

# **ASHE COUNTY BOARD OF EDUCATION**

**JEFFERSON, NORTH CAROLINA**



*Challenging young minds to soar.*

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2020**

**ASHE COUNTY BOARD OF EDUCATION  
JEFFERSON, NORTH CAROLINA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

**PREPARED BY  
DR. EISA COX  
AND THE  
FINANCE DEPARTMENT**



# ASHE COUNTY BOARD OF EDUCATION

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## Introductory Section



Dr. Eisa Cox, Superintendent • Charles B. Jones Jr., Chairman • Dr. Lee Beckworth, Vice-Chairman • Polly Jones • Keith McClure • Dianne Eldreth

**December 21, 2020**

**To the Members of the Ashe County Board of Education and the Citizens of Ashe County, North Carolina:**

In compliance with the Public School Laws of North Carolina, the Comprehensive Annual Financial Report (CAFR) of the Ashe County Board of Education, operating as the "Ashe County Schools", for the fiscal year ended June 30, 2020, is herewith submitted. Responsibility for the accuracy, completeness and clarity of the report rests with the Superintendent and the Finance Officer.

The report has been prepared by the Finance Department in accordance with the requirements and guidelines promulgated by the Governmental Accounting Standards Board (GASB). We believe the data presented is accurate in all material respects and that it is presented in a manner designated to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain maximum understanding of the Board's financial activity have been included.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

**REPORTING ENTITY**

Ashe is a rural county located entirely in the Appalachian Mountain region in northwestern North Carolina, bordered by Tennessee and Virginia. The County has a total area of 429 square miles, a population of 27,203 (2018) plus a median household income of \$40,978 (in 2018 dollars) compared to the State's \$57,341. However, the per capita income in the past 12 months (in 2018 dollars) was \$24,039 compared to the State at \$32,021. Per the US Census website, the County poverty level in 2018 was 18 percent compared to the State at 15.4 percent. With traditions in agriculture and manufacturing, Ashe County has experienced a shift to a rural retirement and tourism community with emphasis on a strong arts culture but still enjoys a diversified economy. Businesses of all sizes and nature reside in Ashe County, but there is an understanding among the leaders of the community that small business seems to be the heart of Ashe's economic sector. During the past 20 years, the County's economy has become less reliant on its manufacturing base while jobs in the retail and service sectors have become an economic mainstay. Ashe County's Christmas tree industry is now the largest in the United States. Ashe County's unemployment rate remains relatively low even during the COVID-19 pandemic. In January of 2019, unemployment was 4.8 percent. In January of 2020, there was a slight decrease to 4.2 percent. When the coronavirus hit in the early spring, unemployment rose to 10.5 percent and 10.2 percent for April and May, respectively. The rate as of August 2020 had decreased to 5.1 percent.

Ashe County Schools is a small but progressive school system, enrolling approximately 2,880 plus students in grades K-12. Three elementary schools, one middle school, one high school and one early college makes up the system that provides general, special and career and technical educational services. Four preschool classrooms serve 72 four-year olds. Schools are housed in modern facilities, the newest of which opened in 2004. Ashe County Schools has a tradition of academic excellence, consistently scoring well on the North Carolina State Assessments. Due to COVID-19 testing for FY 19/20 was cancelled. The most current data is from 2019, Ashe County Schools ranked 7th in the State in proficiency. Out of 235 classroom teachers, our elementary schools average 34 percent in advanced degrees, the middle school has 48 percent and the high schools has 42 percent. Our school system has 33 teachers with national board certification.

The Ashe County Board of Education (Board), elected by the citizens of Ashe County, is the level of government having oversight responsibility and control over activities related to the public schools in Ashe County, North Carolina. N.C. General Statutes empowers the Ashe County Board of Education with general control and supervision of all matters pertaining to the schools in the system. The school system receives local, State, and federal government funding and must comply with the legal requirements of each funding source. While the Board does receive local funding, the County is not entitled to share in any surplus nor is it required to finance any deficits. The Board has no tax levying or borrowing authority and is required to maintain accounting records according to a Uniform State format. The Board has final approval over the budget and primary accountability for fiscal matters. Accordingly, the Ashe County Board of Education is not included in any other reporting entity.

The Board is composed of five non-partisan members elected for staggered four-year terms. The chair and vice chair are elected by a majority vote of the Board each year. The Superintendent is selected by the Board and serves as the chief executive officer of the system. The Board is responsible for setting policy, while the Superintendent and administrative team are charged with managing the operations of the school system.

### **FINANCIAL AND BUDGETARY CONTROL**

In order to meet the challenging learning experiences provided to the students attending Ashe County Schools, the Board must use a variety of funding resources, including local, State, federal and private grants while complying with legal requirements of each funding source. In doing so, the Board utilized fund accounting. The Board's funds are divided into governmental and proprietary funds. Each fund is a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities in accordance with legal requirements, generally accepted accounting principles, special regulations or other limitations. Governmental fund types include general, special revenue and capital projects. The enterprise fund is a proprietary fund type. The enterprise fund is presented on a full accrual basis, while the other funds are maintained on a modified accrual basis.

Internal accounting controls are given consideration in developing and improving the Board's accounting system. Internal controls are designed to provide reliability of financial records for preparing financial statements and maintaining accountability for assets and are to provide reasonable assurance regarding the safeguarding of assets from unauthorized use or disposition. The cost of a control should not exceed the benefits derived; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

North Carolina General Statutes require all governmental units in the State to adopt a balanced budget by July 1 of each year. Financial activities throughout the year are controlled in accordance with the North Carolina School



Budget and Fiscal Control Act, which requires a pre-audit procedure to ensure availability of funds prior to the issuance of purchase orders or payment of claims. The Board has the final approval over the budget and primary accountability for fiscal matters (including any deficits). The Board's annual Budget Resolution authorizes expenditures at the purpose level on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amounts reflected in the accompanying financial statements represent the final budgets as amended for the fiscal year. The Board also uses a purchase order encumbrance system that records and shows encumbrances outstanding against each line item of expenditures. Outstanding encumbrances at the end of the fiscal year related to normal operations are considered to be continuing contracts and are transferred at the end of the fiscal year to appropriations in future years.

### **MAJOR INITIATIVES**

The focus of the school system for the next several years will be in several areas:

- Recruit, train, support, and retain highly qualified employees
- Provide safe school environments
- Design and implement a curriculum and instructional program that engages a diverse student population and focuses on making all students college and career ready upon graduation
- Strive to meet accountability requirements as set forth by the US Department of Education and the NC Department of Public Instruction
- Use technology to support and enhance instruction in all curricular areas
- Allocate resources of time, people, space, funding, and information to support the teaching and learning process
- Encourage active participation and strong relationships with family, community, faith and business stakeholders
- Build strong partnerships with higher education partners
- Seek additional funding sources (i.e. grants, increase from local government, etc.) as the decline in federal and State funds is expected to continue

As required by the State Department of Public Instruction, Ashe County Schools maintains a ten-year facilities plan that has been submitted and approved by the County Commissioners and the State Department of Public Instruction.

### **ECONOMIC CONDITION AND OUTLOOK**

The financial health of the Ashe County Board of Education is largely dependent upon the economic prospects of the State of North Carolina and Ashe County. Approximately 80 percent of the Board's revenue was received from State and County sources in 2020. The Board does not expect this percentage to change significantly in the near future. The State of North Carolina has felt the effects of the nationwide financial crisis that started in the second half of 2008. Even though the State economy has improved, the public schools' share of the State general fund continues to decrease. The Legislative body has further deregulated charter schools and increased the school voucher program. The Ashe County Board of Education fortunately enjoys a positive, collaborative relationship with the Ashe County Board of Commissioners. Despite harsh economic conditions in past years, the school system has continued to receive level-plus funding from the County. Going forward, the school system expects State funding to decrease overall and County funding to remain consistent with previous years.

## **INDEPENDENT AUDIT**

North Carolina's Public School Budget and Fiscal Control Act mandates that financial statements be audited at the end of each fiscal year. Anderson Smith & Wike PLLC, an independent auditing firm approved by the State's Local Government Commission as qualified to audit local governments, was selected to audit the financial records and transactions of the Ashe County Board of Education for the year ended June 30, 2020. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of OMB Circular A-133 and the State Single Audit Implementation Act. The auditors' report is included in the financial section of this report.

## **FINANCIAL REPORTING AWARD**

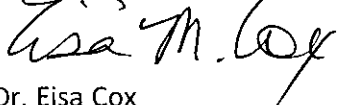
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board for its comprehensive annual financial report for the years ended June 30, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, and 2019. In order to be awarded a Certificate of Achievement, the Board published 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 the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

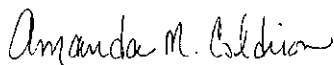
## **ACKNOWLEDGEMENTS**

The preparation of the Comprehensive Annual Financial Report in a timely manner could not have been accomplished without the efforts and dedication of the Superintendent's staff, Finance Department and our independent audit firm. We would like to express appreciation to all staff members who assisted in the preparation of this report.

Respectfully submitted,



Dr. Eisa Cox  
Superintendent



Amanda Coldiron  
Finance Officer

**ASHE COUNTY BOARD OF EDUCATION  
JEFFERSON, NORTH CAROLINA**

**JULY 1, 2019 – JUNE 30, 2020**

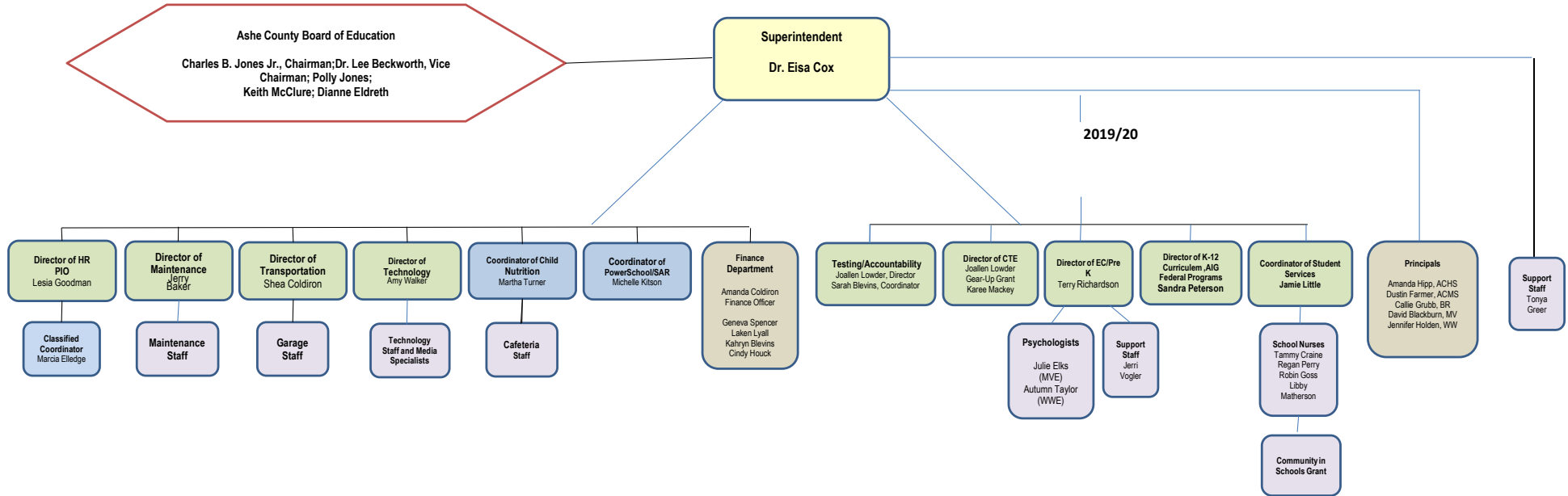
**BOARD MEMBERS**

**CHARLES B. JONES JR., CHAIRMAN  
DR. LEE BECKWORTH, VICE CHAIRMAN  
POLLY JONES  
KEITH MCCLURE  
DIANNE ELDRETH**

**PRINCIPAL OFFICERS**

**DR, EISA COX, SUPERINTENDENT**

**ASHE COUNTY SCHOOLS**  
**Administrative Organizational Structure**  
 2019/20





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Ashe County Board of Education  
North Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO





## Financial Section



ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## INDEPENDENT AUDITORS' REPORT

Ashe County Board of Education  
Jefferson, 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 Ashe County Board of Education, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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



## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Ashe County Board of Education as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the State Public School Fund, and the Federal Grants 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 4 through 13 and the Schedule of the Proportionate Share of the Net Pension and OPEB Liabilities the Schedule of Board Contributions on pages 52 through 57, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Ashe County Board of Education's basic financial statements. The individual non-major fund financial statements and schedules, budgetary schedules and other schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020 on our consideration of Ashe County Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ashe County Board of Education's internal control over financial reporting and compliance.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

*Anderson Smith & Wike PLLC*

November 23, 2020  
Statesville, North Carolina  
(704) 562-5039

**ASHE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

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This section of the Ashe 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, 2020. This information should be read in conjunction with the audited financial statements included in this report.

***Financial Highlights***

**State/Federal Levels**

- Ashe County's 2019/20 State funding was based on an average daily membership (ADM) of 2,980 students compared to 2,986 in 2018/19.
- Based upon the first month in 2019/20, actual student enrollment in Ashe was 2,933 compared to 2,961 in 2018/19.
- The State retirement contribution increased from 18.86 to 19.70 percent.
- Monthly hospital insurance increased from \$6,104 to \$6,306.
- Following legislation enacted in 2011/12 by the General Assembly, the Division of Child Development and Early Education and the Division of Health and Human Services (DHHS) assumed all functions of regulation, monitoring, payment and reimbursement for the NC Pre-Kindergarten Program. Ashe County Schools received \$473 per slot per month and had an enrollment of 72 students in FY 2020.
- Excluding Child Nutrition, the per pupil expenditures (PPE) for FY 2020 were as follows — State @ \$8,063 Federal @ \$722, Local @ \$2,017 for a total of \$10,802 PPE. The total PPE for the prior year was \$10,239.
- Funding for the customary Federal grants remained relatively level.

***Key Takeaways for State funding***

- The majority of additional funding since FY 2008/09 has been for benefit and salary changes. Total funding for direct student services has remained essentially flat. As a result, school districts continue to accomplish more with less money for direct student services.
- Starting pay for teachers did not change in 2019/20. The bonus programs developed in 2016/17 were continued for 3rd Grade Teacher Reading Performance, Advanced Placement and IB Bonuses and Industry Certification and Credentials Bonuses, and Math.
- Non-certified employees did not receive a raise in 2019/20.

**Local Level**

- The school system received an adequate funding in most County appropriations categories—the total allotments per fund were \$5,323,080 in current expense, \$318,072 in capital outlay, of which \$118,072 was for technology.
- The school system paid \$47,294 in tuition from local funds for the 30 Ashe County students enrolled at Two Rivers Charter School located in Watauga County. The NC Virtual Academy received \$4,740 (6 students), NC Cyber Academy received \$1,141 (1 student), and Marjorie Williams Academy received \$2,301 (1 student).

**ASHE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

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- The Child Nutrition program was beginning to break even for the year when the Covid-19 pandemic closed schools in March 2020. Governor Cooper's Executive Order No. 117 proclaimed feeding children a number one priority. Flexibility was given with transportation funding as well as other funds to deliver meals to every child, age 0-18. At year-end, the program had a 2.9744 months operating balance at the close of 2019/20.

**Overview of the Financial Statements**

The audited financial statements of the Ashe County Board of Education consist of four components. They are as follows:

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents combining and budgetary statements for non-major governmental funds and budgetary statements for the enterprise fund*

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

The second type of statement included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, proprietary fund and fiduciary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary fund is presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on the financial resources of each of the Board's major funds.

**Government-wide Statements**

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

The two government-wide statements report the Board's net position and how they have changed. Net position – the difference between the Board's assets and liabilities – is one way to measure the unit's financial health or position.

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

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

- **Governmental activities:** Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County and State funding and Federal aid finance most of these activities.
- **Business-type activities:** The Board charges fees to help it cover the costs of certain services it provides. School food service is included here.

