow through the Department of Public Instruction to be used for purposes specified by each grant.

**Individual Schools Fund** – This fund accounts for the revenues and expenditures of the activity funds of the individual schools in the Buncombe County Public School System. Funds are administered by the schools but are under supervision and control of the Board. The majority of revenue is provided to the schools through fees and fundraising activities of the clubs and classes and athletic gate receipts.

**Hazelton Trust** – This fund is the result of a bequest that is administered by the Board for the benefit of special needs children.





**BUNCOMBE COUNTY BOARD OF EDUCATION**  
Combining Balance Sheet -- Nonmajor Governmental Funds  
June 30, 2013

	Federal Grants Fund	Individual Schools	Hazelton Trust	Total
<b>ASSETS:</b>				
Cash and investments	\$ -	\$ 3,151,453	\$ -	\$ 3,151,453
Restricted cash and investments	-	-	228,552	228,552
Due from other governments	48,606	-	14	48,620
Due from other funds	-	96,337	-	96,337
 Total assets	 \$ 48,606	 \$ 3,247,790	 \$ 228,566	 \$ 3,524,962
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ 172,546	\$ -	\$ 172,546
Due to other funds	-	11,354	-	11,354
Accrued salaries and wages	48,606	-	-	48,606
 Total liabilities	 48,606	 183,900	 -	 232,506
 Deferred inflows of resources:	 -	 -	 14	 14
 <b>FUND BALANCES:</b>				
Restricted	-	-	228,552	228,552
Committed	-	3,063,890	-	3,063,890
Total fund balances	-	3,063,890	228,552	3,292,442
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 48,606	 \$ 3,247,790	 \$ 228,566	 \$ 3,524,962

**BUNCOMBE COUNTY BOARD OF EDUCATION**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance -- Nonmajor Governmental Funds  
Year Ended June 30, 2013

	Federal Grants Fund	Individual Schools	Hazelton Trust	Total
<b>REVENUES:</b>				
U.S. Government	\$ 20,170,030	\$ -	\$ -	\$ 20,170,030
Other revenue	-	7,312,459	889	7,313,348
Total revenues	<u>20,170,030</u>	<u>7,312,459</u>	<u>889</u>	<u>27,483,378</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional services	17,706,518	8,557,212	4,188	26,267,918
System-wide support services	2,238,146	-	-	2,238,146
Non-programmed charges	<u>225,366</u>	<u>-</u>	<u>-</u>	<u>225,366</u>
Total expenditures	<u>20,170,030</u>	<u>8,557,212</u>	<u>4,188</u>	<u>28,731,430</u>
Revenues under expenditures	<u>-</u>	<u>(1,244,753)</u>	<u>(3,299)</u>	<u>(1,248,052)</u>
Other financing sources (uses):				
Transfers from other funds	<u>-</u>	<u>1,889,683</u>	<u>-</u>	<u>1,889,683</u>
Total other financing sources (uses)	<u>-</u>	<u>1,889,683</u>	<u>-</u>	<u>1,889,683</u>
Net change in fund balance	-	644,930	(3,299)	641,631
Fund balances--beginning	<u>-</u>	<u>2,418,960</u>	<u>231,851</u>	<u>2,650,811</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ 3,063,890</u>	<u>\$ 228,552</u>	<u>\$ 3,292,442</u>

# BUNCOMBE COUNTY BOARD OF EDUCATION

Federal Grants Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance -- Budget and Actual  
 Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>Revenues:</b>			
U. S. Government	\$ 25,670,274	\$ 20,170,030	\$ (5,500,244)
Total revenues	<u>25,670,274</u>	<u>20,170,030</u>	<u>(5,500,244)</u>
<b>Expenditures:</b>			
Instructional services	18,763,062	17,706,518	1,056,544
System-wide support services	2,350,245	2,238,146	112,099
Non-programmed charges	<u>4,556,967</u>	<u>225,366</u>	<u>4,331,601</u>
Total expenditures	<u>25,670,274</u>	<u>20,170,030</u>	<u>5,500,244</u>
Net change in fund balance	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund balances--beginning of year		<u>-</u>	
Fund balances--end of year		\$ <u><u>-</u></u>	

BUNCOMBE COUNTY BOARD OF EDUCATION

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## Capital Outlay Fund

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Capital Outlay Fund accounts for the purchase, construction or renovation of the Board's capital assets and other major capital outlays, other than those financed by the Enterprise Fund and the Special Revenue Funds. The major revenue source is the County of Buncombe. The Capital Outlay Fund is accounted for on the modified accrual basis of accounting.



**BUNCOMBE COUNTY BOARD OF EDUCATION**

Capital Outlay Fund

Schedule of Revenues, Expenditures, and Changes in

Fund Balance -- Budget and Actual

Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 1,219,424	\$ 1,219,079	\$ (345)
Lottery proceeds	<u>5,000,000</u>	<u>24,448</u>	<u>(4,975,552)</u>
Total State of North Carolina	<u>6,219,424</u>	<u>1,243,527</u>	<u>(4,975,897)</u>
Buncombe County:			
Restricted portion of sales tax	9,118,560	9,164,495	45,935
Limited obligation bonds	<u>1,668,055</u>	<u>178,426</u>	<u>(1,489,629)</u>
Total Buncombe County	<u>10,786,615</u>	<u>9,342,921</u>	<u>(1,443,694)</u>
Other	<u>456,010</u>	<u>354,609</u>	<u>(101,401)</u>
Total revenues	<u>17,462,049</u>	<u>10,941,057</u>	<u>(6,520,992)</u>
Expenditures:			
Instructional services	4,395,997	3,267,765	1,128,232
System-wide support services	2,151,649	2,013,349	138,300
Ancillary services	642	642	-
Debt service:			
Principal	1,219,424	1,219,079	345
Capital outlay	<u>14,655,542</u>	<u>4,566,423</u>	<u>10,089,119</u>
Total expenditures	<u>22,423,254</u>	<u>11,067,258</u>	<u>11,355,996</u>
Excess of revenues over (under) expenditures	<u>(4,961,205)</u>	<u>(126,201)</u>	<u>4,835,004</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	42,091	47,095	5,004
Proceeds from installment financing contract	1,203,106	1,203,106	-
Fund balance appropriated	3,746,666	-	(3,746,666)
Contingency	<u>(30,658)</u>	<u>-</u>	<u>30,658</u>
Total other financing sources (uses)	<u>4,961,205</u>	<u>1,250,201</u>	<u>(3,711,004)</u>
Net change in fund balance	\$ <u>-</u>	1,124,000	\$ <u>1,124,000</u>
Fund balance--beginning of year		<u>8,906,998</u>	
Fund balances--end of year		\$ <u>10,030,998</u>	

BUNCOMBE COUNTY BOARD OF EDUCATION

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## Enterprise Funds

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An Enterprise Fund accounts for the operations of a program which is intended to be self-supporting. An Enterprise Fund is accounted for on a full accrual basis. Buncombe County Board of Education maintains one such fund, the Child Nutrition Fund.

