

**ASHEBORO CITY BOARD OF EDUCATION**

**January 12, 2017**

**7:30 p.m.**

**Asheboro High School**

**Professional Development Center**

**\*5:15 p.m. - Board Of Education Appreciation Reception**

**\*6:00 p.m. - Policy Committee**

**\*6:45 p.m. - Finance Committee Meeting**

**I. Opening**

- A. Call to Order
- B. Moment of Silence
- C. Pledge of Allegiance – Abbigayle Clark, Student Council President, Donna Lee Loflin Elementary School
- \*D. Approval of Agenda

**II. Special Recognition and Presentations**

- A. Community Spotlight – Rushwood Church – Leigh Anna Marbert
- B. Board Spotlight – “One Stop Wordshop” – Jordi Roman, Principal of Donna Lee Loflin Elementary School
- C. Board Appreciation Presentation – Jaime Cope and Art Students from South Asheboro Middle School

**III. Public Comments**

- A. Citizens who signed up to address the Board will be called on to make comments. Each individual speaker will be allowed 3 – 5 minutes for remarks. Issues or concerns involving personnel matters are not appropriate for the public comment setting.

**IV. \*Consent Agenda**

- A. Approval of Minutes – December 8, 2016
- B. 2015-2016 Audit Report
- C. South Asheboro Middle School Overnight Fieldtrip to Beta Club Competition
- D. Personnel

**V. Information, Reports and Recommendations**

- A. Policies Recommended for 30-Day Review – Dr. Drew Maerz
  - Policy 2310 - Public Participation at Board Meetings
  - Policy 3225/4312/7320 - Technology Responsible Use
  - Policy 6524 - Network Security
  - Policy 8100 - Budget Planning and Adoption
  - Policy 8210 - Grants and Funding for Special Projects

**VI. Action Items**

- \*A. Policies Recommended for Approval – Dr. Drew Maerz
  - Policy 9010 – Site Selection
  - Policy 9110 – Use and Selection of Architects, Engineers, Surveyors, and Construction Managers At Risk
  - Policy 9115 – Prequalification of Bidders for Construction Projects
  - Policy 9120 – Bidding for Construction Work
  - Policy 9400 – Sale, Disposal and Lease of Board-Owned Real Property
- \*B. Course Proposals for Asheboro High School for the 2017-2018 School Year – Dr. Julie Pack

**VII. Superintendent's Report/Calendar of Events**

- A. Calendar of Events – Leigh Anna Marbert
- B. Points of Pride – Leigh Anna Marbert
- C. 2016-2017 Board Goals - January Update – Dr. Terry Worrell

**VIII. Board Operations**

- A. Important Dates to Remember

**IX. Adjournment**

Asheboro City Schools' Board of Education meetings are paperless. All information for the board meetings may be viewed at <http://www.asheboro.k12.nc.us> under Board of Education the Friday following the board meeting.

**ASHEBORO CITY SCHOOLS  
BOARD OF EDUCATION  
January 12, 2017  
7:30 p.m.  
Asheboro High School  
Professional Development Center  
Addendum**

**6:00 p.m. – Policy Committee**

**6:45 p.m. – Finance Committee Meeting**

- I. **Opening**
- II. **Special Recognition and Presentations**
  - D. National Board Teacher Recognition – Dr. Aaron Woody
- III. **Public Comments**
- IV. **\*Consent Agenda**
  - E. Personnel Addendum
  - F. C.W. McCrary Elementary School Overnight Fieldtrip to Camp Caraway
- V. **Information, Reports, and Recommendations**
- VI. **Action Items**
- VII. **Superintendent’s Report/Calendar of Events**
- VIII. **Board Operations**
  - B. School Assignments for 2016-2017
- IX. **Adjournment**

Asheboro City Schools' Board of Education meetings are paperless. All information for the board meetings may be viewed at <http://www.asheboro.k12.nc.us> under Board of Education the Friday following the board meeting.

**\*Item(s) requires action/approval by the Board of Education**

**Mission**

We are committed to providing rigorous, individualized, and engaging learning opportunities for all students in a safe and inviting environment to ensure our students can become successful lifelong learners, prepared for global citizenship.