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

### **Fund Financial Statements**

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

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

Ashe County Board of Education has two types of funds:

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

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

*Proprietary Fund:* Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of

**ASHE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

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accounting as the government-wide statements. Ashe County Board of Education has one proprietary fund – an enterprise fund – the School Food Service Fund.

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

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

Net position is an indicator of the fiscal health of the Board. Net position for governmental activities was \$(20,231,588) as of June 30, 2020. Other than unrestricted net position, the largest component of net position is net investment in capital assets of \$28,718,434.

Following is a summary of the Statement of Net Position:

Also note that the Board carries capital assets for which Ashe County carries the offsetting debt.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Current assets	\$ 5,179,920	\$ 5,116,721	\$ 974,660	\$ 677,377	\$ 6,154,580	\$ 5,794,098
Capital assets	28,903,973	29,594,163	64,604	83,186	28,968,577	29,677,349
Total assets	34,083,893	34,710,884	1,039,264	760,563	35,123,157	35,471,447
Deferred outflows of resources	8,583,726	8,950,760	262,084	311,068	8,845,810	9,261,828
Current liabilities	158,083	173,552	37,973	19,131	196,056	192,683
Long-term liabilities	48,569,271	45,679,082	1,489,282	1,617,637	50,058,553	47,296,719
Total liabilities	48,727,354	45,852,634	1,527,255	1,636,768	50,254,609	47,489,402
Deferred inflows of resources	14,171,853	17,323,552	432,704	602,049	14,604,557	17,925,601
Net investment in capital assets	28,718,434	29,395,469	64,604	83,186	28,783,038	29,478,655
Restricted net position	2,174,669	2,268,418	1,403	1,123	2,176,072	2,269,541
Unrestricted net position	(51,124,691)	(51,178,429)	(724,618)	(1,251,495)	(51,849,309)	(52,429,924)
Total net position	<u>\$(20,231,588)</u>	<u>\$(19,514,542)</u>	<u>\$ (658,611)</u>	<u>\$ (1,167,186)</u>	<u>\$(20,890,199)</u>	<u>\$(20,681,728)</u>

**ASHE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

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

**Table 2  
Condensed Statement of Position  
For the Fiscal Years Ended June 30, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Revenues:						
<b>Program revenues:</b>						
Charges for services	\$ 62,761	\$ 29,083	\$ 430,160	\$ 489,108	\$ 492,921	\$ 518,191
Operating grants and contributions	24,772,530	24,556,994	1,752,984	1,352,011	26,525,514	25,909,005
Capital grants and contributions	112,733	173,772	-	-	112,733	173,772
<b>General revenues:</b>						
Other revenues	9,108,969	9,292,259	2,952	3,147	9,111,921	9,295,406
<b>Total revenues</b>	<u>34,056,993</u>	<u>34,052,108</u>	<u>2,186,096</u>	<u>1,844,266</u>	<u>36,243,089</u>	<u>35,896,374</u>
Expenses:						
<b>Governmental activities:</b>						
Instructional services	26,997,993	27,277,381	-	-	26,997,993	27,277,381
System-wide support services	7,308,752	6,996,659	-	-	7,308,752	6,996,659
Ancillary services	114,883	36,619	-	-	114,883	36,619
Non-programmed charges	110,549	97,740	-	-	110,549	97,740
Depreciation	103,912	91,117	-	-	103,912	91,117
<b>Business-type activities:</b>						
School food service	-	-	1,815,471	1,875,628	1,815,471	1,875,628
<b>Total expenses</b>	<u>34,636,089</u>	<u>34,499,516</u>	<u>1,815,471</u>	<u>1,875,628</u>	<u>36,451,560</u>	<u>36,375,144</u>
Revenues over (under) expenses	(579,096)	(447,408)	370,625	(31,362)	(208,471)	(478,770)
Transfers in (out)	(137,950)	(88,442)	137,950	88,442	-	-
Increase (decrease) in net position	(717,046)	(535,850)	508,575	57,080	(208,471)	(478,770)
Beginning net position	(19,514,542)	(18,978,692)	(1,167,186)	(1,224,266)	(20,681,728)	(20,202,958)
Ending net position	<u>\$ (20,231,588)</u>	<u>\$ (19,514,542)</u>	<u>\$ (658,611)</u>	<u>\$ (1,167,186)</u>	<u>\$ (20,890,199)</u>	<u>\$ (20,681,728)</u>

Total governmental activities generated revenues of \$34.1 million while expenses in this category totaled \$34.6 million for the year ended June 30, 2020. Comparatively, revenues were \$34.1 million and expenses totaled \$34.5 million for the year ended June 30, 2019. The decrease in governmental

**ASHE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

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activities net position, including transfers, stands at \$717,046 at June 30, 2020, compared to a decrease of \$535,850 in 2019. The decrease in net position was primarily due to pension related expenses. Instructional services comprised 78% of total governmental-type expenses while system-wide support services made up 21% of those expenses for 2020. The Board's primary source of revenues were funding from the State of North Carolina, Ashe County, and the United States Government, which respectively comprised 70%, 17%, and 7% of our total revenues. Business-type activities generated revenue of \$2.2 million which were \$508,575 more than expenses.

***Financial Analysis of the Board's Funds***

*Governmental Funds:* The focus of Ashe 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.

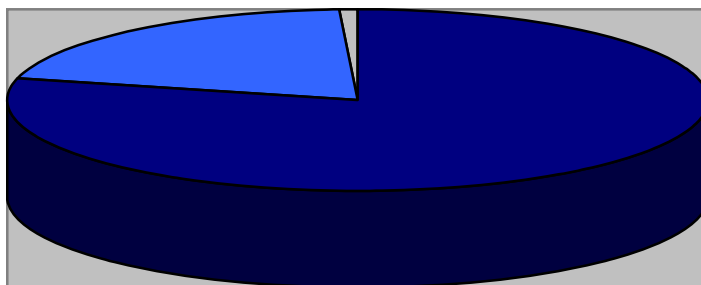
The Board's governmental funds reported a combined fund balance of \$4,975,896, a \$65,039 increase from last year. The increase in fund balance was expected based on current funding the Board receives as compared to anticipated expenditures. The General Fund reported a \$179,744 increase in fund balance, ending the year with \$2,544,679 in fund balance. The individual schools fund reported an increase in fund balance of \$64,644, the capital outlay fund reported a decrease of \$188,470, and the other special revenue fund reported an increase of \$9,121.

*Proprietary Funds:* The Board's business-type fund had an increase in net position of \$508,575. The increase was primarily attributable to results of operations and transfers from the State Public School Fund.



***Financial Analysis of the Board's Funds (Continued)***

**Categorization of Expenditures for  
Governmental Funds**



- **Instructional Services**
- **System-wide Support Services**
- **Other**
- **Capital Projects**

Expenditures are presented on the modified accrual basis of accounting

***General Fund Budgetary Highlights***

The Board approved several budget amendments to account for changes in revenue and expenditure projections. Budget amendments are submitted to the Board as needed to reflect new revenues in addition to revisions to expenditures estimated in the original budget. Budget amendments were needed during the year in the General Fund to reflect changes in the current economic environment. There were no significant expenditures in excess of the budgeted expenditures. In addition, there were no significant changes from the original budget to the final budget.

***Capital Assets***

Capital assets decreased by \$708,772 from the previous year. This was largely due to current year depreciation expense exceeding the amount of capital additions during the year. The following is a summary of the capital assets, net of depreciation at year-end.

**ASHE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

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A more detailed description of the capital assets is available in Note 3 of the basic financial statements.

**Table 3  
Summary of Capital Assets  
As of June 30, 2020 and 2019**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
Land	\$ 1,059,053	\$ 1,059,053	\$ -	\$ -	\$ 1,059,053	\$ 1,059,053
Construction in progress	-	-	-	-	-	-
Buildings and Improvements	26,350,035	26,959,989	-	-	26,350,035	26,959,989
Equipment and furniture	280,982	346,860	64,604	83,186	345,586	430,046
Vehicles	1,213,903	1,228,261	-	-	1,213,903	1,228,261
Total	<u>\$ 28,903,973</u>	<u>\$ 29,594,163</u>	<u>\$ 64,604</u>	<u>\$ 83,186</u>	<u>\$ 28,968,577</u>	<u>\$ 29,677,349</u>

***Debt Outstanding***

During the year, the Board's long-term debt (installment purchase agreements for school buses) decreased by approximately \$15,000. This decrease was due to principal payments exceeding new installment purchase agreements. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purposes that debt can be used.

A more detailed description of the long-term debt is available in Note 3 of the basic financial statements.

***Economic Factors at the State Level Based Upon Fiscal Research Division***

North Carolina's budget remained at \$23.9 billion for FY 2019-20. The Governor vetoed House Bill 966 for the 2019-2021 fiscal biennium. The House of Representatives overrode the veto but the Senate failed to override the veto and House Bill 966 did not become law. Twenty-one individual supplemental appropriations bills and a Base Budget bill were enacted in *S.L. 2019-245 (H111)*.

At the beginning of 2019/20 school year, the education system saw level funding due to the stalemate between the governor and the legislators. In March of 2020 we were presented with a new challenge as the Coronavirus pandemic closed businesses and schools across most of the nation. The closure created several financial challenges for school systems across the state. The State provided funding for personal protective equipment, to provide meals for students, and gave flexibility of funding to keep personnel employed. During the closure, the school system had savings through a reduction in utilities, substitute costs, and other costs to offset any complex challenges. However, the effects of the pandemic on the fiscal health of the state will be felt for several years to come.

**ASHE COUNTY BOARD OF EDUCATION  
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June 30, 2020**

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According to 2019/20 State data for Child Nutrition, the county-wide rate for free and reduced lunch was 56.73 percent. Individual school rates were as follows:

Ashe County High = 51.11%  
Ashe Early College = 39.00%  
Ashe County Middle = 57.48%  
Blue Ridge Elementary = 61.92%  
Mountain View Elementary = 61.64%  
Westwood Elementary = 57.45%

The economic climate will always impact the State budget and the State Public School Fund. Local Education Agencies (LEAs) are dependent upon State revenue allocations to fund the primary operations of the school system as set forth in State law. School systems across the state continue to be faced with budgetary reductions and operating cost increases that significantly impact local budgets. The uncertain outlook at both the federal and state levels were certainly challenges in the 2019/20 budget year and will continue in the upcoming 2021/22 budget year. The Board will continue future budget development in a conservative and fiscally prudent manner.

County funding is a major source of income for the school system; therefore, the County's economic outlook directly impacts the school system. The following factors affected the economic outlook for the County of Ashe in 2019/20.

Ashe County's economic outlook for the first six months of FY2019-2020 remained constant. The County had a low unemployment rate of 3% for September through December of 2019. At January 2020, during the County's slower tourism season, the County's unemployment rate was 4.2%. Comparatively, at January 2019 during the previous winter, Ashe County's unemployment rate was 4.8%. In late winter/early spring of 2020, as the COVID-19 pandemic brought much of the country to a standstill, the County unemployment numbers rose to double digits of 10.5% and 10.2% for April and May 2020, respectively. With the oncoming of spring and summer and businesses beginning to open back up, people from metropolitan areas flocked to the lesser populated area that offers many outdoor tourism opportunities, and by August the unemployment rate was down to 5.1%.

State forecasts predicted major losses in sales tax collections but due to the existing retail components within Ashe County, the sales tax collections did not reflect the losses anticipated. For the year ended June 30, 2020, sales tax collections were 12% more than budgeted collections and 8% more than the prior year's collections. Occupancy tax revenues appropriated to the Chamber of Commerce, 1904 Museum of Ashe County History, and the Ashe Civic Center ended the year over the budgeted projections as well. These additional revenues helped offset decreases in other service revenues for the year, allowing Ashe County to use less than \$500,000 from the fund balance of the General Fund, which was significantly less than the \$3.9 million of fund balance that was budgeted to be used for the year.

Due diligence on the Ray Taylor Road property which has been under contract for purchase for some time has been finished and a closing date of August 18th has been established. This parcel of property will allow for expansion directly across Ray Taylor Road from the county's existing Industrial

**ASHE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

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Park. Partnering with Ashe County Job Development and a loan from Skyline Corporation, the County will purchase this almost 42-acre tract for future industrial expansion.

Funds for site development and further infrastructure development of the site are being sought and the outlook seems promising that funds will be received from loans and grant monies that are available for these purposes.

We feel Ashe County is on sound footing economically and financially as we enter into FY2021.

***Impact of Coronavirus on School***

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

***Requests for Information***

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

Amanda Coldiron  
Finance Officer  
Ashe County Board of Education  
PO Box 604  
320 South Street  
Jefferson, NC 28640

**ASHE COUNTY SCHOOLS**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,966,638	\$ 734,724	\$ 5,701,362
Receivables (net)	7,516	-	7,516
Due from other governments	159,825	140,093	299,918
Net OPEB asset	45,941	1,403	47,344
Inventories	-	98,440	98,440
Capital assets			
Land, improvements, and construction in progress	1,059,053	-	1,059,053
Other capital assets, net of depreciation	27,844,920	64,604	27,909,524
Total capital assets	28,903,973	64,604	28,968,577
Total assets	34,083,893	1,039,264	35,123,157
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	8,583,726	262,084	8,845,810
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	158,083	9,387	167,470
Unearned revenues	-	28,586	28,586
Long-term liabilities:			
Due within one year	1,117,825	47,182	1,165,007
Due in more than one year			
Net pension liability	12,601,917	384,770	12,986,687
Net OPEB liability	33,440,169	1,021,016	34,461,185
Due in more than one year	1,409,360	36,314	1,445,674
Total liabilities	48,727,354	1,527,255	50,254,609
<b>DEFERRED INFLOWS OF RESOURCES</b>	14,171,853	432,704	14,604,557
<b>NET POSITION</b>			
Net investment in capital assets	28,718,434	64,604	28,783,038
Restricted for:			
Individual schools	640,943	-	640,943
Stabilization by State statute	167,341	-	167,341
School Capital Outlay	1,320,444	-	1,320,444
DIPNC OPEB plan	45,941	1,403	47,344
Unrestricted	(51,124,691)	(724,618)	(51,849,309)
Total net position	\$ (20,231,588)	\$ (658,611)	\$ (20,890,199)

**ASHE COUNTY SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020**

**Exhibit 2**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
Instructional services:							
Regular instructional	\$ 17,056,148	\$ 62,361	\$ 12,906,195	\$ -	\$ (4,087,592)	\$ -	\$ (4,087,592)
Special populations	3,247,322	-	2,666,199	-	(581,123)	-	(581,123)
Alternative programs	1,952,846	-	1,114,985	-	(837,861)	-	(837,861)
School Leadership	1,853,818	-	1,307,357	-	(546,461)	-	(546,461)
Co-curricular	199,735	-	19,158	-	(180,577)	-	(180,577)
School-based support	2,688,124	-	2,463,780	-	(224,344)	-	(224,344)
System-wide Support services:							
Support and development	290,261	-	60,674	-	(229,587)	-	(229,587)
Special population support	277,458	-	205,808	-	(71,650)	-	(71,650)
Alternative programs	109,059	-	96,387	-	(12,672)	-	(12,672)
Technology support	266,942	-	203,626	-	(63,316)	-	(63,316)
Operational support	4,716,560	400	3,244,945	112,733	(1,358,482)	-	(1,358,482)
Financial and human resource services	708,182	-	295,444	-	(412,738)	-	(412,738)
Accountability	399,303	-	-	-	(399,303)	-	(399,303)
System-wide pupil support services	402	-	-	-	(402)	-	(402)
Policy, leadership and public relations	540,585	-	186,140	-	(354,445)	-	(354,445)
Ancillary services	114,883	-	99,081	-	(15,802)	-	(15,802)
Non-programmed charges	110,549	-	-	-	(110,549)	-	(110,549)
Unallocated depreciation expense**	103,912	-	-	-	(103,912)	-	(103,912)
Total governmental activities	34,636,089	62,761	24,869,779	112,733	(9,590,816)	-	(9,590,816)
Business-type activities:							
School food service	1,815,471	430,160	1,752,984	-	-	367,673	367,673
Total primary government	\$ 36,451,560	\$ 492,921	\$ 26,622,763	\$ 112,733	(9,590,816)	367,673	(9,223,143)
General revenues:							
Unrestricted county appropriations - operating					5,323,091	-	5,323,091
Unrestricted county appropriations - capital					329,306	-	329,306
Unrestricted State appropriations - operating					43,881	-	43,881
Investment earnings, unrestricted					36,440	2,952	39,392
Miscellaneous, unrestricted					3,279,002	-	3,279,002
Transfers					(137,950)	137,950	-
Total general revenues					8,873,770	140,902	9,014,672
Change in net position					(717,046)	508,575	(208,471)
Net position-beginning					(19,514,542)	(1,167,186)	(20,681,728)
Net position-ending					\$ (20,231,588)	\$ (658,611)	\$ (20,890,199)