**The Child Nutrition Fund** – This program provides breakfast and lunch to students in the Buncombe County Public Schools. Primary revenue sources are meal fees, federal commodity subsidies and USDA reimbursements.



**BUNCOMBE COUNTY BOARD OF EDUCATION**

Child Nutrition Fund  
 Schedule of Revenues and Expenses --  
 Budget and Actual (Non-GAAP)  
 Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
Operating revenues:			
Food sales	\$ 5,075,738	\$ 4,458,408	\$ (617,330)
Operating expenditures:			
Business support services:			
Food costs:			
Purchase of food	5,803,472	6,048,886	(245,414)
Donated commodities	891,957	749,795	142,162
Salaries and benefits	6,211,897	6,102,468	109,429
Indirect costs	755,470	719,522	35,948
Materials and supplies	911,785	186,273	725,512
Repairs and maintenance	110,892	110,890	2
Other purchased services	48,778	45,827	2,951
Miscellaneous	<u>23,382</u>	<u>16,173</u>	<u>7,209</u>
Total business support services	14,757,633	13,979,834	777,799
Capital outlay	<u>182,531</u>	<u>70,163</u>	<u>112,368</u>
Total operating expenditures	<u>14,940,164</u>	<u>14,049,997</u>	<u>890,167</u>
Operating loss	<u>(9,864,426)</u>	<u>(9,591,589)</u>	<u>272,837</u>
Nonoperating revenues (expenditures)			
Federal reimbursements	7,951,553	9,045,004	1,093,451
Federal commodities	891,957	749,795	(142,162)
State reimbursements	117,831	-	(117,831)
Interest earned on investments	<u>39,011</u>	<u>20,012</u>	<u>(18,999)</u>
Total nonoperating revenues (expenditures)	<u>9,000,352</u>	<u>9,814,811</u>	<u>814,459</u>
Excess of revenues over (under) expenditures before other financing sources	<u>(864,074)</u>	<u>223,222</u>	<u>1,087,296</u>
Other financing sources:			
Appropriated net position	733,730	-	(733,730)
Transfers from other funds	<u>130,344</u>	<u>89,021</u>	<u>(41,323)</u>
Total other financing sources	<u>864,074</u>	<u>89,021</u>	<u>(775,053)</u>
Excess of revenues and other sources over (under) expenditures	\$ <u><u>-</u></u>	312,243	\$ <u><u>312,243</u></u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(76,032)	
Equipment purchases		70,163	
Decrease in inventory		(142,124)	
Decrease in compensated absences		<u>39,180</u>	
Change in net position - full accrual		\$ <u><u>203,430</u></u>	

BUNCOMBE COUNTY BOARD OF EDUCATION

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# STATISTICAL SECTION

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The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information 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.*

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BUNCOMBE COUNTY BOARD OF EDUCATION

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities				
Invested in capital assets, net of related debts	\$ 262,111,788	\$ 267,641,453	\$ 263,716,589	\$ 245,285,982
Restricted	15,085,000	11,900,722	12,609,649	8,239,305
Unrestricted	<u>9,830,327</u>	<u>8,328,906</u>	<u>5,467,805</u>	<u>1,670,218</u>
Total Governmental Activities Net Position	<u>\$ 287,027,115</u>	<u>\$ 287,871,081</u>	<u>\$ 281,794,043</u>	<u>\$ 255,195,505</u>
Business Type Activities				
Invested in Capital Assets, net of related debts	\$ 424,499	\$ 442,901	\$ 499,102	\$ 659,273
Unrestricted	<u>6,273,381</u>	<u>6,051,549</u>	<u>5,868,329</u>	<u>5,107,993</u>
Total Business-Type Activities Net Position	<u>\$ 6,697,880</u>	<u>\$ 6,494,450</u>	<u>\$ 6,367,431</u>	<u>\$ 5,767,266</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 262,536,287	\$ 268,084,354	\$ 264,215,691	\$ 245,945,255
Restricted	15,085,000	11,900,722	12,609,649	8,239,305
Unrestricted	<u>16,103,708</u>	<u>14,380,455</u>	<u>11,336,134</u>	<u>6,778,211</u>
Total Primary Government Net Position	<u>\$ 293,724,995</u>	<u>\$ 294,365,531</u>	<u>\$ 288,161,474</u>	<u>\$ 260,962,771</u>

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2004 through June 30, 2013.

Note: Buncombe County Schools began to report net position 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 1

Fiscal Year	2008	2007	2006	2005	2004
2009	2008	2007	2006	2005	2004
\$ 240,498,317	\$ 241,343,069	\$ 241,146,622	\$ 221,279,566	\$ 213,787,975	\$ 214,691,721
8,679,420	8,394,114	5,404,087	6,946,874	8,189,462	8,217,680
(3,091,296)	(2,922,894)	(1,514,338)	(1,281,795)	868,423	1,542,250
<u>\$ 246,086,441</u>	<u>\$ 246,814,289</u>	<u>\$ 245,036,371</u>	<u>\$ 226,944,645</u>	<u>\$ 222,845,860</u>	<u>\$ 224,451,651</u>
\$ 875,941	\$ 1,165,354	\$ 1,334,475	\$ 1,455,501	\$ 1,669,197	\$ 1,978,921
4,738,829	5,040,337	5,404,670	4,659,902	3,560,988	3,570,754
<u>\$ 5,614,770</u>	<u>\$ 6,205,691</u>	<u>\$ 6,739,145</u>	<u>\$ 6,115,403</u>	<u>\$ 5,230,185</u>	<u>\$ 5,549,675</u>
\$ 241,374,258	\$ 242,508,423	\$ 242,481,097	\$ 222,735,067	\$ 215,457,172	\$ 216,670,642
8,679,420	8,394,114	5,404,087	6,946,874	8,189,462	8,217,680
1,647,533	2,117,443	3,890,332	3,378,107	4,429,411	5,113,004
<u>\$ 251,701,211</u>	<u>\$ 253,019,980</u>	<u>\$ 251,775,516</u>	<u>\$ 233,060,048</u>	<u>\$ 228,076,045</u>	<u>\$ 230,001,326</u>