**January 12, 2017**

**Community Partner Spotlight:**

Tonight's Community Partner Spotlight recognizes Rushwood Church. Mr. Joel Hardison, along with a team of volunteers from Rushwood deliver weekend food bags to Donna Lee Loflin Elementary School each week. This collaboration is a partnership between Communities in Schools, Rushwood Church, and Donna Lee Loflin ensuring students have food during days they will not have access to school breakfast and lunch. On behalf of Donna Lee Loflin Elementary School and Asheboro City Schools, we'd like to thank Rushwood Church for their service to our students. Please join me in welcoming Mr. Hardison.

**Board Spotlight:**

Tonight's Board Spotlight will be presented by Mr. Jordi Roman, principal at Donna Lee Loflin Elementary School and Mrs. Jaime Noack, assistant principal. Mr. Roman and the team at Donna Lee Loflin are excited to share information about a [new interactive vocabulary program used in guided reading called, "One Stop Wordshop."](#) Please welcome Mr. Roma and Mrs. Noack.

**Board Appreciation Presentation**

Ms. Jaime Cope and art students from South Asheboro Middle School will discuss how they created Board of Education appreciation gifts for each of the Asheboro City Board of Education members.

**Policy Committee Meeting**  
**December 8, 2016**

Staff members present were: Dr. Terry Worrell, Dr. Aaron Woody, Carla Freemyer, Dr. Drew Maerz, and Harold Blair

Board members present were: Kyle Lamb, Linda Cranford, Gidget Kidd, Phillip Cheek, and Michael Smith

Ms. Cranford called the meeting to order at 6:00 p.m. and referred to Dr. Maerz who began review of the agenda.

- Policy 2310 - Public Participation at Board Meetings
  - Minor language update based on further recommendations.
  
- Policy 3225/4312/7320 - Technology Responsible Use
  - Updated section that covers privacy and consent for students, employees, visitors, and other users. Utilized language from state board policy, and modified, when allowed and appropriate to meet district's needs.
  - Added section on use of personal technology on school system property.
  - Updated legal references.
  
- Policy 6524 - Network Security
  - Updated links in the other references section.
  
- Policy 8100 - Budget Planning and Adoption
  - Minor language updates throughout policy.
  - Statement added to policy based on legal precedence from Leandro v. State.
  - Updated legal and cross references.
  
- Policy 8210 - Grants and Funding for Special Projects
  - Statement added per North Carolina State Statute requirements.
  - Updated legal references.

All policies will go to the Board for 30-day review in January.

With no further business, the meeting was adjourned at 6:08 p.m.

**Finance Committee Meeting**  
**December 8, 2016**

The Finance Committee convened at 6:45 p.m. in the Professional Development Center conference room.

The following board members were present:

Phillip Cheek  
Baxter Hammer  
Joyce Harrington

Kyle Lamb  
Archie Priest

Staff members present were: Dr. Terry Worrell and Harold Blair.

Mr. Blair reviewed the two bonus plans to be paid in December. He also reviewed budget amendments CE-01, CO-01, and CE-02.

There being no further business, the meeting adjourned at 7:10 p.m.

**Board of Education Meeting**  
**December 8, 2016**

The Asheboro City Schools Board of Education met in open session at 7:30 p.m. in the Professional Development Center with the following members present:

Kyle Lamb, Chairman	Gustavo Agudelo	Phillip Cheek, Vice Chairman
Linda Cranford	Baxter Hammer	Joyce Harrington
Michael Smith	Gidget Kidd	Dr. Beth Knott
Archie Priest, Jr.		
Wilson Alexander, Attorney		

Staff members present were: Superintendent Terry Worrell, Harold Blair, Dr. Aaron Woody, Carla Freemyer, Robin Harris, Dr. Cayce McCamish, Dr. Julie Pack, Dr. Wendy Rich, Dr. Drew Maerz, Leigh Anna Marbert, Anthony Woodyard, and Dr. Sean McWherter.

Chairman Lamb called the meeting to order and welcomed all in attendance.

Upon motion made by Ms. Harrington, seconded by Mr. Cheek, the Board unanimously approved the meeting agenda.

Following a moment of silence led by Chairman Lamb, Jackson Thompson, Anganiyah McEachin, and Isaiah Carrizales, kindergarten students from Lindley Park Elementary School, led the Pledge of Allegiance.