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

**ASHE COUNTY SCHOOLS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit 3**

	Major Funds				Non-major Fund		Total
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants Fund	Other Special Revenue Fund	Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,805,380	\$ -	\$ 527,626	\$ 1,320,444	\$ -	\$ 313,188	\$ 4,966,638
Receivables (net)	7,516	-	-	-	-	-	7,516
Due from other governments	2,554	-	-	-	-	157,271	159,825
Due from other funds	-	-	113,317	-	-	-	113,317
Total assets	<u>\$ 2,815,450</u>	<u>\$ -</u>	<u>\$ 640,943</u>	<u>\$ 1,320,444</u>	<u>\$ -</u>	<u>\$ 470,459</u>	<u>\$ 5,247,296</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 157,454	\$ -	\$ -	\$ -	\$ -	\$ 629	\$ 158,083
Due to other funds	113,317	-	-	-	-	-	113,317
Total liabilities	<u>270,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>629</u>	<u>271,400</u>
Fund balances:							
Restricted							
Stabilization by State statute	10,070	-	-	-	-	157,271	167,341
School capital outlay	-	-	-	1,320,444	-	-	1,320,444
Individual schools	-	-	640,943	-	-	-	640,943
Assigned:							
Subsequent year's expenditures	1,061,923	-	-	-	-	-	1,061,923
Special revenues	-	-	-	-	-	312,559	312,559
Unassigned:	<u>1,472,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,472,686</u>
Total fund balances	<u>2,544,679</u>	<u>-</u>	<u>640,943</u>	<u>1,320,444</u>	<u>-</u>	<u>469,830</u>	<u>4,975,896</u>
Total liabilities and fund balances	<u>\$ 2,815,450</u>	<u>\$ -</u>	<u>\$ 640,943</u>	<u>\$ 1,320,444</u>	<u>\$ -</u>	<u>\$ 470,459</u>	

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

Net OPEB asset	45,941
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	28,903,973
Deferred outflows of resources related to pensions	5,042,906
Deferred outflows of resources related to OPEB	3,540,820
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(2,527,185)
Net pension liability	(12,601,917)
Net OPEB liability	(33,440,169)
Deferred inflows of resources related to pensions	(201,683)
Deferred inflows of resources related to OPEB	(13,970,170)
Net position of governmental activities	<u>\$ (20,231,588)</u>

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

**Exhibit 4**

	Major Funds				Non-major Fund		
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants Fund	Other Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>							
State of North Carolina	\$ -	\$ 22,914,708	\$ -	\$ 112,733	\$ -	\$ 795,560	\$ 23,823,001
Ashe County	5,323,091	-	-	329,306	-	-	5,652,397
U.S. Government	-	167,483	-	-	1,872,871	473,326	2,513,680
Other	80,321	-	1,317,210	27,132	-	665,773	2,090,436
Total revenues	5,403,412	23,082,191	1,317,210	469,171	1,872,871	1,934,659	34,079,514
<b>EXPENDITURES</b>							
<b>Current:</b>							
Instructional services:							
Regular instructional	1,934,935	12,699,229	1,252,566	404,204	228,213	204,721	16,723,868
Special populations	51,730	2,666,143	-	-	519,341	55	3,237,269
Alternative programs	3,289	362,817	-	-	828,552	744,008	1,938,666
School Leadership	540,723	1,301,374	-	-	-	5,918	1,848,015
Co-curricular	177,954	-	-	-	2,006	18,950	198,910
School-based support	97,400	1,934,886	-	-	118,641	523,157	2,674,084
System-wide support services:							
Support and development	228,689	37,828	-	-	-	22,598	289,115
Special population support	3,409	107,774	-	-	67,385	96,971	275,539
Alternative programs	10,625	96,387	-	-	1,709	-	108,721
Technology support	62,490	203,626	-	-	-	-	266,116
Operational support	1,305,027	3,009,561	-	99,578	52,418	232,831	4,699,415
Financial and human resource services	410,548	241,227	-	-	-	53,629	705,404
Accountability	80,797	-	-	-	-	-	80,797
System-wide pupil support services	401	-	-	-	-	-	401
Policy, leadership and public relations	244,668	186,140	-	108,103	-	-	538,911
Ancillary services	15,447	97,249	-	-	-	1,832	114,528
Non-programmed charges	55,536	-	-	-	54,606	20,868	131,010
Capital outlay	-	-	-	32,601	-	-	32,601
Debt service - principal	-	-	-	112,733	-	-	112,733
Total expenditures	5,223,668	22,944,241	1,252,566	757,219	1,872,871	1,925,538	33,976,103
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers to other funds	-	(137,950)	-	-	-	-	(137,950)
Installment purchase obligations issued	-	-	-	99,578	-	-	99,578
Total other financing sources (uses)	-	(137,950)	-	99,578	-	-	(38,372)
Net change in fund balance	179,744	-	64,644	(188,470)	-	9,121	65,039
Fund balances-beginning	2,364,935	-	576,299	1,508,914	-	460,709	4,910,857
Fund balances-ending	\$ 2,544,679	\$ -	\$ 640,943	\$ 1,320,444	\$ -	\$ 469,830	\$ 4,975,896



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

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

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

Net changes in fund balances - total governmental funds	\$ 65,039
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays.	(667,669)
Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	1,217,969
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	2,404,424
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. This amount is the net effect of these differences.	13,155
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension expense	(4,454,440)
Net OPEB expense	561,367
Compensated absences	165,630
Loss on disposal of assets	(22,521)
Total changes in net position of governmental activities	\$ (717,046)

**ASHE COUNTY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR**  
**SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2020**

**Exhibit 5**

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Ashe County	5,323,080	5,323,080	5,323,091	11
U.S. Government	-	-	-	-
Other	45,000	45,000	80,321	35,321
Total revenues	<u>5,368,080</u>	<u>5,368,080</u>	<u>5,403,412</u>	<u>35,332</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	3,462,142	3,262,142	2,806,031	456,111
System-wide support services	3,337,150	2,837,150	2,346,654	490,496
Ancillary services	17,000	17,000	15,447	1,553
Non-programmed charges	51,000	56,000	55,536	464
Total expenditures	<u>6,867,292</u>	<u>6,172,292</u>	<u>5,223,668</u>	<u>948,624</u>
Revenues over (under) expenditures	(1,499,212)	(804,212)	179,744	983,956
Other financing uses:				
Transfer to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other uses	(1,499,212)	(804,212)	179,744	983,956
Appropriated fund balance	<u>1,499,212</u>	<u>804,212</u>	<u>-</u>	<u>(804,212)</u>
Revenues and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>179,744</u>	<u>\$ 179,744</u>
Fund balances, beginning of year			<u>2,364,935</u>	
Fund balances, end of year			<u>\$ 2,544,679</u>	

**ASHE COUNTY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR**  
**SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2020**

**Exhibit 5**  
**(Continued)**

	<b>State Public School Fund</b>			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
State of North Carolina	\$ 22,877,665	\$ 23,477,665	\$ 22,914,708	\$ (562,957)
Ashe County	-	-	-	-
U.S. Government	-	-	167,483	167,483
Other	-	-	-	-
Total revenues	<u>22,877,665</u>	<u>23,477,665</u>	<u>23,082,191</u>	<u>(395,474)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	19,264,222	19,264,222	18,964,449	299,773
System-wide support services	3,524,443	3,924,443	3,882,543	41,900
Ancillary services	-	120,316	97,249	23,067
Non-programmed charges	-	-	-	-
Total expenditures	<u>22,788,665</u>	<u>23,308,981</u>	<u>22,944,241</u>	<u>364,740</u>
Revenues over (under) expenditures	89,000	168,684	137,950	(30,734)
Other financing uses:				
Transfer to other funds	<u>(89,000)</u>	<u>(168,684)</u>	<u>(137,950)</u>	<u>30,734</u>
Revenues over (under) expenditures and other uses	-	-	-	-
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

**ASHE COUNTY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR**  
**SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2020**

**Exhibit 5**  
**(Continued)**

	<b>Federal Grants Fund</b>			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Ashe County	-	-	-	-
U.S. Government	2,320,246	2,320,246	1,872,871	(447,375)
Other	-	-	-	-
Total revenues	<u>2,320,246</u>	<u>2,320,246</u>	<u>1,872,871</u>	<u>(447,375)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	2,102,052	2,102,052	1,696,753	405,299
System-wide support services	145,647	145,647	121,512	24,135
Ancillary services	-	-	-	-
Non-programmed charges	72,547	72,547	54,606	17,941
Total expenditures	<u>2,320,246</u>	<u>2,320,246</u>	<u>1,872,871</u>	<u>447,375</u>
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfer to other funds	-	-	-	-
Revenues over (under) expenditures and other uses	-	-	-	-
Appropriated fund balance	-	-	-	-
Revenues and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

**ASHE COUNTY SCHOOLS**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**June 30, 2020**

**Exhibit 6**

	<b>Major Fund</b>
	<b>School Food Service</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 734,724
Due from other governments	140,093
OPEB asset	1,403
Inventories	98,440
Total current assets	974,660
Noncurrent assets:	
Capital assets, net	64,604
Total assets	1,039,264
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	262,084
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	9,387
Unearned revenues	28,586
Compensated absences	47,182
Total current liabilities	85,155
Noncurrent liabilities:	
Net pension liability	384,770
Net OPEB liability	1,021,016
Compensated absences	36,314
Total liabilities	1,527,255
<b>DEFERRED INFLOWS OF RESOURCES</b>	432,704
<b>NET POSITION</b>	
Net investment in capital assets	64,604
DIPNC OPEB plan	1,403
Unrestricted	(724,618)
Total net position	\$ (658,611)

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

**Exhibit 7**

	<u>Major Fund</u>
	<u>School Food Service</u>
<b>OPERATING REVENUES</b>	
Food sales	\$ 430,160
<b>OPERATING EXPENSES</b>	
Purchase of food	747,029
Salaries and benefits	899,565
Indirect costs	113,498
Materials and supplies	9,978
Repairs and maintenance	11,263
Contracted services	6,584
Depreciation	19,928
Other	7,626
Total operating expenses	<u>1,815,471</u>
Operating loss	<u>(1,385,311)</u>
<b>NONOPERATING REVENUES</b>	
Federal reimbursements	1,498,945
Federal commodities	138,813
Federal grants	45,542
State reimbursements	6,186
Interest earned	2,952
Indirect costs not paid	63,498
Total nonoperating revenues	<u>1,755,936</u>
Income (loss) before transfer from other fund	370,625
Transfer from other fund	<u>137,950</u>
Change in net position	508,575
Total net position - beginning	<u>(1,167,186)</u>
Total net position - ending	<u><u>\$ (658,611)</u></u>

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

**Exhibit 8**

	<b>Major Fund</b>
	<b>School Food Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 445,462
Cash paid for goods and services	(688,788)
Cash paid to employees for services	(1,010,611)
Net cash used by operating activities	(1,253,937)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Federal reimbursements	1,422,141
State reimbursements	6,186
Net cash provided by noncapital financing activities	1,428,327
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(1,346)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	2,952
Net increase (decrease) in cash and cash equivalents	175,996
Balance-beginning of the year	558,728
Balance-end of the year	\$ 734,724

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

**Exhibit 8**

	<b>Major Fund</b>
	<b>School Food Service</b>
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (1,385,311)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	19,928
Donated commodities consumed	138,813
Indirect costs not paid	63,498
Salaries paid by the State Public School Fund	137,950
Changes in assets, deferred outflows of resources, and liabilities:	
(Increase) decrease in accounts receivable	5,841
(Increase) decrease in net OPEB asset	(280)
(Increase) decrease in inventories	(4,502)
Increase (decrease) in accounts payable and accrued liabilities	9,381
(Increase) decrease in deferred outflows	48,984
Increase (decrease) in net pension liability	(40,367)
Increase (decrease) in net OPEB liability	(47,301)
Increase (decrease) in deferred inflows	(169,345)
Increase (decrease) in unearned revenues	9,461
Increase (decrease) in compensated absences	(40,687)
Total adjustments	131,374
Net cash used by operating activities	\$ (1,253,937)

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

Indirect costs of \$63,498 that would be due to the Other Special Revenue Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibit 7 and D-1.

The School Food Service Fund received donated commodities with a value of \$138,813 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue.

The State Public School Fund contributed \$137,950 to the School Food Service Fund during the fiscal year to provide assistance with the payment of wages. This payment is reflected as a transfer in and an operating expense on Exhibit 7.



**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Ashe 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 Ashe County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity.

Basis of Presentation

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

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

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

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

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

---

The Board reports the following major governmental funds:

*General Fund.* The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are accounted for in another fund.

*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.

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

*Individual Schools Fund.* The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs. The Board has chosen to report the Individual Schools Fund as a major fund to more clearly reflect the operations of each individual fund.

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

The Board reports the following major enterprise fund:

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

**Measurement Focus and Basis of Accounting**

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

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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

All governmental and business-type activities and enterprise funds of the Board follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys (up to \$100,000) from one function to another within a fund. Such transfers do not require approval from the governing board. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$100,000. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Assets, Liabilities, and Fund Equity

Deposits and Investments

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

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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

Cash and Cash Equivalents

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

Inventories

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

Capital Assets

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

For governmental activities fixed assets, it is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. For business-type activities fixed assets, it is the policy of the Board to capitalize all capital assets costing more than \$500 with an estimated useful life of two or more years. In addition, other items that are purchased and used in large quantities, such as student desks, are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

	Years
Buildings	50
Improvements	20
Equipment and furniture	10
Buses	10
Vehicles	5
Computer equipment	3

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion - a pension related deferral and contributions made to the pension plan in the current fiscal year. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has several items that meet this criterion - unearned grant revenue in the General Fund and pension related deferrals.

Long-Term Obligations

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

Compensated Absences

The Board follows the State’s policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2020 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years’ records, of the current portion of compensated absences.

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

Net Position/Fund Balances

Net Position

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

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that the Board of Education has assigned to be expended for educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges.

*Unassigned fund balance* – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the that fund.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, and lastly board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(25,207,484) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 59,359,512
Less Accumulated Depreciation	<u>(30,455,539)</u>
Net capital position	28,903,973
Net OPEB Asset	45,941
Pension related deferred outflows of resources	5,042,906
OPEB related deferred outflows of resources	3,540,820
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Net pension liability	(12,601,917)
Net OPEB liability	(33,440,169)
Compensated absences	(2,341,646)
Installment purchases	(185,539)
Deferred inflows of resources related to pensions	(201,683)
Deferred inflows of resources related to OPEB	<u>(13,970,170)</u>
Total adjustment	<u>\$ (25,207,484)</u>

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(782,085) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 911,563
Depreciation expenses, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(1,579,232)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,404,424
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	1,217,969
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Pension expense	(4,454,440)
OPEB expense	561,367
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	165,630
Loss on disposal of assets	(22,521)
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. This amount is the net effect of these differences in the treatment of long-term debt.	<u>13,155</u>
Total adjustment	<u>\$ (782,085)</u>

**Defined Benefit Pension Plan and OPEB Plans**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS,



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RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Material Violations of Finance-Related Legal and Contractual Provisions

None.