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

	2013	2012	2011	2010
<b>Expenses</b>				
Governmental activities:				
Instructional programs	\$ 182,848,286	\$ 180,010,195	\$ 179,862,385	\$ 177,630,711
Support services	40,006,534	41,108,400	38,360,240	37,280,916
Other	800,654	820,953	697,220	756,400
Total governmental activities expenses	<u>223,655,474</u>	<u>221,939,548</u>	<u>218,919,845</u>	<u>215,668,027</u>
Business-type activities:				
Child nutrition	14,158,810	13,584,330	12,711,227	12,843,518
After school care	-	(5,636)	248,949	320,737
Total business-type activities	<u>14,158,810</u>	<u>13,578,694</u>	<u>12,960,176</u>	<u>13,164,255</u>
Total government-wide expenses	237,814,284	235,518,242	231,880,021	228,832,282
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services:				
Instructional programs - regular instructional	72,883	107,693	145,155	126,390
Support services - operational support	275,762	258,602	285,666	212,048
Total charges for services	<u>348,645</u>	<u>366,295</u>	<u>430,821</u>	<u>338,438</u>
Operating grants and contributions	162,238,601	158,210,395	163,356,343	160,046,318
Capital grants and contributions	135,693	1,075,664	238,205	114,190
Total governmental activities program revenues	<u>162,722,939</u>	<u>159,652,354</u>	<u>164,025,369</u>	<u>160,498,946</u>
Business-type activities:				
Charges for Services:				
Child nutrition	4,458,408	4,805,162	4,999,130	5,419,483
Before and after school care	-	-	236,369	273,159
Total charges for services	<u>4,458,408</u>	<u>4,805,162</u>	<u>5,235,499</u>	<u>5,692,642</u>
Operating grants and contributions	9,794,799	8,705,803	8,186,661	7,469,881
Total business-type program revenue	<u>14,253,207</u>	<u>13,510,965</u>	<u>13,422,160</u>	<u>13,162,523</u>
Total government-wide program revenue	<u>176,976,146</u>	<u>173,163,319</u>	<u>177,447,529</u>	<u>173,661,469</u>
<b>Net (Expense)</b>	<u>\$ (60,838,138)</u>	<u>\$ (62,354,923)</u>	<u>\$ (54,432,492)</u>	<u>\$ (55,170,813)</u>

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2004 through June 30, 2013.

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 position 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					
2009	2008	2007	2006	2005	2004
\$ 182,684,462	\$ 180,276,088	\$ 157,259,911	\$ 148,282,358	\$ 140,328,612	\$ 133,138,383
39,039,136	38,020,280	49,086,943	48,886,355	44,237,118	40,504,329
1,945,028	1,417,425	1,129,700	1,011,491	805,094	647,802
<u>223,668,626</u>	<u>219,713,793</u>	<u>207,476,554</u>	<u>198,180,204</u>	<u>185,370,824</u>	<u>174,290,514</u>
13,691,999	12,591,380	11,323,260	10,894,117	10,654,099	10,739,713
302,225	307,204	192,135	176,656	86,189	-
<u>13,994,224</u>	<u>12,898,584</u>	<u>11,515,395</u>	<u>11,070,773</u>	<u>10,740,288</u>	<u>10,739,713</u>
237,662,850	232,612,377	218,991,949	209,250,977	196,111,112	185,030,227
53,925	36,485	75,204	63,985	49,032	39,922
284,973	1,169,326	1,347,933	530,085	302,008	349,536
<u>338,898</u>	<u>1,205,811</u>	<u>1,423,137</u>	<u>594,070</u>	<u>351,040</u>	<u>389,458</u>
161,274,990	159,890,988	149,988,436	142,771,904	128,445,248	120,065,414
1,037,680	2,983,489	1,545,367	1,374,071	55,642	51,108
<u>162,651,568</u>	<u>164,080,288</u>	<u>152,956,940</u>	<u>144,740,045</u>	<u>128,851,930</u>	<u>120,505,980</u>
5,482,648	5,622,626	5,675,493	5,370,491	5,388,056	5,347,926
229,847	269,438	317,170	208,458	166,925	-
<u>5,712,495</u>	<u>5,892,064</u>	<u>5,992,663</u>	<u>5,578,949</u>	<u>5,554,981</u>	<u>5,347,926</u>
6,724,579	6,115,225	5,894,294	6,037,328	4,670,335	4,693,288
<u>12,437,074</u>	<u>12,007,289</u>	<u>11,886,957</u>	<u>11,616,277</u>	<u>10,225,316</u>	<u>10,041,214</u>
175,088,642	176,087,577	164,843,897	156,356,322	139,077,246	130,547,194
<u>\$ (62,574,208)</u>	<u>\$ (56,524,800)</u>	<u>\$ (54,148,052)</u>	<u>\$ (52,894,655)</u>	<u>\$ (57,033,866)</u>	<u>\$ (54,483,033)</u>

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

	2013	2012	2011	2010
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (60,932,535)	\$ (62,287,194)	\$ (54,894,476)	\$ (55,169,081)
Business-type activities	94,397	(67,729)	461,984	(1,732)
Total primary government net (expense)	<u>\$ (60,838,138)</u>	<u>\$ (62,354,923)</u>	<u>\$ (54,432,492)</u>	<u>\$ (55,170,813)</u>
<b>General revenues and transfers:</b>				
Governmental activities:				
State of North Carolina	\$ 1,219,079	\$ 681,563	\$ 3,867,376	\$ 3,616,675
Buncombe County - unrestricted	48,286,119	48,622,874	46,388,149	46,282,818
Buncombe County - restricted construction proceeds	9,342,921	18,659,225	29,769,839	12,336,374
Other revenues	1,329,471	562,647	1,554,240	2,128,568
Transfers (out)	(89,021)	(162,077)	(86,590)	(86,290)
Total governmental activities general revenues and transfers	<u>60,088,569</u>	<u>68,364,232</u>	<u>81,493,014</u>	<u>64,278,145</u>
Business-type activities:				
Other revenues	20,012	32,671	51,591	67,938
Transfers in	89,021	162,077	86,590	86,290
Total business-type activities general revenue and transfers	<u>109,033</u>	<u>194,748</u>	<u>138,181</u>	<u>154,228</u>
Total government-wide general revenues and transfers	<u>60,197,602</u>	<u>68,558,980</u>	<u>81,631,195</u>	<u>64,432,373</u>
<b>Change in Net Position</b>				
Governmental activities	(843,966)	6,077,038	26,598,538	9,109,064
Business-type activities	203,430	127,019	600,165	152,496
Total primary government	<u>\$ (640,536)</u>	<u>\$ 6,204,057</u>	<u>\$ 27,198,703</u>	<u>\$ 9,261,560</u>

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2004 through June 30, 2013.