**Special Recognition and Presentations**

**Superintendent's Holiday Card Recognition:** Ms. Leigh Anna Marbert, Public Information Officer, announced the 2016 Holiday Art Award winner, Racheal Lynn Moore, a ninth grade student from Asheboro High School. Racheal received a Visa gift card along with her original framed artwork.

**Community Partner Spotlight:** Ms. Leigh Anna Marbert, Public Information Officer, recognized Central United Methodist Church for their support of the Holiday Store at Lindley Park. Members have donated many new and gently-used items for students to "purchase" gifts for their families and friends this holiday season. Dr. J.F. Howard, Pastor, was in attendance representing Central's congregation.

**PBIS Celebrations:** Dr. Cayce McCamish announced that seven of our schools have received the following recognitions at the state level For Positive Behavior Interventions and Supports: Green Ribbon Level- Lindley Park Elementary; Model Level – Balfour Elementary, Donna Lee Loflin Elementary, Charles W. McCrary Elementary, and South Asheboro Middle School; Exemplary Level – Guy B. Teachey Elementary and North Asheboro Middle School.

**Top 10 School District Award:** Superintendent Worrell reported that Asheboro City Schools was recognized for being one of top 10 school districts with the highest four-year cohort graduation rate for 2016. The graduation rate was 92.6%, surpassing the three-year strategic goal of 90 percent.

**Retirement Recognition for Tom Quinn:** Sandra Spivey recognized Tom Quinn for his ten years of leadership of the Child Nutrition Department. Mr. Quinn will be retiring December 31.

**Board Spotlight:** Ms. Nikki Domally, Principal at Lindley Park Elementary School, shared information about the Positive Behavior Interventions and Supports program (PBIS) and how this program has impacted the culture at Lindley Park. Ms. Domally introduced several students from Lindley Park who gave a short presentation to the Board and attendees at the meeting.

## **Public Comments**

Chairman Lamb opened the floor to public comments. There were no requests to address the Board.

## **Consent Agenda**

Upon motion made by Ms. Kidd and seconded by Mr. Cheek, the Board unanimously approved the following items under the Consent Agenda.

- *Approval of Minutes – November 10, 2016*
- *\*Surplus Sale Bid*
- *\*Balfour Elementary School Overnight Field Trip to N.C. Outer Banks, April 12-13, 2017*
- *\*Merit Bonus Plan*
- *\*Asheboro City schools Local 1% Bonus*
- *\*Budget Amendments CE-01, CO-01, and CE-02*
- *Personnel*

\*This item is made a part of these minutes.

### **\*A. RESIGNATIONS/RETIREMENTS/SEPARATIONS**

<b>LAST</b>	<b>FIRST</b>	<b>SCHOOL</b>	<b>SUBJECT</b>	<b>EFFECTIVE</b>
Bassett	Dana	NAMS	English Language Arts	12/21.2016
Craven	John	AHS	Head Custodian	5/31/2017
Pugh	Pat	CO	Administrative /Assistant/Business & Finance	2/28/2017
Shipton	Jordan	NAMS	Agri-Science/Bio-Technology	12/15/2016
Wright	Lisa	CO	Administrative Assistant/C&I	12/31/2016
Applegate	Tamara	AHS	Mathematics	6/13/2017
Routh	Judy	SAMS	Custodian	12/31/2016

### **\*B. APPOINTMENTS**

<b>LAST</b>	<b>FIRST</b>	<b>SCHOOL</b>	<b>SUBJECT</b>	<b>EFFECTIVE</b>
Allred	Melissa	NAMS	English Language Arts	12/12/2016
Glennon	Katie	TBD	Elementary	8/14/2017
Meisch	Heather	DLL	School Nurse	1/3/2017
Rouse	Ra'Tasha	NAMS	Agri-Science/Bio Technology	1/3/2017
Smith	Leah	TBD	Elementary	8/14/2017
Brittain	Marcella	CO	Office Support (PT; temporary)	12/2/2016- 12/21/2016
Hughes	Jamie	GBT	3 <sup>RD</sup> Grade Teacher	1/3/2017
Nichols	Patsy	CO	Office Support (PT; temporary)	12/7/2016 – 12/16/2016
Allison	April	CO	Sub; \$80 per day	12/12/2016
Baxter	Brooke	CO	Sub; \$103 per day	12/12/2016
Patel	Poonam	CO	Sub; \$80 per day	12/12/2016
Walker	Deenna	CO	Sub; \$80 per day	12/12/2016