Excess of Expenditures Over Appropriations

None

Deficits in Fund Balance or Net Position of Individual Funds

None

**NOTE 3 – DETAIL NOTES ON ALL FUNDS**

Assets

Deposits

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

At June 30, 2020, the Board had deposits with banks and savings and loans with a carrying amount of \$2,323,514 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$2,950,331 and \$278,673, respectively. Of these balances, \$803,158 was

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covered by federal depository insurance and \$2,425,846 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

At June 30, 2020, the Board of Education had \$3,377,848 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2020. The Board has no policy for managing interest rate risk or credit risk.

Accounts Receivable

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

	Due from (to) other funds (Internal Balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ (113,317)	\$ 2,554	\$ 7,516	\$ (103,247)
Other governmental activities	<u>113,317</u>	<u>157,271</u>	<u>-</u>	<u>270,588</u>
Total governmental activities	<u>\$ -</u>	<u>\$ 159,825</u>	<u>\$ 7,516</u>	<u>\$ 167,341</u>
Business-type activities:				
School Food Service Fund	<u>\$ -</u>	<u>\$ 140,093</u>	<u>\$ -</u>	<u>\$ 140,093</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 2,554	Ashe County funds
Other Special Revenue Fund	<u>157,271</u>	Ashe County, State and Federal funds
Total	<u>\$ 159,825</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 140,093</u>	Federal funds

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Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,059,053	\$ -	\$ -	\$ 1,059,053
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>1,059,053</u>	<u>-</u>	<u>-</u>	<u>1,059,053</u>
Capital assets being depreciated:				
Buildings and improvements	48,893,994	547,110	-	49,441,104
Equipment and furniture	2,042,477	39,056	25,383	2,056,150
Vehicles	<u>6,522,443</u>	<u>325,397</u>	<u>44,635</u>	<u>6,803,205</u>
Total capital assets being depreciated	<u>57,458,914</u>	<u>911,563</u>	<u>70,018</u>	<u>58,300,459</u>
Less accumulated depreciation for:				
Buildings and improvements	21,934,005	1,157,064	-	23,091,069
Equipment and furniture	1,695,617	103,912	24,361	1,775,168
Vehicles	<u>5,294,182</u>	<u>318,256</u>	<u>23,136</u>	<u>5,589,302</u>
Total accumulated depreciation	<u>28,923,804</u>	<u>1,579,232</u>	<u>47,497</u>	<u>30,455,539</u>
Total capital assets being depreciated, net	<u>28,535,110</u>			<u>27,844,920</u>
Governmental activity capital assets, net	<u>\$ 29,594,163</u>			<u>\$ 28,903,973</u>

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	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Furniture and office equipment	\$ 1,747,653	\$ 1,346	\$ -	\$ 1,748,999
Less accumulated depreciation for:				
Furniture and office equipment	1,664,467	19,928	-	1,684,395
School Food Service capital assets, net	<u>\$ 83,186</u>			<u>\$ 64,604</u>

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 103,912
Instructional services	1,157,064
System-wide support services	<u>318,256</u>
Total	<u>\$ 1,579,232</u>

Liabilities

Pension Plan Obligations

a. Teachers' and State Employees' Retirement System

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

*Benefits Provided.* TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General

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employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

*Contributions.* Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2020, was 12.97% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$2,477,838 for the year ended June 30, 2020.

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

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

At June 30, 2020, the Board reported a liability of \$12,986,687 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2019 and at June 30, 2018, the Board's proportion was .13%.

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For the year ended June 30, 2020, the Board recognized pension expense of (\$4,566,345). At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,086,321	\$ 25,999
Changes of assumptions	1,383,783	-
Net difference between projected and actual earnings on pension plan investments	248,937	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	181,842
Board contributions subsequent to the measurement date	2,477,838	-
Total	<u>\$ 5,196,879</u>	<u>\$ 207,841</u>

\$2,477,838 reported as deferred outflows of resources related to pensions resulting from the Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2021	\$ 1,804,182
2022	415,398
2023	204,538
2024	87,082
2025	--
Thereafter	--
Total	<u>\$ 2,511,200</u>

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

Inflation	3.0%
Salary increases	3.5% to 8.10%, including inflation and productivity factor
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2018 actuarial valuation were based on the actuarial experience study for the prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

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

*Discount rate.* The discount rate used to measure the total pension liability was 7.00% which is the same as the prior year. The projection of cash flows used to determine the discount rate assumed

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that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discounted Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 24,717,278	\$ 12,986,687	\$ 3,146,216

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

**b. Other Post-employment Benefits**

**Healthcare Benefits**

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

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

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



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

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

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

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

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.47% of covered payroll which amounted to \$1,236,053.

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At June 30, 2020, Board reported a liability of \$34,461,185 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. The total OPEB liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2019 and at June 30, 2018, the Boards proportion was .11% and .11%, respectively.

\$1,236,053 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2021	\$ (3,609,758)
2022	(3,609,758)
2023	(3,606,441)
2024	(1,347,158)
2025	109,789
Thereafter	--
Total	<u>\$ (12,063,326)</u>

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

Inflation	3.00%
Salary increases	3.5% to 8.10%, including a 3.5% inflation and productivity factor
Investment rate of return	7.00%
Healthcare cost trend rate – medical	5.00% - 6.50%
Healthcare cost trend rate – prescription drug	5.00% - 9.50%
Healthcare cost trend rate – administrative	3.00%

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 3.50%, a decrease of .37% over the prior year discount rate of 3.87%. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.50% was used as the discount rate used to measure the total OPEB liability. The 3.50% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2018.

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

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	<b>1% Decrease (2.50%)</b>	<b>Discounted Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
Net OPEB liability	\$ 40,953,011	\$ 34,461,185	\$ 29,264,152

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

	<b>Healthcare Trend Rates</b>		
	<b>1% Decrease (Medical - 5.50%, Pharmacy - 6.25%, Administrative - 2.00%)</b>	<b>(Medical - 6.50%, Pharmacy - 7.25%, Administrative - 3.00%)</b>	<b>1% Increase (Medical - 7.50%, Pharmacy - 8.25%, Administrative - 4.00%)</b>
Net OPEB liability	\$ 28,376,639	\$ 34,461,185	\$ 42,462,703

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

**Disability Benefits**

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

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

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

*Benefits Provided.* Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of

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

*Contributions.* Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2020, employers made a statutory contribution of 0.10% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$19,104 for the year ended June 30, 2020.

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

At June 30, 2020, Board reported an OPEB asset of \$47,344 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018. The total OPEB asset was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2019 and at June 30, 2018, the Boards proportion was .11% and .11%, respectively.

\$19,104 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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**Year ended June 30:**

2021	\$	20,849
2022		13,935
2023		10,265
2024		6,532
2025		8,911
Thereafter		(108)
Total	\$	<u>60,384</u>

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

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

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

	<u>1% Decrease (2.75%)</u>	<u>Discounted Rate (3.75%)</u>	<u>1% Increase (4.75%)</u>
Net OPEB asset	\$ 40,099	\$ 47,344	\$ 54,384

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2018 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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by weighting the expected future real rates of return by the target asset allocation and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense	\$ (817,541)	\$ 46,562	\$ (770,979)
OPEB liability (asset)	34,461,185	(47,344)	34,413,841
Proportionate share of the net OPEB liability (asset)	0.109%	0.110%	
<b>Deferred of Outflows of Resources</b>			
Differences between expected and actual experience	-	48,366	48,366
Changes of assumptions	1,656,367	5,245	1,661,612
Net difference between projected and actual earnings on plan investments	22,948	9,018	31,966
Changes in proportion and differences between Board contributions and proportionate share of contributions	649,218	2,612	651,830
Board contributions subsequent to the measurement date	1,236,053	19,104	1,255,157
<b>Deferred of Inflows of Resources</b>			
Differences between expected and actual experience	1,737,278	-	1,737,278
Changes of assumptions	10,360,543	4,857	10,365,400
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,294,038	-	2,294,038

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2020 are as follows:

Governmental Activities:	
General	\$ 157,454
Other Governmental	629
Total Governmental Activities	<u>\$ 158,083</u>
Business-types Activities	
School Food Service	<u>\$ 9,387</u>

Unearned Revenues

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

	<u>Unearned Revenues</u>
Student deposits for meals (School Food Service)	<u>\$ 28,586</u>

Deferred Inflows of resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 651,830	\$ 2,475,880
Changes of assumptions	3,045,395	10,365,400
Difference between projected and actual earnings on plan investments	280,903	-
Employer contributions subsequent to the measurement date	3,732,995	-
Difference between expected and actual experience	<u>1,134,687</u>	<u>1,763,277</u>
Totals	<u>\$ 8,845,810</u>	<u>\$ 14,604,557</u>

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The State of North Carolina provides workers' compensation coverage for employees to the extent they are paid from State funds. The Board purchases workers' compensation coverage for locally and federally funded employees from Key Risk Insurance Company. The Board purchases General Liability from the North Carolina School Board Trust with a \$2,550,000 General Aggregate Limit, the Board's Errors and Omissions is \$850,000 per occurrence and \$2,550,000 Aggregate Annual Limit.

The Board insures its tangible property with the NC Public School Insurance Fund. The fund provides coverage for \$10,000,000. The Board purchases automobile liability insurance from Montgomery Insurance and has a \$1,000,000 limit. The Board participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-fund risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's moneys at any given time are performance bonded through an employee dishonesty blanket bond for \$25,000. The finance officer is bonded for \$250,000.

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

Direct Placement Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot moneys for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through third party direct placement financing arrangements. As of June 30, 2020, the Board has entered into such contracts for the purchase of school buses. The terms of the financing contracts require annual payments from \$21,859 to \$24,894.

The future minimum payments of the installment purchases as of June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities Principal</u>
2021	\$ 91,251
2022	69,393
2023	<u>24,895</u>
Totals	<u>\$ 185,539</u>



**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the year ended June 30, 2020:

	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>	<u>Current Portion</u>
Governmental activities:					
Direct Placement:					
Installment purchases	\$ 198,694	\$ 99,578	\$ 112,733	\$ 185,539	\$ 91,251
Net pension liability	12,233,035	368,882	-	12,601,917	-
Net OPEB liability	30,740,077	2,700,092	-	33,440,169	-
Compensated absences	<u>2,507,276</u>	<u>1,662,310</u>	<u>1,827,940</u>	<u>2,341,646</u>	<u>1,026,574</u>
Total governmental activities	<u>\$ 45,679,082</u>	<u>\$ 4,830,862</u>	<u>\$ 1,940,673</u>	<u>\$ 48,569,271</u>	<u>\$ 1,117,825</u>
Business-type activities:					
Net pension liability	\$ 425,137	\$ -	\$ 40,367	\$ 384,770	\$ -
Net OPEB liability	1,068,317	-	47,301	1,021,016	-
Compensated absences	<u>124,183</u>	<u>67,796</u>	<u>108,483</u>	<u>83,496</u>	<u>47,182</u>
Total business-type activities	<u>\$ 1,617,637</u>	<u>\$ 67,796</u>	<u>\$ 196,151</u>	<u>\$ 1,489,282</u>	<u>\$ 47,182</u>

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

Transfers to/from other Funds

During the year ended June 30, 2020, the State Public School Fund transferred \$137,950 to the School Food Service Fund to pay for certain wages.

Fund Balance

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

Total fund balance - General Fund	\$ 2,544,679
Less:	
Stabilization by State statute	(10,070)
Appropriated Fund Balance in 2021 budget	<u>(1,061,923)</u>
Remaining fund balance	<u>\$ 1,472,686</u>

**ASHE COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
***For the Year Ended June 30, 2020***

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NOTE 4 – 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.

**ASHE COUNTY SCHOOLS**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM**  
**Last Seven Fiscal Years\***

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Board's proportion of the net pension liability (asset)	0.125%	0.127%	0.128%	0.131%	0.132%
Board's proportionate share of the net pension liability (asset)	\$ 12,986,687	\$ 12,658,172	\$ 10,144,976	\$ 12,080,694	\$ 4,875,885
Board's covered payroll	\$ 19,356,241	\$ 18,469,912	\$ 18,243,711	\$ 17,876,769	\$ 17,864,326
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	67.09%	68.53%	55.61%	67.58%	27.29%
Plan fiduciary net position as a percentage of the total pension liability	87.56%	87.61%	89.51%	87.32%	94.64%

	<b>2015</b>	<b>2014</b>
Board's proportion of the net pension liability (asset)	0.130%	0.134%
Board's proportionate share of the net pension liability (asset)	\$ 1,528,134	\$ 8,110,881
Board's covered payroll	\$ 17,081,593	\$ 17,251,462
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.95%	47.02%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	90.60%

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

**This schedule is required supplementary information.**

**ASHE COUNTY SCHOOLS**  
**SCHEDULE OF BOARD CONTRIBUTIONS**  
**TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM**  
**Last Seven Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,477,838	\$ 2,378,882	\$ 1,991,057	\$ 1,820,722	\$ 1,635,724
Contributions in relation to the contractually required contribution	<u>2,477,838</u>	<u>2,378,882</u>	<u>1,991,057</u>	<u>1,820,722</u>	<u>1,635,724</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 19,104,376	\$ 19,356,241	\$ 18,469,912	\$ 18,243,711	\$ 17,876,769
Contributions as a percentage of covered-employee payroll	12.97%	12.29%	10.78%	9.98%	9.15%

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,634,586	\$ 1,484,390
Contributions in relation to the contractually required contribution	<u>1,634,586</u>	<u>1,484,390</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 17,864,326	\$ 17,081,593
Contributions as a percentage of covered-employee payroll	9.15%	8.69%

**This schedule is required supplementary information.**

**ASHE COUNTY SCHOOLS**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**RETIREE HEALTH BENEFIT FUND**  
**Last Four Fiscal Years\***

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	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Board's proportion of the net OPEB liability (asset)	0.109%	0.112%	0.116%	0.113%
Board's proportionate share of the net OPEB liability (asset)	\$ 34,461,185	\$ 31,808,394	\$ 38,072,097	\$ 49,174,198
Board's covered payroll	\$ 19,356,241	\$ 18,469,912	\$ 18,243,711	\$ 17,876,769
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	178.04%	172.22%	208.69%	275.07%
Plan fiduciary net position as a percentage of the total OPEB liability	4.40%	4.40%	3.52%	2.41%

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

**This schedule is required supplementary information.**

**ASHE COUNTY SCHOOLS**  
**SCHEDULE OF BOARD CONTRIBUTIONS**  
**RETIREE HEALTH BENEFIT FUND**  
**Last Ten Fiscal Years**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ 1,236,053	\$ 1,213,636	\$ 1,117,430	\$ 1,059,191	\$ 1,000,726
Contributions in relation to the contractually required contribution	1,236,053	1,213,636	1,117,430	1,059,191	1,000,726
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 19,104,376	\$ 19,356,241	\$ 18,469,912	\$ 18,243,711	\$ 17,876,769
Contributions as a percentage of covered-employee payroll	6.47%	6.27%	6.05%	5.81%	5.60%

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Contractually required contribution	\$ 980,394	\$ 922,958	\$ 910,867	\$ 863,728	\$ 872,580
Contributions in relation to the contractually required contribution	980,394	922,958	910,867	863,728	872,580
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 17,864,326	\$ 17,081,593	\$ 17,186,170	\$ 17,274,560	\$ 17,807,755
Contributions as a percentage of covered-employee payroll	5.49%	5.40%	5.30%	5.00%	4.90%

**This schedule is required supplementary information.**

**ASHE COUNTY SCHOOLS**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET**  
**DISABILITY INCOME PLAN OF NORTH CAROLINA**  
**Last Four Fiscal Years\***

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset	0.110%	0.110%	0.112%	0.116%
Board's proportionate share of the net OPEB asset	\$ 47,344	\$ 33,435	\$ 68,381	\$ 72,303
Board's covered payroll	\$ 19,356,241	\$ 18,469,912	\$ 18,243,711	\$ 17,876,769
Board's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	0.24%	0.18%	0.37%	0.40%
Plan fiduciary net position as a percentage of the total OPEB asset	113.00%	108.47%	116.23%	116.06%