Note: Buncombe County Schools began to report net position 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					
2009	2008	2007	2006	2005	2004
\$ (61,017,058)	\$ (55,633,505)	\$ (54,519,614)	\$ (53,440,159)	\$ (56,518,894)	\$ (53,784,534)
(1,557,150)	(891,295)	371,562	545,504	(514,972)	(698,499)
<u>\$ (62,574,208)</u>	<u>\$ (56,524,800)</u>	<u>\$ (54,148,052)</u>	<u>\$ (52,894,655)</u>	<u>\$ (57,033,866)</u>	<u>\$ (54,483,033)</u>
\$ 2,537,009	\$ -	\$ 16,000	\$ 585,073	\$ 555,715	\$ 2,698,403
47,020,995	43,829,759	41,241,528	37,667,558	35,720,771	33,381,064
7,857,632	10,386,957	28,742,418	16,706,525	8,377,820	11,607,073
2,927,778	3,300,638	2,626,198	2,649,299	10,351,665	10,985,167
(54,204)	(105,931)	(14,804)	(69,511)	(66,399)	(66,843)
<u>60,289,210</u>	<u>57,411,423</u>	<u>72,611,340</u>	<u>57,538,944</u>	<u>54,939,572</u>	<u>58,604,864</u>
912,025	251,910	237,376	147,806	129,083	237,646
54,204	105,931	14,804	69,511	66,399	66,843
<u>966,229</u>	<u>357,841</u>	<u>252,180</u>	<u>217,317</u>	<u>195,482</u>	<u>304,489</u>
<u>61,255,439</u>	<u>57,769,264</u>	<u>72,863,520</u>	<u>57,756,261</u>	<u>55,135,054</u>	<u>58,909,353</u>
(727,848)	1,777,918	18,091,726	4,098,785	(1,579,322)	4,820,330
(590,921)	(533,454)	623,742	762,821	(319,490)	(394,010)
<u>\$ (1,318,769)</u>	<u>\$ 1,244,464</u>	<u>\$ 18,715,468</u>	<u>\$ 4,861,606</u>	<u>\$ (1,898,812)</u>	<u>\$ 4,426,320</u>

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

	2013	2012	2011	2010
General Fund				
Non-spendable	\$ 2,466,537	\$ 2,386,811	\$ 1,426,797	\$ 1,438,265
Restricted	3,506,035	1,289,022	789,339	875,586
Committed	4,805,221	4,313,026	4,134,101	-
Assigned	4,293,451	1,258,706	-	177,176
Unassigned	-	5,464,801	5,641,808	6,241,583
<b>Total General Fund</b>	<b>\$ 15,071,244</b>	<b>\$ 14,712,366</b>	<b>\$ 11,992,045</b>	<b>\$ 8,732,610</b>
All Other Governmental Funds				
Non-spendable	\$ 10,587	\$ 12,114	\$ -	\$ -
Restricted	10,408,716	11,580,907	11,820,310	7,372,832
Committed	5,445,281	4,157,825	3,310,721	-
Assigned	2,286,776	681,527	1,363,053	-
Unassigned	-	-	-	4,526,735
<b>Total all other governmental funds</b>	<b>\$ 18,151,360</b>	<b>\$ 16,432,373</b>	<b>\$ 16,494,084</b>	<b>\$ 11,899,567</b>

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2004 through June 30, 2013.

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						
	2009	2008	2007	2006	2005	2004
\$	1,658,651	\$ 1,614,008	\$ 1,590,748	\$ 1,685,158	\$ 579,376	\$ 1,285,893
	1,584,123	2,809,793	1,634,432	2,681,894	3,251,776	2,984,845
	-	-	-	-	-	-
	25,959	3,395,016	3,665,566	3,263,878	3,358,155	3,942,619
	4,089,393	862,870	1,577,115	903,367	2,210,010	2,014,203
\$	7,358,126	\$ 8,681,687	\$ 8,467,861	\$ 8,534,297	\$ 9,399,317	\$ 10,227,560
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	7,095,297	5,584,321	3,769,655	4,264,980	4,937,686	5,232,565
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,857,356	1,927,866	1,872,186	2,008,867	2,114,221	1,937,432
\$	8,952,653	\$ 7,512,187	\$ 5,641,841	\$ 6,273,847	\$ 7,051,907	\$ 7,169,997

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

	2013	2012	2011	2010
<b>Revenues:</b>				
State of North Carolina	\$ 134,453,255	\$ 130,111,581	\$ 132,915,550	\$ 132,782,729
U. S. Government	21,145,876	21,925,840	26,785,294	24,191,013
<b>Local sources:</b>				
Buncombe County - unrestricted	48,010,003	48,346,758	46,112,033	46,006,702
Buncombe County - restricted	9,619,037	18,935,341	30,045,955	12,612,490
Other local revenues	10,693,616	11,016,739	11,211,293	10,638,087
<b>Total revenues</b>	<b>223,921,787</b>	<b>230,336,259</b>	<b>247,070,125</b>	<b>226,231,021</b>
<b>Expenditures:</b>				
Instructional Programs	174,736,464	170,233,127	170,641,076	168,128,975
Support Services	40,788,424	37,780,597	39,269,816	37,041,452
Capital Outlay	4,566,423	17,152,423	27,516,170	13,331,553
<b>Debt service</b>				
Principal	1,219,079	681,563	1,528,025	1,223,115
Interest	-	-	-	1,716
Other	1,675,740	2,004,788	2,018,632	2,429,514
<b>Total expenditures</b>	<b>222,986,130</b>	<b>227,852,498</b>	<b>240,973,719</b>	<b>222,156,325</b>
<b>Revenues over (under) expenditures</b>	<b>935,657</b>	<b>2,483,761</b>	<b>6,096,406</b>	<b>4,074,696</b>
<b>Other financing (uses)</b>				
Transfers from other funds	1,889,683	990,352	519,334	2,001,722
Transfers to other funds	(1,978,704)	(1,152,429)	(605,924)	(2,088,012)
Capital lease obligations and installment purchase contracts issued	1,203,106	256,116	1,816,328	397,683
Proceeds from the sale of capital assets	47,095	9,316	50,343	45,754
<b>Total other financing (uses)</b>	<b>1,161,180</b>	<b>103,355</b>	<b>1,780,081</b>	<b>357,147</b>
<b>Change in reserve for inventories</b>	<b>(18,972)</b>	<b>71,494</b>	<b>(22,535)</b>	<b>(110,445)</b>
<b>Net change in fund balances</b>	<b>\$ 2,077,865</b>	<b>\$ 2,658,610</b>	<b>\$ 7,853,952</b>	<b>\$ 4,321,398</b>
<b>Debt Service as a Percentage of</b>				
Noncapital Expenditures	0.57%	0.33%	0.74%	0.60%

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2004 through June 30, 2013.

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



Financial Trends  
Schedule 5

Fiscal Year											
2009		2008		2007		2006		2005		2004	
\$	141,764,461	\$	141,611,694	\$	131,981,797	\$	123,369,511	\$	117,022,764	\$	111,533,808
	14,835,839		13,406,175		12,511,462		13,565,841		12,277,672		13,061,553
	47,020,995		43,829,759		41,241,528		37,667,558		35,720,771		33,381,064
	7,857,632		10,386,957		28,742,418		16,706,525		8,377,820		11,607,073
	11,794,191		13,028,775		11,891,889		10,776,545		11,228,209		10,671,363
	223,273,118		222,263,360		226,369,094		202,085,980		184,627,236		180,254,861
	175,173,458		172,528,225		148,646,795		140,547,789		134,090,094		126,716,696
	41,155,779		36,619,779		46,074,963		42,710,060		40,540,470		36,616,137
	6,136,204		8,343,137		32,336,720		19,726,917		9,888,148		15,508,162
	2,416,345		1,737,686		748,878		1,084,743		697,718		464,304
	4,216		11,166		16,746		17,677		20,409		17,088
	1,716,915		1,653,031		1,271,992		1,163,465		918,260		772,317
	226,602,917		220,893,024		229,096,094		205,250,651		186,155,099		180,094,704
	(3,329,799)		1,370,336		(2,727,000)		(3,164,671)		(1,527,863)		160,157
	533,103		412,178		554,969		446,425		433,018		421,833
	(587,307)		(518,109)		(569,773)		(515,936)		(499,417)		(488,676)
	3,356,657		14,984		2,058,208		1,305,017		573,787		1,343,176
	41,917		761,199		36,852		427,004		-		-
	3,344,370		670,252		2,080,256		1,662,510		507,388		1,276,333
	102,334		43,584		(51,698)		(140,919)		74,142		84,190
\$	116,905	\$	2,084,172	\$	(698,442)	\$	(1,643,080)	\$	(946,333)	\$	1,520,680
	1.14%		0.84%		0.39%		0.60%		0.41%		0.29%