**Information, Reports and Recommendations**

- A. Dr. Sean McWherter and Ms. Tena Lester presented an update on Student Support Services.
- B. Dr. Drew Maerz presented the following policies for 30-day review:
  - Policy 9010 – Site Selection
  - Policy 9110 – Use and Selection of Architects, Engineers, Surveyors, and Construction Managers At Risk
  - Policy 9115 – Prequalification of Bidders for Construction Projects
  - Policy 9120 – Bidding for Construction Work
  - Policy 9400 – Sale, Disposal and Lease of Board-Owned Real Property

**Action Items**

- A. Following a 30-day review and upon motion made by Ms. Cranford, seconded by Mr. Priest, the Board unanimously approved the following board policies:
  - Policy 2010 - Board and Superintendent Relations
  - Policy 2115 - Unexpired Term Fulfillment
  - Policy 2220 - Official School Spokesperson
  - Policy 3320 - School Trips
  - Policy 4003 - Translating Policies for Students and Parents
  - Policy 4135 - Tuition for Discretionary Admissions
  - Policy 5000 - Schools and the Community

**Superintendent’s Report/Calendar of Events**

- A. Ms. Leigh Anna Marbert, Public Information Officer, shared the *Calendar of Events* noting the next Board of Education meeting will be on January 12, 2017. She also reviewed the latest edition of *Points of Pride*.
- B. Superintendent Worrell presented an update on the 2016-2017 Board Goals.  
Other items of note:
  - Teacher laptops have been distributed. A team from Asheboro City Schools will present to the State Board of Education in January on our use of technology in the classroom.
  - Hour of Code on Monday, December 5, was a great success.

**Board Operations**

- A. Superintendent Worrell indicated the Board of Education would be reorganizing and the floor was opened to nominations for chairman. Phillip Cheek made a motion, seconded by Archie Priest, to nominate Kyle Lamb as chairman. Motion passed unanimously and Mr. Lamb was elected as chairman. Chairman Lamb opened the floor to nominations for vice chairman. Gidget Kidd made a motion to nominate Phillip Cheek with Gus Agudelo seconding the motion. Mr. Cheek was unanimously elected as vice-chairman.

Chairman Lamb reviewed the calendar of upcoming events.

**Adjournment**

There being no further business and upon motion made by Mr. Agudelo, seconded by Ms. Harrington, and unanimously approved by the Board, the meeting was adjourned at 8:20 p.m.

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Chairman

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Secretary



To the Finance Committee of the Board  
Asheboro City Board of Education  
Asheboro, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Asheboro City Board of Education (the "Board") for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 10, 2016. Professional standards also require that we communicate to you the following information related to our audit.

## **SIGNIFICANT AUDIT FINDINGS**

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Board are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year end. We noted no transactions entered into by the Board during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Board's financial statements were:

Management's estimate of the allowance for doubtful accounts, depreciable lives used for depreciation purposes, and the net pension liability. These estimates were based on an analysis of historical collection trends, current and anticipated economic conditions, the category of individual capital assets, and the actuarial analysis performed by a third party. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements noted during the audit.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

## **To the Finance Committee of the Board**

### **Asheboro City Board of Education**

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#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated December 5, 2016.

#### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves an application of an accounting principle to the Board's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### **Other Observations and Recommendations**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Board's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### **Internal Control and Operating Efficiency Issues**

As part of our normal audit process and as a value added service to you we have identified certain matters that came to our attention that we would like to communicate to you because we feel these items are opportunities for strengthening internal controls and operating efficiency.

##### **Journal Entries**

We noted that for non-routine journal entries, documentation was not included in the journal entry file although the documentation was available. We recommend attaching a copy of the appropriate supporting documentation to a printout of each non-routine journal entry. Additionally we recommend that all journal entries should be approved by an authorized individual not involved in initiating the journal entries.