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

**This schedule is required supplementary information.**

**ASHE COUNTY SCHOOLS**  
**SCHEDULE OF BOARD CONTRIBUTIONS**  
**DISABILITY INCOME PLAN OF NORTH CAROLINA**  
**Last Ten Fiscal Years**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ 19,104	\$ 27,099	\$ 25,858	\$ 69,276	\$ 73,121
Contributions in relation to the contractually required contribution	19,104	27,099	25,858	69,276	73,121
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 19,104,376	\$ 19,356,241	\$ 18,469,912	\$ 18,243,711	\$ 17,876,769
Contributions as a percentage of covered-employee payroll	0.10%	0.14%	0.14%	0.38%	0.41%

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Contractually required contribution	\$ 73,217	\$ 74,878	\$ 75,619	\$ 89,928	\$ 92,600
Contributions in relation to the contractually required contribution	73,217	74,878	75,619	89,928	92,600
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 17,864,326	\$ 17,081,593	\$ 17,186,170	\$ 17,274,560	\$ 17,807,755
Contributions as a percentage of covered-employee payroll	0.41%	0.44%	0.44%	0.52%	0.52%

**This schedule is required supplementary information.**



**ASHE COUNTY SCHOOLS****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL****For the Year Ended June 30, 2020****Exhibit A-1**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ashe County:			
Appropriations from general revenues	\$ 5,323,080	\$ 5,323,091	\$ 11
Other :			
Fines and forfeitures		43,881	
Interest earned on investments		36,440	
Total	45,000	80,321	35,321
Total revenues	5,368,080	5,403,412	35,332
<b>Expenditures:</b>			
Instructional services:			
Regular instructional		1,934,935	
Special populations		51,730	
Alternative programs		3,289	
School Leadership		540,723	
Co-curricular		177,954	
School-based support		97,400	
Total instructional services	3,262,142	2,806,031	456,111
System-wide support services:			
Support and development		228,689	
Special population support		3,409	
Alternative programs and services support		10,625	
Technology support		62,490	
Operational support		1,305,027	
Financial and human resource services		410,548	
Accountability		80,797	
System-wide pupil support services		401	
Policy, leadership and public relations		244,668	
Total system-wide support services	2,837,150	2,346,654	490,496
Ancillary services	17,000	15,447	1,553
Non-programmed charges	56,000	55,536	464
Total expenditures	6,172,292	5,223,668	948,624

**ASHE COUNTY SCHOOLS****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL****For the Year Ended June 30, 2020****Exhibit A-1  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues over (under) expenditures	(804,212)	179,744	983,956
Appropriated fund balance	<u>804,212</u>	<u>-</u>	<u>(804,212)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	179,744	<u>\$ 179,744</u>
Fund balances:			
Beginning of year, July 1		<u>2,364,935</u>	
End of year, June 30		<u>\$ 2,544,679</u>	

**ASHE COUNTY SCHOOLS  
CAPITAL OUTLAY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020**

**Exhibit B-1**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 414,860	\$ 112,733	\$ (302,127)
Ashe County:			
County appropriations - general	737,607	329,306	(408,301)
Other			
Interest earned on investments		23,581	
Miscellaneous		3,551	
	16,000	27,132	11,132
Total revenues	1,168,467	469,171	(699,296)
Expenditures:			
Current:			
Instructional services	758,142	404,204	353,938
System-wide support services	319,700	207,681	112,019
Capital Outlay	274,953	32,601	242,352
Debt service - principal	210,000	112,733	97,267
Total expenditures	1,562,795	757,219	805,576
Revenues over (under) expenditures	(394,328)	(288,048)	106,280
Other financing sources:			
Installment purchase obligations issued	-	99,578	99,578
Revenues and other financing sources over (under) expenditures	(394,328)	(188,470)	205,858
Appropriated fund balance	394,328	-	(394,328)
Revenues, other financing sources and appropriated fund balance over (under) expenditures	\$ -	(188,470)	\$ (188,470)
Fund balances:			
Beginning of year, July 1		1,508,914	
End of year, June 30		\$ 1,320,444	

**ASHE COUNTY SCHOOLS  
OTHER SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020**

**Exhibit C-1**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
State of North Carolina:			
NC Pre-Kindergarten Program		\$ 692,045	
Other		103,515	
Total State of North Carolina	<u>\$ 830,494</u>	<u>795,560</u>	<u>\$ (34,934)</u>
U.S. Government:			
Maternal and Child Health Services Block Grant		11,500	
Water on the Move		4,500	
Gear Up NC Grant		102,366	
JROTC		62,089	
Rural Mental Health		292,871	
Total U.S. Government	<u>739,945</u>	<u>473,326</u>	<u>(266,619)</u>
Other:			
Indirect costs allocated		110,659	
Afterschool program		62,361	
Contributions and donations		27,612	
School nurse reimbursement		150,000	
Insurance proceeds		168,746	
Other reimbursements and refunds		53,739	
Sales and use tax refund		41,319	
Miscellaneous		51,337	
Total other	<u>754,028</u>	<u>665,773</u>	<u>(88,255)</u>
Total revenues	<u>2,324,467</u>	<u>1,934,659</u>	<u>(389,808)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional		204,721	
Special populations		55	
Alternative programs		744,008	
School leadership		5,918	
Co-curricular		18,950	
School-based support		523,157	
Total instructional services	<u>1,936,264</u>	<u>1,496,809</u>	<u>439,455</u>

**ASHE COUNTY SCHOOLS  
OTHER SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020**

**Exhibit C-1  
(Continued)**

	Final Budget	Actual	Variance Positive (Negative)
Expenditures: (Continued)			
Current:			
System-wide support services:			
Support and development		22,598	
Special population support and development		96,971	
Operational support		232,831	
Financial and human resource services		53,629	
Total system-wide support services	455,220	406,029	49,191
Ancillary services:			
Community	2,400	1,832	568
Nonprogrammed charges	24,891	20,868	4,023
Total expenditures	2,418,775	1,925,538	493,237
Revenues over (under) expenditures	(94,308)	9,121	103,429
Fund balance appropriated	94,308	-	94,308
Revenues and appropriated fund balance over (under) expenditures	\$ -	9,121	\$ 9,121
Fund balance:			
Beginning of year		460,709	
End of year		\$ 469,830	

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

**Exhibit D-1**

	Budget	Actual	Variance Positive (Negative)
Operating revenues			
Food sales	\$ 511,500	\$ 430,160	\$ (81,340)
Operating expenditures:			
Business support services	2,186,214	1,934,197	252,017
Capital outlay	40,000	1,346	38,654
Total expenditures	2,226,214	1,935,543	290,671
Operating loss	(1,714,714)	(1,505,383)	209,331
Nonoperating revenues:			
Federal reimbursements		1,544,487	
State reimbursements		6,186	
Federal commodities		138,813	
Interest earned		2,952	
	1,455,884	1,692,438	236,554
Other financing sources:			
Transfer from other fund	-	137,950	137,950
Revenues over (under) expenditures	(258,830)	325,005	583,835
Appropriated fund balance	258,830	-	(258,830)
Revenues, other financing sources and appropriated fund balance over (under) expenditures	\$ -	325,005	\$ 325,005
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(19,928)	
Indirect costs		(113,498)	
Indirect costs not paid		63,498	
(Increase) decrease in compensated absences		40,687	
Increase (decrease) in inventories		4,502	
Net pension liability		40,367	
Net OPEB liability		47,581	
Deferred outflows		(48,984)	
Deferred inflows		169,345	
Change in net position - full accrual		\$ 508,575	



## Statistical Section

## **STATISTICAL SECTION (Unaudited)**

The Statistical Section of the District's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial outlook.

### **Sections**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

#### **Revenue Capacity**

Since the District's local revenues are primarily provided by Ashe County, these schedules on the county's revenue sources are relevant to an understanding of Ashe County's most significant local revenue source, the property tax.

#### **Debt Capacity**

Since the District has no tax-levying or debt-issuing authority, the County of Ashe provides significant funding to the school system. Selected fiscal data from the County of Ashe has been included to help the reader better understand the school system and its financial operations.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

#### **Operating Information**

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

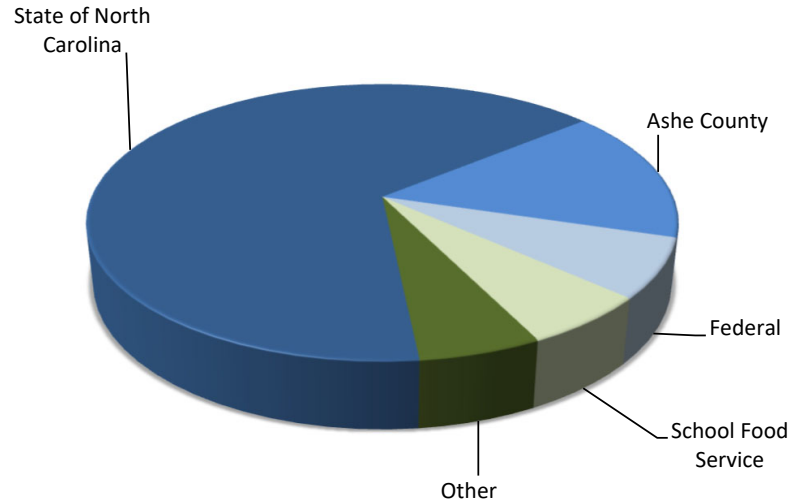




# Financial Perspective

## Governmental and Business-type Activities for Fiscal Year 2019-2020

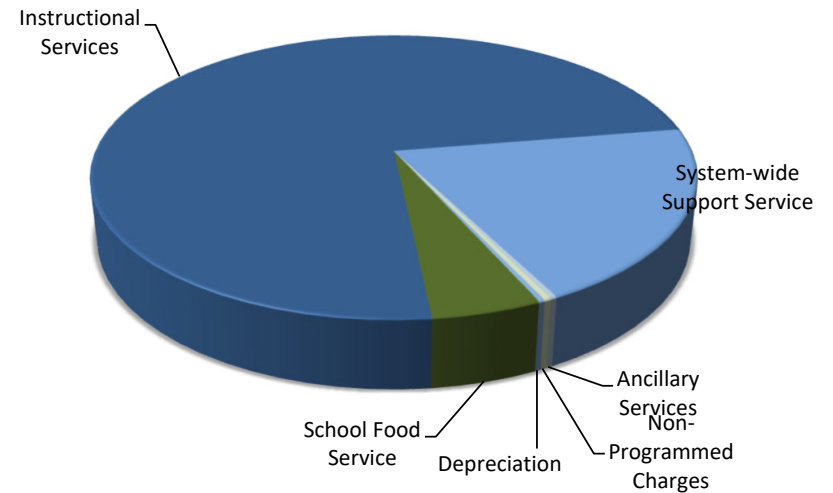
### Revenue Sources



State of North Carolina	\$	23,823,001
Ashe County		5,652,397
Federal		2,513,680
School Food Service		2,186,096
Other		2,067,915

<b>Total</b>		<b><u>\$ 36,243,089</u></b>
--------------	--	-----------------------------

### Expenses



Instructional Services	\$	26,997,993
System-wide Support Service		7,308,752
Ancillary Services		114,883
Non-Programmed Charges		110,549
Depreciation		103,912
School Food Service		1,815,471

<b>Total</b>		<b><u>\$ 36,451,560</u></b>
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# ASHE COUNTY SCHOOLS

## Net Position by Component Last Ten Fiscal Years

Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 36,732,603	\$ 36,501,020	\$ 36,374,258	\$ 35,476,348	\$ 34,154,557	\$ 32,767,773	\$ 31,983,993	\$ 30,685,611	\$ 29,395,469	\$ 28,718,434
Restricted	2,369,018	2,492,517	2,157,600	2,076,357	1,935,902	1,871,467	1,969,195	2,238,523	2,268,418	2,174,669
Unrestricted	1,183,799	1,938,134	1,203,643	946,754	(4,442,875)	(3,351,610)	(3,638,538)	(51,902,826)	(51,178,429)	(51,124,691)
	<b>\$ 40,285,420</b>	<b>\$ 40,931,671</b>	<b>\$ 39,735,501</b>	<b>\$ 38,499,459</b>	<b>\$ 31,647,584</b>	<b>\$ 31,287,630</b>	<b>\$ 30,314,650</b>	<b>\$ (18,978,692)</b>	<b>\$ (19,514,542)</b>	<b>\$ (20,231,588)</b>
Business-type activities:										
Net investment in capital assets	\$ 316,362	\$ 295,011	\$ 232,267	\$ 236,801	\$ 177,640	\$ 119,704	\$ 94,571	\$ 106,658	\$ 83,186	\$ 64,604
Restricted	-	-	-	-	-	-	-	2,446	1,123	1,403
Unrestricted	614,181	731,751	870,950	905,586	688,659	680,154	586,640	(1,333,370)	(1,251,495)	(724,618)
	<b>\$ 930,543</b>	<b>\$ 1,026,762</b>	<b>\$ 1,103,217</b>	<b>\$ 1,142,387</b>	<b>\$ 866,299</b>	<b>\$ 799,858</b>	<b>\$ 681,211</b>	<b>\$ (1,224,266)</b>	<b>\$ (1,167,186)</b>	<b>\$ (658,611)</b>
District-wide:										
Net investment in capital assets	\$ 37,048,965	\$ 36,796,031	\$ 36,606,525	\$ 35,713,149	\$ 34,332,197	\$ 32,887,477	\$ 32,078,564	\$ 30,792,269	\$ 29,478,655	\$ 28,783,038
Restricted	2,369,018	2,492,517	2,157,600	2,076,357	1,935,902	1,871,467	1,969,195	2,240,969	2,269,541	2,176,072
Unrestricted	1,797,980	2,669,885	2,074,593	1,852,340	(3,754,216)	(2,671,456)	(3,051,898)	(53,236,196)	(52,429,924)	(51,849,309)
	<b>\$ 41,215,963</b>	<b>\$ 41,958,433</b>	<b>\$ 40,838,718</b>	<b>\$ 39,641,846</b>	<b>\$ 32,513,883</b>	<b>\$ 32,087,488</b>	<b>\$ 30,995,861</b>	<b>\$ (20,202,958)</b>	<b>\$ (20,681,728)</b>	<b>\$ (20,890,199)</b>

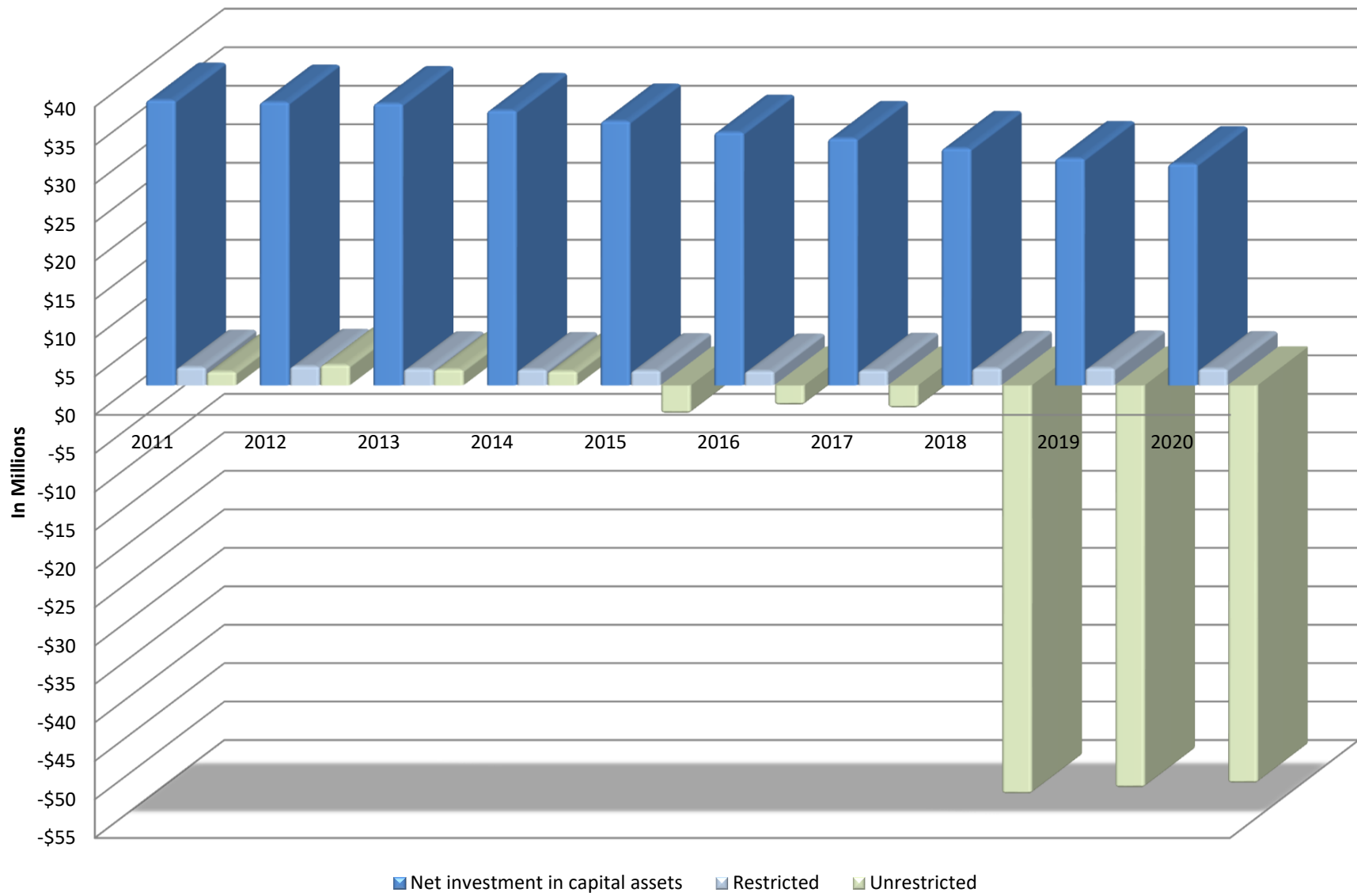
Source: Ashe County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2020