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

Fiscal Year	Real Property			
	Residential Property	Commercial Property	Use Value Farm	Historical Property
2004	10,565,996	3,370,995	636,865	49,132
2005	11,028,890	3,449,048	642,673	50,146
2006	11,615,744	3,543,490	626,159	55,296
2007	16,832,000	5,274,306	1,155,382	104,262
2008	17,869,706	5,242,939	1,049,024	93,601
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

Source: Buncombe County Tax Department.

Note: Property in the County is 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 revalued and effective in fiscal years 2003 and 2007. Property in Buncombe County was not reassessed in 2011.

\*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
1,560,515	1,395,033	575,165	493,131	17,496,502	0.590
1,556,247	1,364,134	545,208	488,950	18,034,880	0.590
1,830,013	1,409,297	512,096	537,650	19,105,553	0.590
1,776,699	1,502,617	1,082,515	618,348	26,181,099	0.530
1,857,391	1,562,113	1,036,856	620,602	27,258,520	0.525
1,687,764	1,635,196	1,043,461	524,793	28,086,251	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

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

	2013	2012	2011	2010	2009
<b>County of Buncombe Direct Rates</b>					
General	0.525	0.525	0.525	0.525	0.525
Total direct rate	0.525	0.525	0.525	0.525	0.525
<b>City</b>					
City of Asheville	0.420	0.420	0.420	0.420	0.420
<b>Towns</b>					
Biltmore Forest	0.330	0.320	0.320	0.300	0.300
Weaverville	0.375	0.375	0.355	0.355	0.365
Black Mountain	0.365	0.365	0.365	0.320	0.320
Woodfin	0.265	0.265	0.265	0.265	0.265
Montreat	0.370	0.370	0.370	0.370	0.370
<b>Districts</b>					
Asheville School	0.150	0.150	0.150	0.150	0.150
Fire	0.075-0.150	0.075-0.150	0.075-0.150	0.075-0.150	0.075-0.150
Maximum combined rate	1.095	1.095	1.095	1.095	1.095

Source: Buncombe County Tax Department

Note: Property was revalued and effective in fiscal year and 2007.  
Property in Buncombe County was not reassessed in 2011.

Revenue Capacity  
Schedule 7

Fiscal Year				
2008	2007	2006	2005	2004
0.525	0.530	0.590	0.590	0.590
0.525	0.530	0.590	0.590	0.590
0.420	0.424	0.530	0.530	0.530
0.295	0.295	0.360	0.360	0.360
0.380	0.430	0.430	0.430	0.430
0.320	0.320	0.385	0.385	0.385
0.265	0.265	0.285	0.285	0.285
0.370	0.370	0.370	0.370	0.350
0.150	0.150	0.200	0.200	0.200
0.075-0.125	0.075-0.125	0.075-0.150	0.075-0.150	0.075-0.150
1.095	1.104	1.320	1.320	1.320

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

	2013		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Progress Energy Carolinas	\$ 314,129,123	1	1.06%
Ingles Markets Inc	213,226,216	2	0.72%
Jack Tar Hotels (Grove Park)	132,625,290	3	0.45%
The Cliffs at Walnut Cove LLC	136,498,700	3	0.46%
Town Square West LLC	114,808,690	5	0.39%
Biltmore Company	98,392,382	6	0.33%
Asheville LLC	78,531,000	7	0.26%
Bellsouth Telephone Company	70,451,946	8	0.24%
Southeastern Container	64,746,250	9	0.22%
Borgwarner Turbo Systems	64,317,250	10	0.22%
Charter Communications	-		-
Arvato Digital Services (Sonopress)	-		-
	\$ 1,287,726,847		4.34%
Totals			
Total Overall Valuation	\$ 29,679,980,977		

Source: Buncombe County Tax Department

2004		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 282,594,998	1	1.62%
106,297,980	2	0.61%
80,364,600	4	0.46%
47,897,800	9	0.00%
77,118,120	5	0.44%
56,830,460	8	0.32%
105,206,671	3	0.60%
58,305,945	7	0.33%
40,723,840	10	0.23%
69,366,130	6	0.40%
<u>\$ 924,706,544</u>		<u>5.29%</u>

\$ 17,496,502,034

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
2004	103,437	102,079	98.7%	4	102,083	98.69%
2005	106,606	105,418	98.9%	3	105,421	98.89%
2006	112,954	111,707	98.9%	4	111,711	98.90%
2007	139,015	137,837	99.2%	12	137,849	99.16%
2008	143,256	142,008	99.1%	16	142,024	99.14%
2009	147,652	145,745	98.7%	26	145,771	98.73%
2010	151,681	149,601	98.6%	41	149,642	98.66%
2011	153,044	151,007	98.7%	117	151,124	98.75%
2012	154,046	152,262	98.8%	1,145	153,407	99.59%
2013	156,148	154,652	99.0%	-	154,652	99.04%

Source: Buncombe County Tax Department

Note: Property was revalued and effective in fiscal years 2003 and 2007.  
Property in Buncombe County was not reassessed in 2011.



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>
2004	106,350	0.61%	499
2005	103,984	0.58%	482
2006	94,641	0.50%	433
2007	85,565	0.33%	384
2008	76,541	0.28%	337
2009	67,919	0.24%	296
2010	65,470	0.23%	283
2011	58,823	0.20%	246
2012	51,256	0.17%	212
2013	44,717	0.15%	183

Source: Buncombe County Comprehensive Annual Financial Reports.

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 70 for property value data.

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

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
2004	106,350	45,482	-	8,522	384
2005	103,984	64,264	-	7,697	291
2006	94,641	103,461	-	14,987	196
2007	85,565	94,639	-	13,212	99
2008	76,541	99,506	-	11,375	14,982
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

Source: Buncombe County Comprehensive Annual Financial Reports.