#### **Information Technology (IT) Best Practice Recommendations**

As part of our audit process, we performed an IT assessment and as a result of that assessment we have discussed a number of recommendations and best practices with management. These recommendations include the following:

##### **Access and Security**

During our review of logical access controls, we noted that administrative access to the SunPac and Meals Plus financial applications are managed by members of the Finance and Child Nutrition departments. This creates a potential segregation of duties conflict between the end users of the application who are responsible for processing transactions and those responsible for maintaining the security of the application data.

We recommend that the Board remove administrative permissions to the financial applications from members of Finance and Child Nutrition. If access is necessary in order for users to perform their job functions, a monitoring control should be implemented to monitor the security activities of these users, such as modifying user's access permissions, or making configuration changes.

**To the Finance Committee of the Board**

**Asheboro City Board of Education**

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**Other Matters**

We applied certain limited procedures to the Management's Discussion and Analysis and the other Required Supplementary Information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the individual fund financial schedules as well as the Schedule of Expenditures of Federal and State Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled this information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Restriction on Use**

This information is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry Roubert LLP*

Asheboro, North Carolina  
December 5, 2016

**ASHEBORO CITY BOARD OF  
EDUCATION  
ASHEBORO, NORTH CAROLINA**

**BASIC FINANCIAL STATEMENTS AND  
SCHEDULES**

*As of and for the Year Ended June 30, 2016*

*And Report of Independent Auditor*

**Board Members**

**Kyle W. Lamb, Chairman**

**Phillip R. Cheek, Vice Chairman**

**Gustavo Agudelo**

**Linda R. Cranford**

**Baxter Hammer**

**Joyce P. Harrington**

**Gidget Kidd**

**Beth Knott**

**Jeni Martin**

**Archie Priest, Jr.**

**Michael B. Smith**

**Dr. Terry Worrell, Superintendent**

# Asheboro City Board of Education

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## Report of Independent Auditor

Asheboro City Board of Education  
Asheboro, 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 Asheboro City Board of Education (“the Board”) as of and for the year ended June 30, 2016, 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 fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s 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 Board’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 Board’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the State Public School Fund, the Federal Grants Fund and the Other Restricted Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



**Other Matters***Required Supplementary Information*

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

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The individual fund financial schedules and the Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.C. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance) 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 fund financial schedules and 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 fund financial schedules and Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2016 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Board's internal control over financial reporting and compliance.



Asheboro, North Carolina  
December 5, 2016

## Management's Discussion and Analysis

This section of the Asheboro City 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, 2016. This information should be read in conjunction with the audited financial statements included in this report.

### Financial Highlights

- The Board continued to work diligently with the Randolph County Board of Commissioners in an effort to meet the financial needs of the school system.
- The Randolph County Board of Commissioners slightly increased Current Expense funding and increased Capital Outlay funding by more than 10% from the prior year.
- Student enrollment remained relatively constant from the previous year.
- The Board is working with the Randolph County Board of Commissioners to acquire funding for renovations at Asheboro High School.
- The Randolph County Board of Commissioners voted to maintain the supplemental tax rate for the Board of 15.00%. Supplemental taxes remained constant over the prior year.

### Overview of the Financial Statements

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

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

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

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

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

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, one should consider 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.

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

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

The government-wide statements are shown as Exhibits A and B 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. 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, Other Restricted Fund, Capital Outlay Fund and Individual Schools Fund.

The Board 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, a reconciliation following the governmental funds statements, explains the relationship (or differences) between 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 Capital Outlay Fund, the Other Restricted Fund and the Federal Grants Fund.

The governmental fund statements are shown as Exhibits C, D, and E of this report.

*Proprietary funds:* Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Board has two proprietary funds – both enterprise funds - the School Food Service Fund and the Child Care Fund.

The proprietary fund statements are shown as Exhibits F, G, & H of this report.

## Financial Analysis of the Board as a Whole

Net position is an indicator of the fiscal health of the Board. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33,729,666 as of June 30, 2016. The largest component of net position is net investment in capital assets, of \$36,556,153. It comprises 108% of the total net position due to negative unrestricted net position.