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

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

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

## Net Position by Component District-wide



# ASHE COUNTY SCHOOLS

## Changes in Net Position Last Ten Fiscal Years

Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses:</b>										
Governmental Activities:										
Instructional services	\$ 25,307,431	\$ 26,058,462	\$ 24,172,453	\$ 24,381,333	\$ 24,671,047	\$ 24,965,746	\$ 26,362,228	\$ 27,855,108	\$ 27,277,381	\$ 26,997,993
System-wide support services	5,387,696	4,768,706	7,312,699	6,727,259	6,608,559	6,426,719	6,727,070	7,086,621	6,996,659	7,308,752
Ancillary services	83,769	137,074	45,142	45,428	46,694	54,103	53,141	58,943	36,619	114,883
Non-programmed charges	144,495	70,946	62,713	63,121	70,434	103,029	100,746	86,868	97,740	110,549
Unallocated depreciation expense	90,109	85,459	120,704	138,258	119,118	101,012	98,712	96,170	91,117	103,912
Total governmental activities	31,013,500	31,120,647	31,713,711	31,355,399	31,515,852	31,650,609	33,341,897	35,183,710	34,499,516	34,636,089
Business-type activities:										
School food service	2,151,452	2,146,360	2,189,077	2,251,388	2,197,468	2,243,305	2,183,283	2,206,128	1,875,628	1,815,471
Total district-wide	\$ 33,164,952	\$ 33,267,007	\$ 33,902,788	\$ 33,606,787	\$ 33,713,320	\$ 33,893,914	\$ 35,525,180	\$ 37,389,838	\$ 36,375,144	\$ 36,451,560
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services - tuition and fees	\$ 104,845	\$ 137,965	\$ 118,765	\$ 88,971	\$ 115,352	\$ 128,587	\$ 97,333	\$ 47,909	\$ 29,083	\$ 62,761
Operating grants and contributions	21,177,426	21,515,328	21,607,079	21,597,759	22,578,090	22,644,134	23,119,556	23,030,414	24,556,994	24,869,779
Capital grants and contributions	-	136,531	300,483	81,976	81,195	20,299	213,648	129,274	173,772	112,733
Total governmental activities program revenues	21,282,271	21,789,824	22,026,327	21,768,706	22,774,637	22,793,020	23,430,537	23,207,597	24,759,849	25,045,273
Business-type activities:										
Charges for services:										
Student meal services	763,436	730,483	722,223	627,632	589,888	547,212	515,620	514,854	489,108	430,160
Operating grants and contributions	1,421,450	1,431,888	1,470,152	1,586,388	1,489,644	1,555,276	1,467,978	1,418,705	1,352,011	1,752,984
Capital grants and contributions	-	22,044	-	-	-	-	-	-	-	-
Total business-type activities program revenues	2,184,886	2,184,415	2,192,375	2,214,020	2,079,532	2,102,488	1,983,598	1,933,559	1,841,119	2,183,144
Total district-wide	\$ 23,467,157	\$ 23,974,239	\$ 24,218,702	\$ 23,982,726	\$ 24,854,169	\$ 24,895,508	\$ 25,414,135	\$ 25,141,156	\$ 26,600,968	\$ 27,228,417
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (9,731,229)	\$ (9,330,823)	\$ (9,687,384)	\$ (9,586,693)	\$ (8,741,215)	\$ (8,857,589)	\$ (9,911,360)	\$ (11,976,113)	\$ (9,739,667)	\$ (9,590,816)
Business-type activities	33,434	38,055	3,298	(37,368)	(117,936)	(140,817)	(199,685)	(272,569)	(34,509)	367,673
Total district-wide	\$ (9,697,795)	\$ (9,292,768)	\$ (9,684,086)	\$ (9,624,061)	\$ (8,859,151)	\$ (8,998,406)	\$ (10,111,045)	\$ (12,248,682)	\$ (9,774,176)	\$ (9,223,143)

# ASHE COUNTY SCHOOLS

## Changes in Net Position (Continued)

### Last Ten Fiscal Years

Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 3,635,520	\$ 3,760,520	\$ 4,000,000	\$ 4,448,032	\$ 4,541,475	\$ 4,641,903	\$ 4,641,903	\$ 4,784,744	\$ 5,047,012	\$ 5,323,091
Unrestricted county appropriations - capital	761,281	1,529,829	916,568	453,372	223,622	273,201	636,253	544,693	649,607	329,306
Unrestricted State appropriations - operating	79,903	65,131	58,226	60,347	60,605	50,581	51,441	43,223	46,983	43,881
Unrestricted State appropriations - capital	292,359	-	-	-	-	-	-	-	-	-
Unrestricted Federal grants	-	-	-	-	-	-	-	-	-	-
Investment earnings, unrestricted	-	-	-	-	-	-	-	31,091	41,984	36,440
Miscellaneous, unrestricted	5,006,150	4,676,950	3,587,086	3,461,469	3,535,775	3,604,934	3,688,048	3,617,235	3,506,673	3,279,002
Transfers	(56,505)	(55,356)	(70,666)	(72,569)	(72,024)	(72,984)	(79,265)	(80,775)	(88,442)	(137,950)
Total governmental activities	9,718,708	9,977,074	8,491,214	8,350,651	8,289,453	8,497,635	8,938,380	8,940,211	9,203,817	8,873,770
Business-type activities:										
Unrestricted State appropriations - operating	(2,497)	805	1,103	2,776	-	-	-	-	-	-
Investment earnings, unrestricted	2,257	2,003	1,388	1,193	1,066	1,392	1,773	2,278	3,147	2,952
Transfers	56,505	55,356	70,666	72,569	72,024	72,984	79,265	80,775	88,442	137,950
Total business-type activities	56,265	58,164	73,157	76,538	73,090	74,376	81,038	83,053	91,589	140,902
Total district-wide	\$ 9,774,973	\$ 10,035,238	\$ 8,564,371	\$ 8,427,189	\$ 8,362,543	\$ 8,572,011	\$ 9,019,418	\$ 9,023,264	\$ 9,295,406	\$ 9,014,672
<b>Change in Net Position</b>										
Governmental activities	\$ (12,521)	\$ 646,251	\$ (1,196,170)	\$ (1,236,042)	\$ (451,762)	\$ (359,954)	\$ (972,980)	\$ (3,035,902)	\$ (3,035,902)	\$ (717,046)
Business-type activities	89,699	96,219	76,455	39,170	(44,846)	(66,441)	(118,647)	(189,516)	(189,516)	508,575
Total district-wide	\$ 77,178	\$ 742,470	\$ (1,119,715)	\$ (1,196,872)	\$ (496,608)	\$ (426,395)	\$ (1,091,627)	\$ (3,225,418)	\$ (3,225,418)	\$ (208,471)

Source: Ashe County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2020

Note: Expenses for 2014 and before are not comparable to 2015 (and after) expenses due to the implementation of GASB 68 during the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with the Board's participation in the Statewide Teachers' and State Employees' Retirement System (TSERS).

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

# ASHE COUNTY SCHOOLS

## Governmental Funds

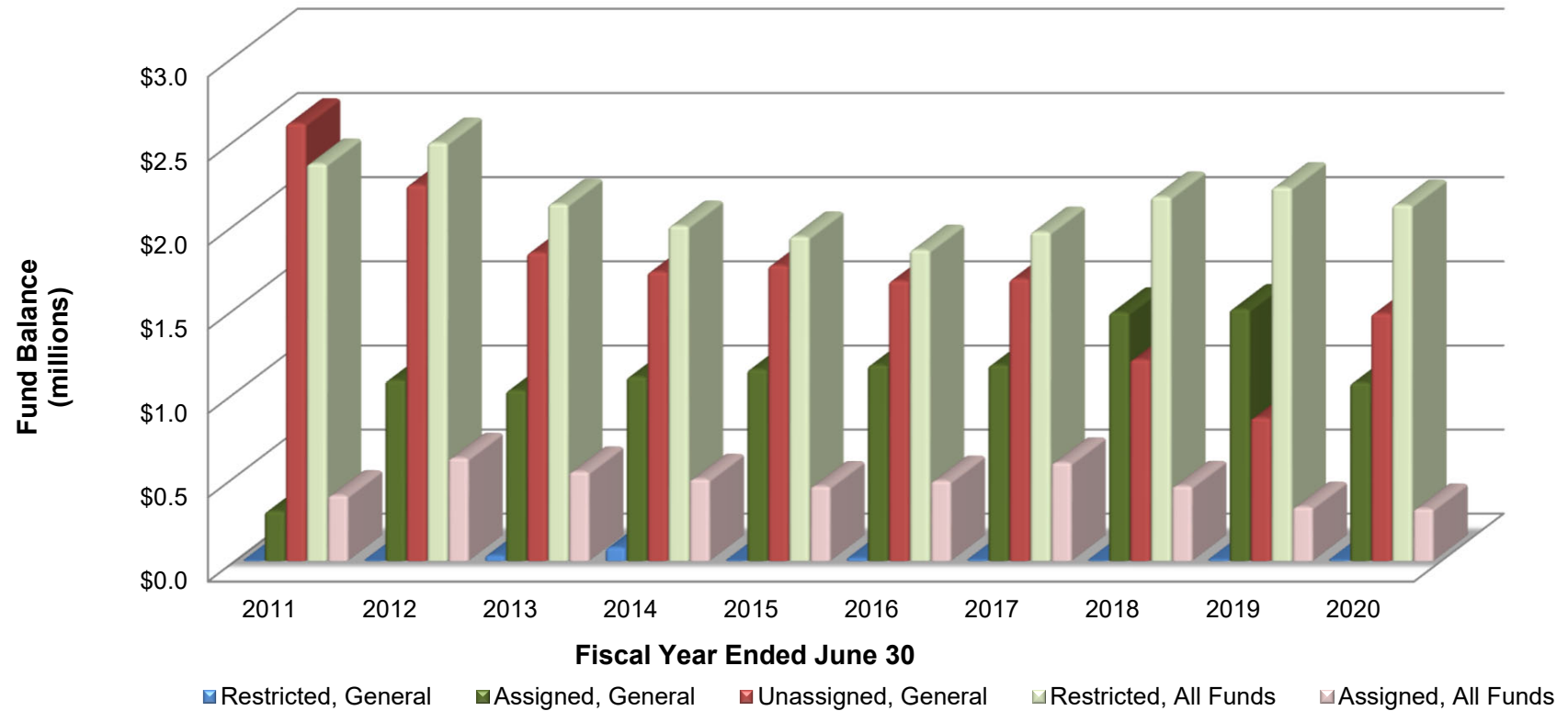
### Fund Balances

#### Last Ten Fiscal Years

Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Restricted	5,676	5,050	33,741	82,042	5,880	20,405	10,938	5,686	13,510	10,070
Assigned	297,433	1,076,199	1,016,142	1,096,835	1,140,777	1,166,428	1,166,428	1,479,468	1,499,212	1,061,923
Unassigned	2,601,690	2,235,878	1,834,317	1,720,710	1,758,586	1,666,548	1,678,811	1,199,230	852,213	1,472,686
Total General Fund	\$ 2,904,799	\$ 3,317,127	\$ 2,884,200	\$ 2,899,587	\$ 2,905,243	\$ 2,853,381	\$ 2,856,177	\$ 2,684,384	\$ 2,364,935	\$ 2,544,679
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Restricted	2,363,342	2,487,467	2,123,859	1,994,315	1,930,022	1,851,062	1,958,257	2,166,902	2,222,596	2,118,658
Assigned	391,568	614,059	532,842	488,818	446,121	478,343	587,060	447,369	323,326	312,559
Total all other governmental funds	\$ 2,754,910	\$ 3,101,526	\$ 2,656,701	\$ 2,483,133	\$ 2,376,143	\$ 2,329,405	\$ 2,545,317	\$ 2,614,271	\$ 2,545,922	\$ 2,431,217