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

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
160,738	2.49%	754
176,236	2.59%	816
213,285	2.87%	975
193,515	2.45%	868
202,404	2.47%	892
195,607	2.49%	853
226,787	2.81%	980
262,438	3.15%	1,099
239,347	N/A	991
289,719	N/A	1185

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			
2004	188,987	843,354	1,032,341	15.98%	35
2005	246,879	653,537	900,416	13.21%	29
2006	178,705	941,985	1,120,690	15.09%	34
2007	69,002	2,361,018	2,430,020	30.75%	71
2008	27,469	679,849	707,318	8.65%	20
2009	8,652	1,638,977	1,647,629	21.02%	50
2010	2,678	819,519	822,197	10.19%	24
2011	-	1,107,010	1,107,010	13.30%	32
2012	-	681,563	681,563	N/A	N/A
2013	-	665,590	665,590	N/A	N/A

Source: Buncombe County Board of Education, Comprehensive Annual Financial Reports, Years Ended June 30, 2004 through June 30, 2013.

See the Schedule of Demographic and Economic Statistics on page 84 for personal income and population data. This data is from the Buncombe County Comprehensive Annual Financial Reports.

BUNCOMBE COUNTY BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT FOR BUNCOMBE COUNTY  
As of June 30, 2013  
(amounts expressed in thousands)

Government Unit	Debt Outstanding	Percentage Applicable to County (1)	Estimated share of Direct and Overlapping debt (2)
<b>Net general obligation bonded debt</b>			
City of Asheville	\$ 770,000	100%	\$ 770,000
Town of Biltmore Forest	1,841,707	100%	1,841,707
<b>Installment debt</b>			
City of Asheville	27,917,000	100%	27,917,000
Town of Biltmore Forest	335,547	100%	335,547
Town of Black Mountain	2,831,914	100%	2,831,914
Town of Montreat	74,500	100%	74,500
Town of Weaverville	2,573,867	100%	2,573,867
Town of Woodfin	415,665	100%	<u>415,665</u>
Subtotal, overlapping debt			36,760,199
County direct debt		100%	<u>253,377,000</u>
Total direct and overlapping debt			<u><u>\$ 294,137,199</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt limit	\$ 2,374,398	\$ 2,345,199	\$ 2,326,953	\$ 2,307,293
Total net debt applicable limit	<u>257,377</u>	<u>219,141</u>	<u>240,305</u>	<u>190,738</u>
Legal debt margin	<u>\$ 2,117,021</u>	<u>\$ 2,126,058</u>	<u>\$ 2,086,648</u>	<u>\$ 2,116,555</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>10.84%</u>	<u>9.34%</u>	<u>10.33%</u>	<u>8.27%</u>

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value of taxable property	<u>\$ 29,679,981</u>
Debt Limit - Eight Percent (8%) of assessed value	2,374,398
Gross Debt:	
Total Bonded Debt	44,637
Authorized and Unissued Bonds	915
Installment Purchase Agreements	<u>212,740</u>
Gross Debt	258,292
Less: Authorized and unissued bonds	<u>915</u>
Total amount of debt applicable to debt limit (net debt)	<u>257,377</u>
Legal debt margin	<u>\$ 2,117,021</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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
	\$ 2,246,900	\$ 2,180,682	\$ 2,094,488	\$ 1,528,444	\$ 1,442,790	\$ 1,399,720
	173,379	191,030	177,555	210,082	168,109	151,832
	<u>\$ 2,073,521</u>	<u>\$ 1,989,652</u>	<u>\$ 1,916,933</u>	<u>\$ 1,318,362</u>	<u>\$ 1,274,681</u>	<u>\$ 1,247,888</u>
	<u>7.72%</u>	<u>8.76%</u>	<u>8.48%</u>	<u>13.74%</u>	<u>11.65%</u>	<u>10.85%</u>

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2004	213,210	6,461,346	29,620	40.0	28,649	3.4%
2005	215,867	6,815,418	30,750	40.0	28,766	4.6%
2006	218,684	7,424,683	32,777	39.6	29,211	4.0%
2007	223,012	7,902,157	34,243	39.8	28,900	4.0%
2008	226,823	8,178,954	34,987	41.0	28,894	4.9%
2009	229,373	7,840,018	33,171	40.6	29,346	9.0%
2010	231,452	8,067,390	33,777	40.7	28,979	8.3%
2011	238,846	8,320,875	34,467	40.7	29,113	8.2%
2012	241,419	N/A	N/A	41.1	29,238	7.9%
2013	244,490	N/A	N/A	N/A	29,451	7.1%

Note: In FY12, Buncombe County switched from using the Chamber of Commerce to using the US Census website for population. 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	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Eaton Corporation - Electrical Division	750	1	0.58%	500	4	0.44%
Arvato Digital Services	650	2	0.50%			
Borgwarner Turbo & Emissions Systems	600	3	0.46%	421	6	0.37%
Thermo Fisher Scientific, Inc.	550	4	0.42%			
Kearfott Guidance & Navigation Corp.	420	5	0.32%			
Flint Group (Day International, Inc.)	325	6	0.25%			
GE Aviation	325	7	0.25%			
Nypro Asheville	310	8	0.24%			
Milkco, Inc.	300	9	0.23%			
Biltmore Estate Winery	235	10	0.18%			
Sonopress, Inc.				725	1	0.63%
Charles D Owen Mfg. Co., Inc.				580	2	0.51%
Cooper Industries - Bussman Division				380	9	0.33%
Protocol Marketing Group				400	7	0.35%
Tyco Electronics Corp				392	8	0.34%
Haynes Corporation				480	5	0.42%
Kendro Laboratory Products, Inc.				550	3	0.48%
The Sample Group Inc				360	10	0.31%
<b>Total</b>	<b>4,465</b>		<b>3.44%</b>	<b>4,788</b>		<b>4.18%</b>

Continued on Next Page

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

NON-MANUFACTURING

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mission Health System and Hospital	6,994	1	5.38%	5,125	1	4.48%
Buncombe County Public Schools	4,000	2	3.08%	3,650	2	3.19%
The Biltmore Company	1,770	3	1.36%	875	9	0.76%
VA Medical Center - Asheville	1,593	4	1.23%	1,068	7	0.93%
Buncombe County Government	1,380	5	1.06%	1,882	4	1.64%
Ingles Markets, Inc.	1,137	6	0.88%	2,225	3	1.94%
The Grove Park Inn Resort & Spa	1,100	7	0.85%	1,000	8	0.87%
Asheville-Buncombe Technical Community College	1,019	8	0.78%			
City of Asheville	1,000	9	0.77%	1,245	5	1.09%
CarePartners	950	10	0.73%	1,100	6	0.96%
Asheville City Schools				722	10	0.63%
<b>Total</b>	<b>20,943</b>		<b>16.12%</b>	<b>18,892</b>		<b>16.50%</b>

\* Labor Force Estimate for 2013 per NC Employment Security Commission: 129,900  
 Labor Force Estimate for 2004 per NC Employment Security Commission: 114,480

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 2004 are not in business in 2013 and many companies that are top employers in 2013 were not here in 2004.