Following is a summary of the Statement of Net Position:

**Table 1**  
**Condensed Statement of Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Current assets	\$ 6,959,845	\$ 6,392,424	\$ 971,623	\$ 1,090,042	\$ 7,931,468	\$ 7,482,466
Capital assets	36,342,074	36,454,287	214,079	187,203	36,556,153	36,641,490
Total assets	43,301,919	42,846,711	1,185,702	1,277,245	44,487,621	44,123,956
Deferred outflows of resources	2,211,797	3,852,142	16,685	24,222	2,228,482	3,876,364
Current liabilities	2,881,624	2,742,155	74,976	181,801	2,956,600	2,923,956
Long-term liabilities	7,948,800	2,561,273	38,885	15,333	7,987,685	2,576,606
Total liabilities	10,830,424	5,303,428	113,861	197,134	10,944,285	5,500,562
Deferred inflows of resources	2,018,073	8,797,392	24,079	55,241	2,042,152	8,852,633
Investment in capital assets	36,342,074	36,454,287	214,079	187,203	36,556,153	36,641,490
Restricted net position	1,629,048	2,055,772	-	-	1,629,048	2,055,772
Unrestricted net position	(5,305,903)	(5,912,026)	850,368	861,889	(4,455,535)	(5,050,137)
Total net position	\$ 32,665,219	\$ 32,598,033	\$ 1,064,447	\$ 1,049,092	\$ 33,729,666	\$ 33,647,125

The net position increased during the year, indicating an improvement in the financial condition of the Board. The increase in net position (.25%) was largely because of the increase in current assets in the governmental activities.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 1,315,497	\$ 1,087,089	\$ 488,714	\$ 474,285	\$ 1,804,211	\$ 1,561,374
Operating grants and contributions	29,259,663	30,008,137	2,632,768	2,510,205	31,892,431	32,518,342
<b>General revenues:</b>						
State of North Carolina	1,752,815	1,761,703	-	-	1,752,815	1,761,703
Randolph County	5,609,316	5,387,123	-	-	5,609,316	5,387,123
Other revenues	3,593,071	3,648,022	5,647	3,557	3,598,718	3,651,579
<b>Total revenues</b>	<b>41,530,362</b>	<b>41,892,074</b>	<b>3,127,129</b>	<b>2,988,047</b>	<b>44,657,491</b>	<b>44,880,121</b>
<b>Expenses:</b>						
<b>Governmental activities:</b>						
Instructional programs	32,253,830	30,920,535	-	-	32,253,830	30,920,535
Supporting services	7,577,924	6,959,268	-	-	7,577,924	6,959,268
Non-programmed charges	302,759	240,063	-	-	302,759	240,063
Unallocated depreciation expense	1,273,953	1,393,320	-	-	1,273,953	1,393,320
<b>Business-type activities:</b>						
School food service	-	-	3,114,981	3,005,533	3,114,981	3,005,533
Child care	-	-	51,503	32,016	51,503	32,016
<b>Total expenses</b>	<b>41,408,466</b>	<b>39,513,186</b>	<b>3,166,484</b>	<b>3,037,549</b>	<b>44,574,950</b>	<b>42,550,735</b>
Transfers in (out)	(54,710)	(68,528)	54,710	68,528	-	-
<b>Change in net position</b>	<b>67,186</b>	<b>2,310,360</b>	<b>15,355</b>	<b>19,026</b>	<b>82,541</b>	<b>2,329,386</b>
<b>Net position, beginning, previously reported</b>	<b>32,598,033</b>	<b>40,404,189</b>	<b>1,049,092</b>	<b>1,094,040</b>	<b>33,647,125</b>	<b>41,498,229</b>
<b>Restatement</b>	<b>-</b>	<b>(10,116,516)</b>	<b>-</b>	<b>(63,974)</b>	<b>-</b>	<b>(10,180,490)</b>
<b>Net position, beginning, restated</b>	<b>32,598,033</b>	<b>30,287,673</b>	<b>1,049,092</b>	<b>1,030,066</b>	<b>33,647,125</b>	<b>31,317,739</b>
<b>Net position, ending</b>	<b>\$ 32,665,219</b>	<b>\$ 32,598,033</b>	<b>\$ 1,064,447</b>	<b>\$ 1,049,092</b>	<b>\$ 33,729,666</b>	<b>\$ 33,647,125</b>