Source: Ashe County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2020

**Governmental Funds  
Fund Balances - After GASB 54 Implementation**



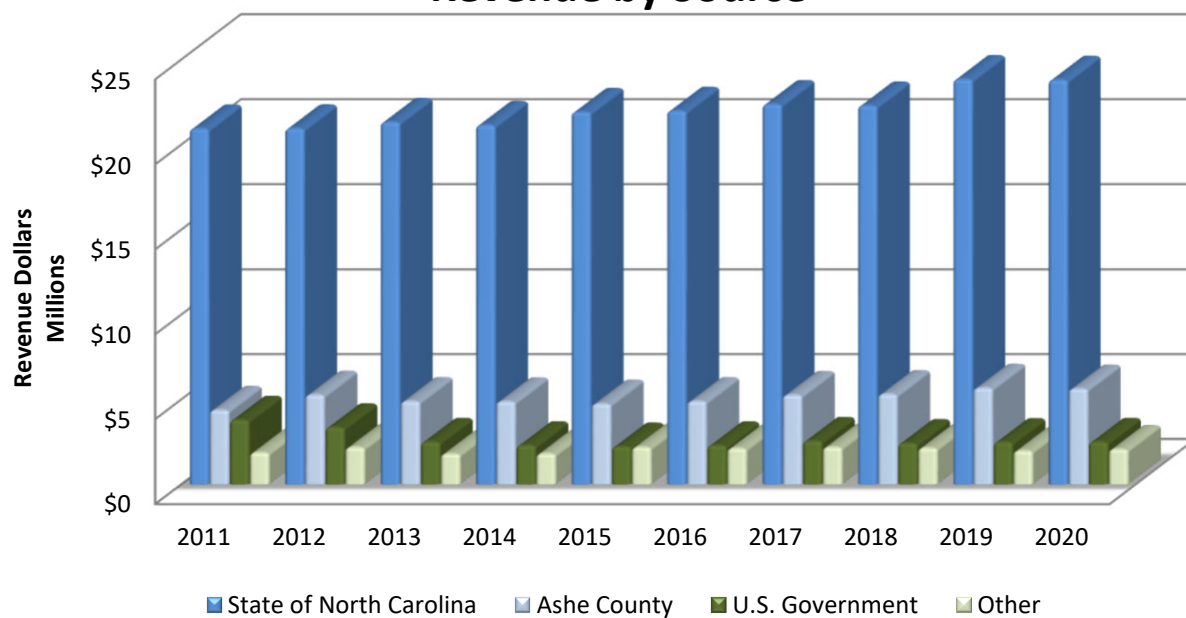


<b>ASHE COUNTY SCHOOLS</b> <b>Governmental Funds</b> <b>Changes in Fund Balances</b> <b>Last Ten Fiscal Years</b>					
<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Revenues</b>					
State of North Carolina	\$ 20,956,933	\$ 20,965,212	\$ 21,341,607	\$ 21,164,661	\$ 21,933,271
Ashe County	4,396,801	5,290,349	4,916,568	4,901,404	4,765,097
U.S. Government	3,812,673	3,369,836	2,514,530	2,310,164	2,233,691
Contributions and Donations	-	-	-	-	-
Other	1,891,077	2,197,388	1,816,707	1,828,138	2,210,803
Total revenues	31,057,484	31,822,785	30,589,412	30,204,367	31,142,862
<b>Expenditures</b>					
Instructional Services	23,413,619	23,559,834	23,918,640	23,456,045	24,354,416
System-wide Support Services	6,713,762	6,128,454	6,965,270	6,387,664	6,534,210
Ancillary Services	83,774	137,621	44,865	45,157	48,203
Non-Programmed Charges	180,340	95,705	92,353	83,838	88,007
Capital Outlay	249,530	950,340	402,791	235,299	105,957
Debt service - principal	292,359	136,531	300,483	81,976	122,574
Total expenditures	30,933,384	31,008,485	31,724,402	30,289,979	31,253,367
Revenues over (under) expenditures	124,100	814,300	(1,134,990)	(85,612)	(110,505)
<b>Other financing sources (uses)</b>					
Transfers to other funds	(56,505)	(55,356)	(70,666)	(72,569)	(72,024)
Installment purchase obligations	312,072	-	327,904	-	81,195
	255,567	(55,356)	257,238	(72,569)	9,171
Net change in fund balances	\$ 379,667	\$ 758,944	\$ (877,752)	\$ (158,181)	\$ (101,334)
Ratio of debt service expenditures to total non-capital expenditures	-	0.61%	0.99%	0.29%	0.40%
<b>Year Ended June 30</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Revenues</b>					
State of North Carolina	\$ 22,001,401	\$ 22,393,747	\$ 22,306,212	\$ 23,860,742	\$ 23,823,001
Ashe County	4,915,104	5,278,156	5,329,437	5,696,619	5,652,397
U.S. Government	2,306,490	2,567,490	2,440,380	2,495,728	2,513,680
Contributions and Donations	-	-	-	-	-
Other	2,144,566	2,208,789	2,165,521	1,999,019	2,090,436
Total revenues	31,367,561	32,448,182	32,241,550	34,052,108	34,079,514
<b>Expenditures</b>					
Instructional Services	24,724,477	25,181,603	25,525,877	27,194,568	26,620,812
System-wide Support Services	6,411,947	6,382,641	6,442,344	6,905,354	6,964,419
Ancillary Services	56,120	52,467	56,089	37,882	114,528
Non-Programmed Charges	119,884	124,900	97,416	114,680	131,010
Capital Outlay	404,182	280,883	100,047	103,200	32,601
Debt service - principal	20,299	213,648	129,274	173,772	112,733
Total expenditures	31,736,909	32,236,142	32,351,047	34,529,456	33,976,103
Revenues over (under) expenditures	(369,348)	212,040	(109,497)	(477,348)	103,411
<b>Other financing sources (uses)</b>					
Transfers to other funds	(72,984)	(79,265)	(80,775)	(88,442)	(137,950)
Installment purchase obligations	343,732	85,933	87,433	177,992	99,578
	270,748	6,668	6,658	89,550	(38,372)
Net change in fund balances	\$ (98,600)	\$ 218,708	\$ (102,839)	\$ (387,798)	\$ 65,039
Ratio of debt service expenditures to total non-capital expenditures	0.06%	0.67%	0.41%	0.51%	0.34%

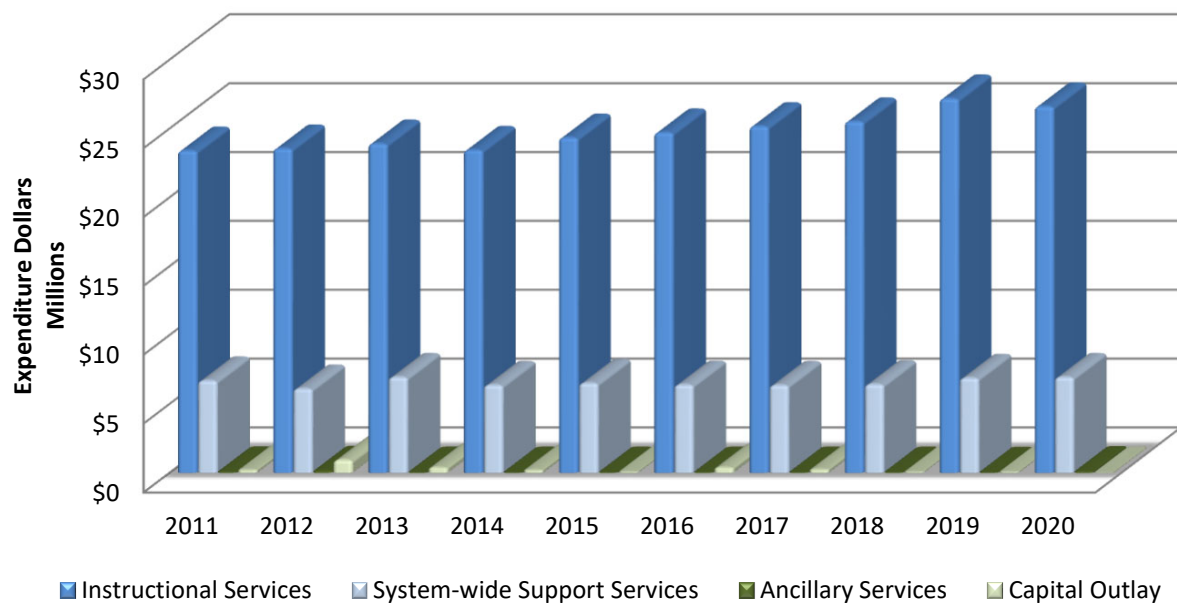
Source: Ashe County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2020

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

## Governmental Funds Revenue by Source



## Expenditures by Function



# ASHE COUNTY SCHOOLS

## Operational Expenditures Per Pupil

### Expenditures by Function

#### Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS					
Year Ended June 30	2011	2012	2013	2014	2015
Average Daily Membership	3,145	3,134	3,167	3,120	3,096
Instructional	\$ 7,445	\$ 7,517	\$ 7,552	\$ 7,518	\$ 7,866
System-wide support	2,135	1,955	2,199	2,047	2,111
Ancillary	27	44	14	14	16
<b>Total Expenditures</b>	<b>\$ 9,607</b>	<b>\$ 9,516</b>	<b>\$ 9,765</b>	<b>\$ 9,579</b>	<b>\$ 9,993</b>

EXPRESSED IN NOMINAL DOLLARS					
Year Ended June 30	2016	2017	2018	2019	2020
Average Daily Membership	3,151	2,981	2,966	2,946	2,899
Instructional	\$ 7,847	\$ 8,447	\$ 8,606	\$ 9,231	\$ 9,183
System-wide support	2,035	2,141	2,172	2,344	2,402
Ancillary	18	18	19	13	40
<b>Total Expenditures</b>	<b>\$ 9,900</b>	<b>\$ 10,606</b>	<b>\$ 10,797</b>	<b>\$ 11,588</b>	<b>\$ 11,625</b>

EXPRESSED IN CONSTANT DOLLARS					
Year Ended June 30	2011	2012	2013	2014	2015
Instructional	\$ 3,298	\$ 3,276	\$ 3,234	\$ 3,154	\$ 3,296
System-wide support	946	852	942	859	885
Ancillary	12	19	6	6	7
<b>Total Expenditures</b>	<b>\$ 4,256</b>	<b>\$ 4,147</b>	<b>\$ 4,182</b>	<b>\$ 4,019</b>	<b>\$ 4,188</b>

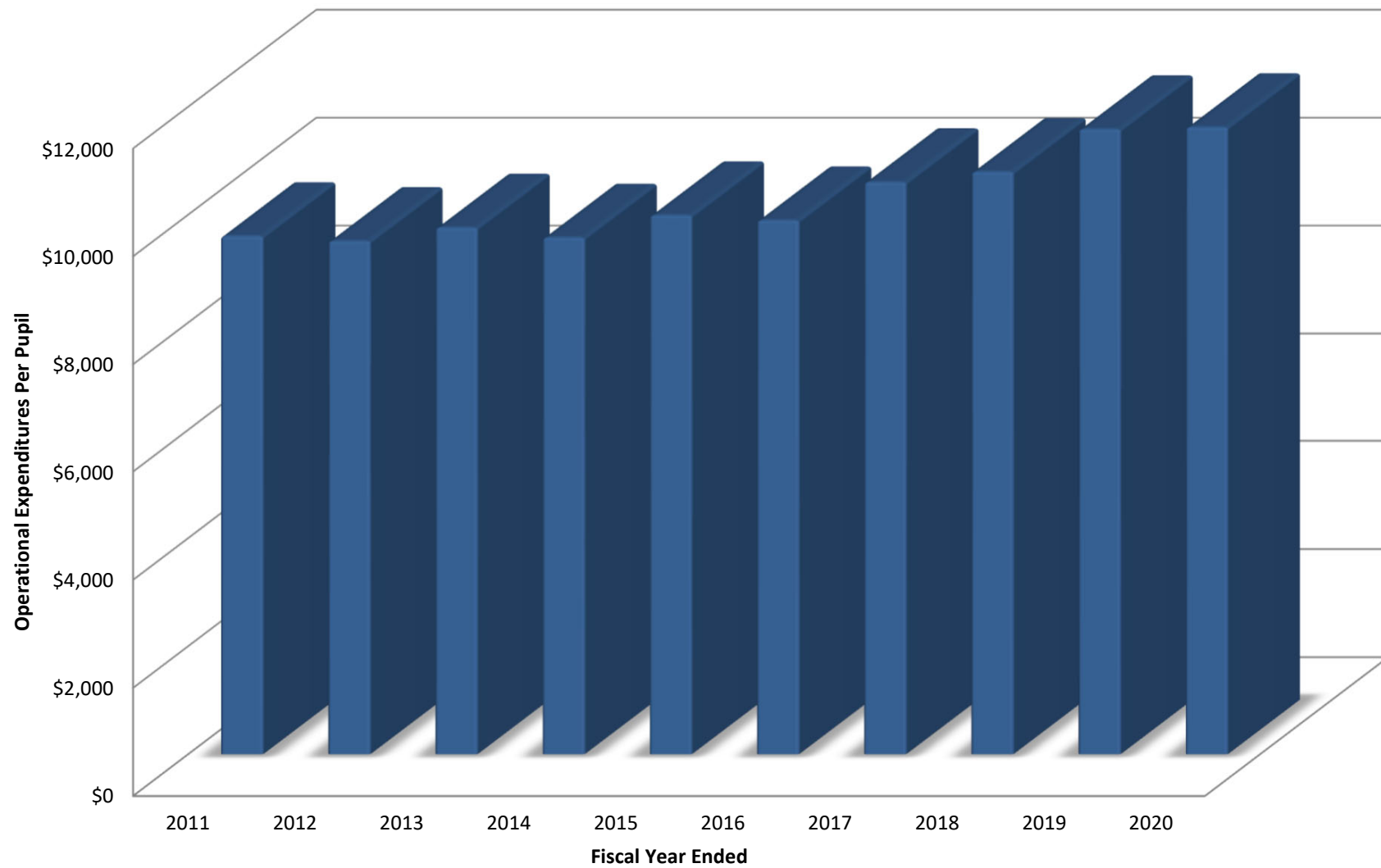
EXPRESSED IN CONSTANT DOLLARS					
Year Ended June 30	2016	2017	2018	2019	2020
Instructional	\$ 3,256	\$ 3,448	\$ 3,415	\$ 3,604	\$ 3,562
System-wide support	844	874	862	915	932
Ancillary	7	7	8	5	16
<b>Total Expenditures</b>	<b>\$ 4,107</b>	<b>\$ 4,329</b>	<b>\$ 4,285</b>	<b>\$ 4,524</b>	<b>\$ 4,510</b>

Source: Ashe County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2020.

The above operational expenditures per pupil include all governmental funds.

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

**Operational Expenditures Per  
Pupil**  
Expenditures by Function



# ASHE COUNTY SCHOOLS

## Average Daily Membership

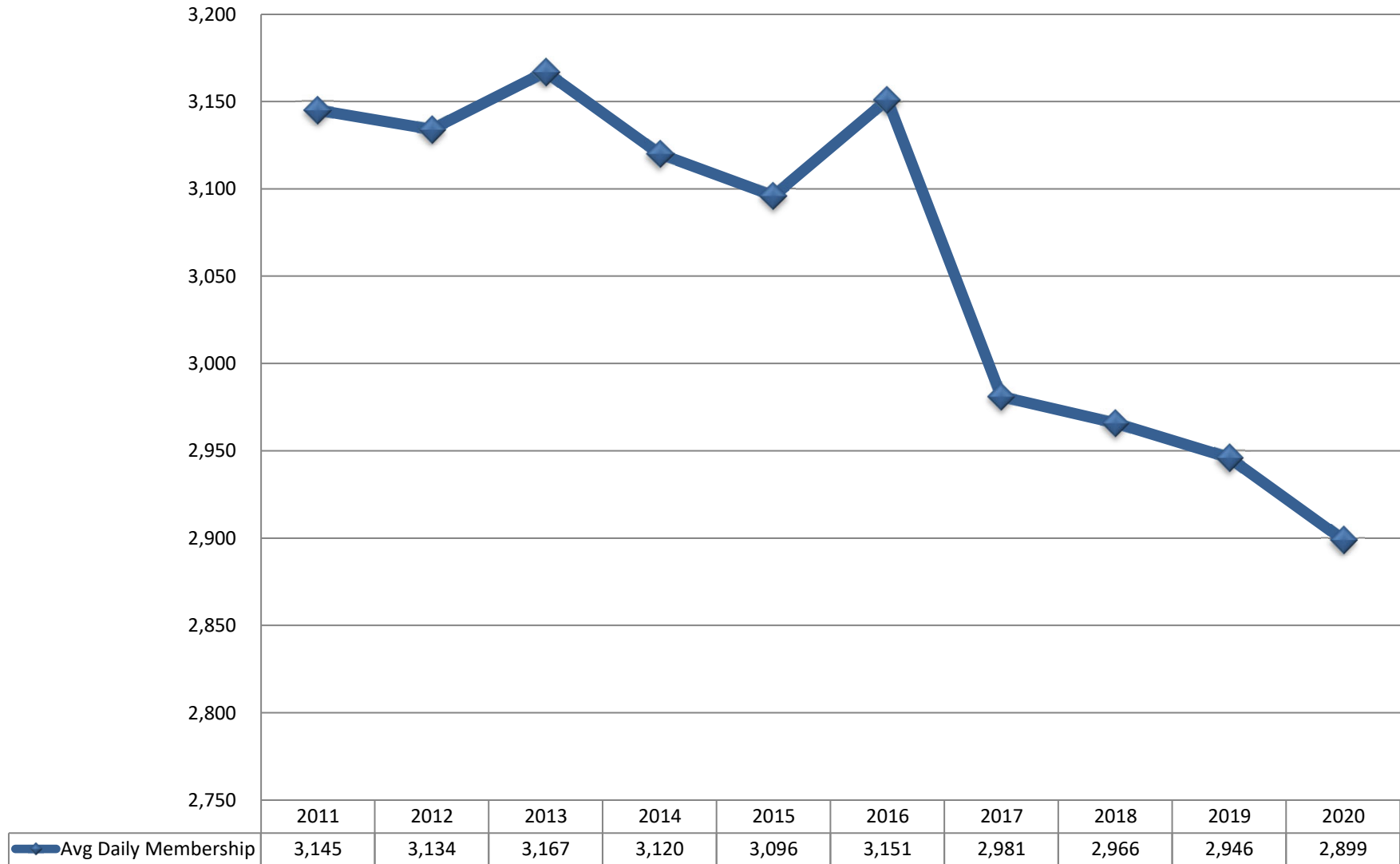
### By School

### Last Ten Fiscal Years

Year Ended June 30	2011	2012	2013	2014	2015
Elementary Schools					
Blue Ridge	493	486	515	492	508
Mountain View	562	571	595	587	584
Westwood	668	621	622	620	587
Total Elementary Schools	1,723	1,678	1,732	1,699	1,679
Middle School					
Ashe County Middle	525	551	504	481	496
High School					
Ashe County High	897	905	931	940	921
<b>Total Average Daily Membership</b>	<b>3,145</b>	<b>3,134</b>	<b>3,167</b>	<b>3,120</b>	<b>3,096</b>
Year Ended June 30	2016	2017	2018	2019	2020
Elementary Schools					
Blue Ridge	534	502	509	472	445
Mountain View	589	558	548	548	525
Westwood	573	542	558	548	542
Total Elementary Schools	1,696	1,602	1,615	1,568	1,512
Middle School					
Ashe County Middle	508	460	436	473	510
High School					
Ashe County High	947	919	915	905	877
<b>Total Average Daily Membership</b>	<b>3,151</b>	<b>2,981</b>	<b>2,966</b>	<b>2,946</b>	<b>2,899</b>

Source: North Carolina Average Daily Membership Report, North Carolina Department of Public Instruction

### ASHE COUNTY SCHOOLS Average Daily Membership Last Ten Fiscal Years



**Ashe County Schools**  
**Student Statistics**  
**Last Ten Fiscal Years**

Year Ended June 30	Teaching Staff	Students	Pupil/ Teacher ratio	Student Attendance Percentage	Students receiving free/ reduced lunch percentage
2020	216	2,899	1/13	96.27%	57%
2019	223	2,946	1/13	95.18%	57%
2018	235	2,948	1/13	95.04%	59%
2017	226	2,966	1/13	95.54%	60%
2016	228	2,981	1/14	95.34%	61%
2015	229	3,151	1/14	95.19%	63%
2014	225	3,096	1/14	94.85%	63%
2013	227	3,120	1/14	94.92%	62%
2012	239	3,167	1/13	95.46%	62%
2011	249	3,134	1/13	94.94%	59%

Source: Ashe County Board of Education Student Data.