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
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	1,995	1,351	3,346	25,367	12.7
2008	2,009	1,320	3,329	25,418	12.7
2007	2,224	1,358	3,582	25,236	11.3
2006	1,997	1,375	3,372	24,942	12.5
2005	1,834	1,358	3,192	24,535	13.4
2004	1,858	1,232	3,090	24,365	13.1

Source: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instruction, 2004 through 2013.

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
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%
2008	25,367	24,168	7,940	72nd	42.72%	10.05%	8.08%	80.11%	1.76%
2007	25,418	24,140	7,443	77th	43.06%	9.74%	7.10%	81.60%	1.56%
2006	25,236	24,031	7,070	74th	40.96%	9.49%	6.34%	82.72%	1.45%
2005	24,942	23,646	6,752	75th	36.43%	9.21%	5.20%	84.13%	1.46%
2004	24,535	23,351	6,429	79th	34.92%	8.53%	4.56%	85.47%	1.43%

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 Instruction, 2004 through 2013.

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>
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
2008	32,104	74,344	44,879
2007	29,936	70,301	44,196
2006	26,786	64,900	40,816
2005	26,691	64,691	41,128
2004	26,513	64,284	41,080

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Special Schools</b>										
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Best 1 of first 2 months membership	253	242	243	245	216	169	114	101	96	77
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Best 1 of first 2 months membership	81	84	57	75	69	68	N/A	N/A	N/A	N/A
Buncombe Community High										
Square Feet	46,664	46,664	46,664	46,664	46,664	46,664	46,664	N/A	N/A	N/A
Capacity	205	205	205	205	205	205	205	N/A	N/A	N/A
Best 1 of first 2 months membership	136	191	199	172	136	157	130	N/A	N/A	N/A
Buncombe Community-West										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	52,775	52,775	52,775
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	120	N/A
Best 1 of first 2 months membership	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	61	62
Buncombe Community-East										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	46,664	44,592	43,120
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	205	205	N/A
Best 1 of first 2 months membership	N/A	N/A	N/A	N/A	N/A	N/A	N/A	120	81	90
Career Education Center										
Square Feet	N/A	N/A	74,254	74,254	74,254	74,254	74,254	74,254	74,254	74,254
Capacity	N/A	N/A	300	300	300	300	300	300	195	N/A
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

*Continued on Next Page*

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

Operating  
 Schedule 20

School Name	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>High Schools</b>										
A.C. Reynolds High										
Square Feet	257,184	257,184	257,184	257,184	257,184	253,965	250,765	250,765	247,985	247,985
Capacity	1,660	1,660	1,660	1,655	1,655	1,655	1,655	1,655	1,615	1,615
Best 1 of first 2 months membership	1,409	1,409	1,372	1,365	1,424	1,432	1,489	1,496	1,499	1,441
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	1,335	1,155	1,155	1,155	1,155	1,155	1,155	1,155
Best 1 of first 2 months membership	816	844	887	870	873	865	862	846	881	874
Clyde A. Erwin High										
Square Feet	250,419	250,419	250,419	250,419	250,419	243,921	243,921	243,921	239,321	239,321
Capacity	1,342	1,342	1,342	1,480	1,480	1,480	1,430	1,430	1,360	1,170
Best 1 of first 2 months membership	1,324	1,326	1,374	1,235	1,233	1,274	1,289	1,223	1,182	1,119
Enka High										
Square Feet	238,304	238,304	238,304	238,304	238,304	237,980	237,980	237,980	221,784	221,784
Capacity	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,290	1,290
Best 1 of first 2 months membership	1,252	1,250	1,275	1,262	1,325	1,289	1,340	1,315	1,302	1,245
North Buncombe High										
Square Feet	202,307	202,307	202,307	202,307	202,307	202,307	202,307	202,307	194,526	194,526
Capacity	1,128	1,128	1,128	1,195	1,195	1,195	1,195	1,195	1,090	1,090
Best 1 of first 2 months membership	1,091	1,092	1,154	1,140	1,143	1,116	1,070	1,114	1,160	1,185
T. C. Roberson High										
Square Feet	293,284	293,284	293,284	293,284	293,284	293,284	293,284	293,284	262,244	262,244
Capacity - Regular School Facility	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,315	1,315
Capacity - PEP Facility	126	126	126	126	126	126	126	126	126	126
Best 1 of first 2 months membership	1,482	1,500	1,491	1,594	1,600	1,557	1,553	1,554	1,487	1,429

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

Operating  
Schedule 20

School Name	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Middle Schools</b>										
A.C. Reynolds Middle										
Square Feet	117,544	117,544	117,544	117,544	117,544	117,544	117,544	117,544	120,543	120,543
Capacity	748	748	748	748	748	748	748	748	748	748
Best 1 of first 2 months membership	622	607	596	614	585	599	597	649	677	681
Cane Creek Middle										
Square Feet	127,989	127,989	127,989	127,989	127,989	127,989	127,989	127,989	125,945	125,945
Capacity	826	826	826	826	826	826	826	826	826	826
Best 1 of first 2 months membership	676	748	813	818	800	852	815	852	839	882
Charles D. Owen Middle										
Square Feet	110,430	110,430	110,430	110,430	110,430	108,825	107,225	107,225	107,225	107,225
Capacity	732	732	775	775	775	775	775	775	723	723
Best 1 of first 2 months membership	589	596	606	639	635	661	680	706	686	681
Clyde A. Erwin Middle										
Square Feet	121,787	121,787	121,787	121,787	121,787	121,787	121,787	121,787	124,323	124,323
Capacity	1,139	1,139	1,139	1,035	1,035	1,035	1,035	1,035	1,035	1,035
Best 1 of first 2 months membership	841	753	1,115	1,063	1,110	1,104	1,081	1,090	1,047	1,074
Enka Middle										
Square Feet	146,172	146,172	146,172	146,172	146,172	144,100	144,100	144,100	144,700	145,468
Capacity	1,190	1,190	1,044	1,063	1,063	1,063	1,063	1,063	1,063	1,063
Best 1 of first 2 months membership	1,068	1,066	1,081	1,061	1,021	1,027	992	1,024	1,051	1,013
North Buncombe Middle										
Square Feet	108,776	108,776	108,776	108,776	108,776	108,776	108,176	108,776	109,812	116,860
Capacity	687	687	701	687	687	687	687	687	635	635
Best 1 of first 2 months membership	662	615	561	581	590	591	623	622	628	626
Valley Springs Middle										
Square Feet	144,035	144,035	144,035	144,035	143,075	143,075	143,075	143,075	127,429	131,573
Capacity - Regular School Facility	1,032	1,032	949	949	949	949	949	949	766	766
Capacity - PEP Facility	100	100	42	42	42	42	42	42	42	42
Best 1 of first 2 months membership	547	495	780	790	844	807	819	817	811	769