Total governmental activities generated revenues of \$41,530,362 while expenses in this category totaled \$41,408,466 for the year ended June 30, 2016. Comparatively, revenues were \$41,892,074 and expenses totaled \$39,513,186 for the year ended June 30, 2015. After transfers to the business-type activities, the increase in net position stands at \$67,186 at June 30, 2016, compared to a decrease of \$(7,806,156) in 2015. Instructional programs expenses comprised 78% of total governmental-type expenses while supporting services made up 18% of those expenses for 2016. County funding comprised 14% of total governmental revenue. In 2015, county funding was 13%. Much of the remaining 86% of total governmental revenue consists of restricted state and federal money. This revenue represented 86% of total revenue in 2015. Business-type activities generated revenue of \$3,127,129 and had expenses of \$3,166,484. Net position increased in the business-type activities by \$15,355 after transfers from the governmental activities of \$54,710.

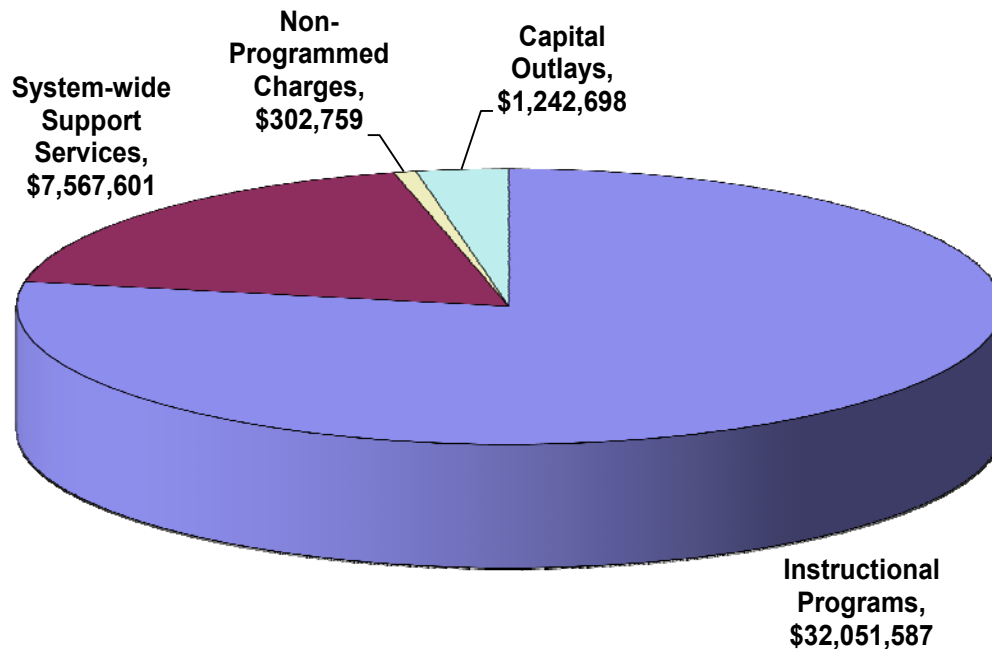
## Financial Analysis of the Board's Funds

*Governmental Funds:* The focus of the Board'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 \$5,908,825, a \$310,345 increase from last year. In the General Fund revenues exceeded expenditures, resulting in an increase in fund balance. Changes in major sources of funding from the prior year were as follows: state funding increased by \$122,938, county funding increased by \$222,193, and federal grants decreased by \$(881,810). Expenditures decreased \$(501,965) and included \$1,242,698 in capital outlay expenditures.

*Proprietary Funds:* The Board's business type funds performed well in the past year. Both the School Food Service Fund and the Child Care Fund reflected increases in net position over last year. Revenues and expenses both increased; however, non-operating revenue in the School Food Service Fund brought about most of the increase in net position due to increases in federal reimbursements.

### Categorization of Expenditures for Governmental Funds by purpose



## General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in revenue and expenditure expectations. The variances between budget and actual expenditures were related to vacancy and program savings. The Board was able to reduce spending and end the year with a small surplus.

### Capital Assets

Capital assets decreased by \$(85,337) or .23% from the previous year.

The following is a summary of the capital assets, net of depreciation at year-end.