**Ashe County Schools**  
**Student Statistics**  
**Last Ten Fiscal Years**

Year Ended June 30	Ethnic Distribution Percentage					Graduates	Graduates Continuing Education Percentage
	White	Black	Asian	Hispanic	Other		
2020	83%	1%	1%	13%	2%	204	70%
2019	85%	-	1%	12%	2%	213	78%
2018	86%	1%	1%	11%	2%	202	94%
2017	88%	1%	1%	10%	-	227	81%
2016	88%	1%	-	10%	1%	210	85%
2015	89%	-	-	9%	2%	207	81%
2014	89%	-	-	9%	2%	209	83%
2013	89%	-	-	9%	1%	197	82%
2012	89%	-	1%	8%	1%	190	85%
2011	89%	-	-	8%	3%	216	88%

Source: Ashe County Board of Education Student Data.



**Ashe County Schools  
Instructional Personnel  
Last Ten Fiscal Years**

Year Ended June 30	Teacher Salaries			Bachelors Degree	Masters Degree	Sixth Year Degree	Doctorate Degree
	Minimum	Maximum	Average				
2020	\$ 35,000	\$ 65,970	\$ 50,035	140	103	6	1
2019	35,000	65,970	50,375	138	97	6	1
2018	35,000	62,590	49,625	131	111	6	1
2017	35,000	62,220	45,190	128	108	6	1
2016	35,000	61,000	46,695	133	110	4	1
2015	33,000	61,000	43,694	131	116	3	0
2014	30,800	61,000	44,795	137	120	3	0
2013	30,800	61,030	45,915	118	129	1	1
2012	30,430	60,340	45,385	137	100	1	1
2011	30,430	63,480	46,955	121	125	-	1

The above tabulation represents total salaries including both state base and the system-wide local supplement, but does not include the following:

- ( a ) Payments of varying amounts for performing extra duties.
- ( b ) Bonus payments

Source: Ashe County Board of Education Payroll Data

## ASHE COUNTY SCHOOLS

School Building Data  
June 30, 2020

<u>Site</u>	<u>Year Built</u>	<u>Capacity</u>	<u>Current Membership</u>	<u>Over/(Under) Capacity</u>	<u>Condition</u>
Blue Ridge Elementary	1995	600	445	-26%	Very Good
Mountain View Elementary	1990	700	525	-25%	Good
Westwood Elementary	2004	600	542	-10%	Excellent
Ashe County Middle	1965	650	510	-22%	Poor
Ashe County High	2000	1000	877	-12%	Very Good

Source: Ashe County Schools N. C. Public Schools Facility Needs Report, 2020

**ASHE COUNTY SCHOOLS**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Installment Purchases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2020	\$ 185,539	\$ 185,539	N/A	N/A
2019	198,694	198,694	N/A	7
2018	194,474	194,474	0.02%	7
2017	236,315	236,315	0.02%	9
2016	364,030	364,030	0.04%	9
2015	40,597	40,597	0.04%	3
2014	81,976	81,976	0.02%	6
2013	163,952	163,952	0.02%	5
2012	136,531	136,531	0.04%	10
2011	273,062	273,062	0.03%	9

N/A = Not available

Source: Ashe County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2020

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2020 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2021, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2019 and June 30, 2020 income based information will be shown above as "N/A", and the June 30, 2019 information will be reported for the year ended June 30, 2021, if applicable.

**ASHE COUNTY**  
**North Carolina**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Population Estimate (1)	27,143	27,097	27,151	27,126	27,020
Personal Income (2)	\$771,173,000	\$820,781,000	\$831,961,000	\$831,961,000	\$846,742,000
Per Capita Income (2)	\$28,411	\$30,290	\$30,642	\$30,670	\$31,338
Median Age (3)	45.53	45.44	45.62	45.84	45.98
School Enrollment (4)	3,145	3,134	3,167	3,120	3,096
Unemployment Rate (5)	11.0%	10.9%	11.3%	11.3%	7.4%
<b>Year Ended June 30</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Population Estimate (1)	26,924	26,957	27,109	27,797	N/A
Personal Income (2)	\$851,635,000	\$962,567,000	\$984,056,700	N/A	N/A
Per Capita Income (2)	\$31,631	\$35,707	\$36,300	N/A	N/A
Median Age (3)	46.21	47.03	47.21	47.81	48.13
School Enrollment (4)	3,151	2,981	2,966	2,946	2,899
Unemployment Rate (5)	6.6%	4.9%	3.8%	4.3%	5.4%

N/A = Not Available

Sources:

- 1 Based upon estimates issued by the U.S. Census Bureau as of July 1
- 2 Bureau of Economic Analysis
- 3 Office of State Budget and Management
- 4 North Carolina Department of Public Instruction
- 5 North Carolina Employment Security Commission

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2020 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2021, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2019 and June 30, 2020 income based information will be shown above as "N/A", and the June 30, 2019 information will be reported for the year ended June 30, 2021, if applicable.

**ASHE COUNTY**  
**North Carolina**  
**Principal Employers**  
**For Years Ended June 30, 2020 and 2011**

Employer	2020			2011		
	Employees	Rank	Approximate Percentage of Total County Employment	Employees	Rank	Approximate Percentage of Total County Employment
Ashe County Board of Education	500 - 999	1	6%	500-999	1	6%
American Emergency Vehicles	500 - 999	2	3%	250 - 499	4	3%
General Electric Corp	250 - 499	3	3%	-		-
Ashe Memorial Hospital, Inc.	250 - 499	4	3%	250 - 499	2	3%
County of Ashe	250 - 499	5	3%	250-499	3	-
James R Vannoy & Sons Construction	250 - 499	6	3%	100-249	10	-
Wal-Mart Associates Inc	100 - 249	7	2%	100-249	7	3%
United Chemi-Con Inc	100 - 249	8	2%	250-499	6	3%
Ingles Market Inc.	100 - 249	9	2%	-		-
Skyline Telephone Membership Corp.	100 - 249	10	2%	-		-
Ashe Services for Aging Inc	-		-	100-249	8	2%
Gates Rubber Company	-		-	250-499	5	3%
The Margate Health and Rehab Center	-		-	100-249	9	2%
Total County Employment	<u>12,680</u>		<u>29%</u>	<u>11,933</u>		<u>25%</u>

Source: Employment Security Commission of North Carolina as of June 30th each year.



**ASHE COUNTY, NORTH CAROLINA**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Assessed value (after exemption)	N/A	\$ 4,127,091,797	\$ 3,966,565,400	\$ 3,970,471,844
Debt limit rate	8%	8%	8%	8%
Debt limit	N/A	330,167,344	317,325,232	317,637,748
Less: Total net debt applicable to limit	N/A	7,596,282	8,910,616	9,436,362
Legal debt margin	N/A	322,571,062	308,414,616	308,201,386
Total net debt applicable to the limit as a percentage of debt limit	N/A	2%	3%	3%
<b>Legal Debt Margin Calculation for Fiscal Year 2020</b>				
Assessed value (after exemptions)				N/A
Debt limit (8% of assessed value)				8%
Debt applicable to limit:				N/A
Installment purchase				N/A
Total net debt applicable to limit				N/A
Legal debt margin				N/A

Note: Ashe County Board of Education does not have debt levy authority.

Source: Ashe County's Financial Statements

N/A: This information was not available from Ashe County as of the CAFR report date.

Table 15 (Continued)

2016	2015	2014	2013	2012	2011
\$ 3,912,574,349	\$ 4,172,689,864	\$ 4,223,152,720	\$ 4,120,184,730	\$ 4,127,658,248	\$ 3,757,406,765
8%	8%	8%	8%	8%	8%
313,005,948	333,815,189	337,852,218	300,979,219	295,323,134	283,643,610
11,300,613	14,300,180	17,008,768	20,690,107	23,523,770	26,329,148
301,705,335	319,515,009	320,843,450	274,974,814	268,841,586	254,779,449
4%	4%	9%	9%	10%	5%



**ASHE COUNTY, NORTH CAROLINA**  
**Principal Property Taxpayers**  
**December 31, 2019 and December 31, 2010**

Taxpayer	December 31, 2019			December 31, 2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
General Electric Company	\$ 100,025,713	1	2.42	\$ 28,584,311	2	0.76
Blue Ridge Electrical Membership Corp.	88,964,985	2	2.16	78,261,052	1	2.08
GE Industrial Financing Solutions LLC	36,673,588	3	0.89			0.00
GE Capital US Holdings Inc	13,779,788	4	0.33			0.00
General Electric Credit Corp of Tennessee	9,131,850	5	0.22			-
Wal-Mart Real Estate Business Trust	8,920,600	6	0.22	9,684,100	6	0.26
Smiths Aerospace Components, Inc.	8,579,400	7	0.21			-
Double M Ranch, LLC	8,198,700	8	0.20			-
Hendersonville Health Care Facility	7,742,200	9	0.19			-
James R Vannoy & Sons Construction	7,503,524	10	0.18			-
Gates Rubber Company Inc	-		-	17,135,948	3	0.46
United Chemi-Con Inc	-		-	11,593,066	4	0.31
JL Golf Management	-		-	10,981,800	5	0.29
Lowe's Home Center Inc.	-		-	8,708,800	7	0.23
Community One Bank NA	-		-	7,386,457	8	0.20
Crown Point Associates LLC	-		-	6,503,100	9	0.17
Church Sammy & Shirley	-		-	6,453,900	10	0.17
	<u>\$ 289,520,348</u>		<u>7.02</u>	<u>\$ 185,292,534</u>		<u>4.93</u>
Total Assessed Valuation	<u>\$ 4,127,091,797</u>			<u>\$ 3,762,240,238</u>		

Source: Ashe County Tax Collector



**ASHE COUNTY**  
**North Carolina**  
**Property Tax Rates - All Overlapping Governments**  
**(PER \$100 OF ASSESSED VALUE)**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>ASHE COUNTY</b>	0.4250	0.4000	0.4000	0.4000	0.4330
<b>CITIES AND TOWNS</b>					
Jefferson	0.3300	0.3300	0.3300	0.3300	0.3300
Lansing	0.3500	0.3500	0.3500	0.3500	0.3500
West Jefferson	0.4300	0.4200	0.4200	0.4200	0.4200
<b>FIRE DISTRICTS</b>					
Creston	0.0340	0.0340	0.0600	0.0600	0.0600
Deep Gap	0.0400	0.0400	0.0400	0.0400	0.0400
Fleetwood	0.0400	0.0400	0.0400	0.0400	0.0400
Glendale Springs	0.0300	0.0300	0.0300	0.0300	0.0700
Jefferson	0.0290	0.0290	0.0290	0.0290	0.0290
Lansing	0.0260	0.0260	0.0260	0.0260	0.0400
Laurel Springs	0.0400	0.0400	0.0400	0.0400	0.0400
New River	0.0400	0.0400	0.0400	0.0400	0.0400
Pond Mountain	0.0500	0.0800	0.0800	0.0800	0.0800
Todd	0.0700	0.0700	0.0700	0.0800	0.0800
Warrensville	0.0480	0.0480	0.0480	0.0680	0.0680
West Jefferson	0.0170	0.0170	0.0170	0.0170	0.0170

Table 17 (Continued)

Year Ended June 30	2016	2017	2018	2019	2020
ASHE COUNTY	0.4330	0.4330	0.4330	0.4330	0.4330
CITIES AND TOWNS					
Jefferson	0.3600	0.3700	0.3700	0.3800	0.3800
Lansing	0.3500	0.3500	0.3500	0.3500	0.3500
West Jefferson	0.4200	0.4200	0.4200	0.4200	0.4200
FIRE DISTRICTS					
Creston	0.0600	0.0600	0.0600	0.0600	0.0600
Deep Gap	0.0400	0.0400	0.0400	0.0400	0.0400
Fleetwood	0.0400	0.0400	0.0400	0.0400	0.0400
Glendale Springs	0.0700	0.0700	0.0700	0.0700	0.0700
Jefferson	0.0360	0.0290	0.0290	0.0290	0.0290
Lansing	0.0400	0.0400	0.0400	0.0600	0.0600
Laurel Springs	0.0400	0.0400	0.0400	0.4000	0.0700
New River	0.0400	0.0400	0.0400	0.0400	0.0700
Pond Mountain	0.0800	0.0800	0.0800	0.0800	0.0800
Todd	0.0800	0.0800	0.0800	0.0800	0.0800
Warrensville	0.0680	0.0680	0.0680	0.0680	0.0800
West Jefferson	0.0170	0.0170	0.0170	0.0170	0.0300

Source: Ashe County Tax Administrator

**ASHE COUNTY**  
**North Carolina**  
**Property Tax Levies and Current Collections**  
**Last Ten Fiscal Years**

EXPRESSED IN NOMINAL DOLLARS				
FISCAL YEAR ENDED June 30		TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED
2020	\$	18,602,517	\$ 17,925,977	96.36
2019		18,280,891	17,583,097	96.18
2018		17,955,443	17,250,534	96.07
2017		17,189,484	16,421,678	95.53
2016		16,914,863	16,147,057	95.46
2015		16,689,541	15,890,456	95.21
2014		16,891,170	16,024,893	94.87
2013		16,481,363	15,482,817	93.94
2012		16,537,304	15,561,298	94.10
2011		16,022,269	14,834,058	92.58

EXPRESSED IN CONSTANT DOLLARS				
FISCAL YEAR ENDED June 30		TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	
2020	\$	7,215,956	\$ 6,953,524	
2019		7,136,986	6,864,563	
2018		7,125,487	6,845,749	
2017		7,017,405	6,703,957	
2016		7,017,509	6,698,967	
2015		6,993,664	6,658,812	
2014		7,086,917	6,723,459	
2013		7,058,279	6,630,643	
2012		7,206,488	6,781,172	
2011		7,098,231	6,571,826	

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

Source: Ashe County Tax Administration



*Challenging young minds to soar.*

**ASHE COUNTY BOARD OF EDUCATION  
320 SOUTH STREET  
JEFFERSON, NORTH CAROLINA 28640  
(336) 246-7175**