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

Operating  
Schedule 20

School Name	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Intermediate Schools</b>										
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	714	714	714	714	714	714	714	714
Best 1 of first 2 months membership	600	848	642	605	548	584	584	604	614	612
Koontz Intermediate										
Square Feet	106,918	106,918	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	894	894	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Best 1 of first 2 months membership	814	693	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eblen Intermediate										
Square Feet	106,918	106,918	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	878	878	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Best 1 of first 2 months membership	844	858	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Elementaries</b>										
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	241	241	241	241	241	241	283	274
Best 1 of first 2 months membership	174	175	173	187	188	214	201	206	198	210
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	332	332	332	332	332	332	332	332
Best 1 of first 2 months membership	236	240	232	230	247	235	227	231	232	243
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	566	566	566	566	566	566	566	606
Best 1 of first 2 months membership	495	491	492	502	483	482	504	456	437	433

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School Name	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Candler</b>										
Square Feet	78,424	78,424	78,424	78,424	78,424	78,424	78,424	78,424	76,744	76,744
Capacity	696	696	654	654	654	654	654	654	649	679
Best 1 of first 2 months membership	597	635	632	604	619	603	622	590	575	576
<b>Charles C. Bell</b>										
Square Feet	49,826	49,826	49,826	49,826	49,826	49,826	49,826	49,826	49,826	50,426
Capacity	471	471	450	450	450	450	450	450	413	402
Best 1 of first 2 months membership	301	316	303	300	296	293	321	312	305	296
<b>Emma</b>										
Square Feet	70,595	70,595	70,595	70,595	70,595	70,595	70,595	70,595	70,595	68,523
Capacity	566	566	514	514	514	514	514	514	549	544
Best 1 of first 2 months membership	423	439	535	527	529	512	498	469	485	463
<b>Fairview</b>										
Square Feet	98,403	98,403	98,403	98,403	98,403	98,403	98,403	98,403	98,403	99,003
Capacity	851	851	828	828	828	828	828	828	878	866
Best 1 of first 2 months membership	749	747	737	768	777	780	802	801	784	785
<b>Glen Arden</b>										
Square Feet	95,813	95,813	95,813	95,813	95,813	95,813	95,813	95,813	93,741	98,181
Capacity	695	695	690	690	690	690	690	690	753	760
Best 1 of first 2 months membership	488	476	622	672	710	703	722	637	665	651
<b>Haw Creek</b>										
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	541	541	541	541	541	541	591	567
Best 1 of first 2 months membership	414	416	440	443	458	485	477	455	471	448

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School Name	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Hominy Valley</b>										
Square Feet	80,254	80,254	80,254	80,254	80,254	80,254	80,254	80,254	74,920	74,920
Capacity	670	670	597	597	597	597	597	597	518	540
Best 1 of first 2 months membership	483	493	503	524	531	518	525	508	489	459
<b>Johnston</b>										
Square Feet	71,125	71,125	71,125	71,125	71,125	69,053	69,053	69,053	68,693	68,693
Capacity	435	435	336	336	336	336	336	336	387	403
Best 1 of first 2 months membership	339	325	379	400	382	349	323	311	288	248
<b>Leicester</b>										
Square Feet	80,774	80,774	80,774	80,774	80,774	80,774	80,774	80,774	80,054	80,054
Capacity	644	644	576	576	576	576	576	576	633	636
Best 1 of first 2 months membership	504	515	621	626	623	614	641	638	621	667
<b>North Buncombe Elem.</b>										
Square Feet	95,400	95,400	95,400	95,400	95,400	93,328	92,928	92,328	92,328	92,328
Capacity	716	716	687	701	701	701	701	701	742	776
Best 1 of first 2 months membership	709	713	731	757	754	712	704	645	632	630
<b>Oakley</b>										
Square Feet	74,472	74,472	74,472	74,472	74,472	74,472	74,472	74,472	73,436	73,436
Capacity	722	722	581	581	581	581	581	581	539	563
Best 1 of first 2 months membership	471	474	497	448	469	522	519	514	511	467
<b>Pisgah</b>										
Square Feet	32,566	32,566	32,566	32,566	32,566	32,566	32,566	35,031	32,501	32,501
Capacity	246	246	251	251	251	251	251	251	272	257
Best 1 of first 2 months membership	244	245	225	228	215	238	249	251	239	218

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School Name	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Sand Hill/Venable										
Square Feet	112,376	112,376	112,376	112,376	112,376	112,376	112,376	112,376	110,996	110,996
Capacity	836	836	893	893	893	893	893	893	857	897
Best 1 of first 2 months membership	733	746	749	764	738	737	751	741	737	736
Avery's Creek										
Square Feet	86,287	86,287	86,287	86,287	86,287	86,287	86,287	86,287	80,975	69,288
Capacity	765	765	722	722	722	722	722	722	628	656
Best 1 of first 2 months membership	668	652	756	748	753	719	706	664	615	616
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	628	628	628	628	628	628	628	658
Best 1 of first 2 months membership	440	458	454	487	509	527	542	526	547	547
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	841	841	841	841	841	841	852	898
Capacity - PEP Facility	60	60	42	42	42	42	42	42	42	42
Best 1 of first 2 months membership	745	697	817	808	817	808	845	935	896	906
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	501	501	501	501	501	501	501	473
Best 1 of first 2 months membership	324	325	328	357	362	374	338	350	342	353
Weaverville Primary										
Square Feet	40,173	40,173	40,173	40,173	40,173	38,600	36,664	36,664	36,664	36,664
Capacity	294	294	248	248	248	248	248	248	273	262
Best 1 of first 2 months membership	265	247	236	225	223	225	252	253	243	219

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School Name	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
West Buncombe										
Square Feet	101,027	101,027	101,027	101,027	101,027	101,027	101,027	101,027	101,027	102,827
Capacity	836	836	763	763	763	763	763	763	720	721
Best 1 of first 2 months membership	625	610	745	772	805	788	746	719	711	686
Woodfin										
Square Feet	42,762	42,762	42,762	42,762	42,762	42,388	42,388	42,388	41,380	41,380
Capacity	251	251	267	267	267	267	267	267	309	277
Best 1 of first 2 months membership	143	153	188	172	163	156	180	173	161	145
Total Schools										
Square Feet	4,365,873	4,365,873	4,226,291	4,226,291	4,225,331	4,205,522	4,197,786	4,253,026	4,156,606	4,160,775
Capacity	31,855	31,855	28,888	28,823	28,823	28,823	28,773	28,773	27,938	27,402
Best 1 of first 2 months membership	25,677	25,605	25,641	25,678	25,803	25,746	25,733	25,518	25,286	24,862
Administrative Facilities	129,463	129,463	129,463	129,463	129,463	129,463	129,463	129,463	102,663	102,663
Grand total Facilities Square Footage	4,495,336	4,495,336	4,355,754	4,355,754	4,354,794	4,334,985	4,327,249	4,382,489	4,259,269	4,263,438

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 Early College began operations in 2003-04 and Buncombe Middle College began operations in 2007-08. North Windy Ridge Intermediate opened in 2003-04, and the Koontz and Eblen Intermediate Schools opened in 2011-12.