**Table 3**  
**Summary of Capital Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
	<b>Land</b>	\$ 3,038,935	\$ 3,038,935	\$ -	\$ -	\$ 3,038,935
<b>Construction in progress</b>	208,479	159,264	-	-	208,479	159,264
<b>Buildings</b>	32,314,009	32,362,203	-	-	32,314,009	32,362,203
<b>Land improvements</b>	311,034	339,635	-	-	311,034	339,635
<b>Furniture, equipment and vehicles</b>	469,617	554,250	214,079	187,203	683,696	741,453
<b>Total</b>	<u>\$ 36,342,074</u>	<u>\$ 36,454,287</u>	<u>\$ 214,079</u>	<u>\$ 187,203</u>	<u>\$ 36,556,153</u>	<u>\$ 36,641,490</u>

### Debt Outstanding

During the year the Board's debt increased by \$77,047 prior to the net pension liability restatement with the implementation of GASB 68. Long-term obligations are discussed in Note II.B.6 of the Basic Financial Statements. The County holds all debt issued for school capital construction.

### Economic Factors

The Board anticipates increases in enrollment over the next several years and will continue to have increases in the need for classroom space, teachers, and equipment. County funding is a major source of income for the Board; therefore the County's economic outlook has a direct effect on that of the school district. The following factors have affected the economic outlook of Randolph County.

As of June 2016, the County's unemployment rate of 4.9% is slightly lower than the state average of 5.1%. Of the surrounding counties, only Chatham (4.4%) had a lower rate. Davidson (4.9%) was the same. Alamance (5.0%), Guilford (5.4%), Montgomery (5.2%), and Moore (5.0%) all had higher unemployment rates than Randolph County.

From July 2015 through June 2016, plant closures and layoffs resulted in a loss of 65 jobs in our County, while 219 jobs were created.

## **Requests for Information**

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

B. Harold Blair, Jr., CPA  
Assistant Superintendent, Business and Finance  
Asheboro City Board of Education  
1126 S. Park St.  
Asheboro, NC 27203



**Asheboro City Board of Education**  
**Statement of Net Position**  
**June 30, 2016**

	<b>Governmental</b>	<b>Business</b>	
	<b>Activities</b>	<b>Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 6,370,684	\$ 776,628	\$ 7,147,312
Accounts receivable, net	55,160	2,227	57,387
Due from other governments	447,604	98,419	546,023
Internal balances	46,344	(46,344)	-
Inventories	40,053	140,693	180,746
Capital assets			
Land and construction in progress	3,247,414	-	3,247,414
Other capital assets, net of depreciation	33,094,660	214,079	33,308,739
Total capital assets	36,342,074	214,079	36,556,153
<b>Total assets</b>	<b>43,301,919</b>	<b>1,185,702</b>	<b>44,487,621</b>
<b>Deferred Outflows of Resources</b>	<b>2,211,797</b>	<b>16,685</b>	<b>2,228,482</b>
<b>Liabilities</b>			
Accounts payable	444,642	60,864	505,506
Unearned revenue	-	10,446	10,446
Accrued salaries and benefits	489,587	-	489,587
Long-term liabilities:			
Net pension liability	7,550,043	38,885	7,588,928
Due within one year	1,947,395	3,666	1,951,061
Due in more than one year	398,757	-	398,757
<b>Total liabilities</b>	<b>10,830,424</b>	<b>113,861</b>	<b>10,944,285</b>
<b>Deferred Inflows of Resources</b>	<b>2,018,073</b>	<b>24,079</b>	<b>2,042,152</b>
<b>Net position</b>			
Investment in capital assets	36,342,074	214,079	36,556,153
Restricted for			
Stabilization by State Statute	200,320	-	200,320
Capital School Outlay	1,161,574	-	1,161,574
Individual Schools	150,822	-	150,822
Programs	116,332	-	116,332
Unrestricted	(5,305,903)	850,368	(4,455,535)
<b>Total net position</b>	<b>\$ 32,665,219</b>	<b>\$ 1,064,447</b>	<b>\$ 33,729,666</b>

See notes to financial statements.

**Asheboro City Board of Education  
Statement of Activities  
For the Year Ended June 30, 2016**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for	Operating	Capital	Primary Government	
		Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities
<b>Primary government</b>						
Governmental activities						
Instructional programs						
Regular	\$ 18,594,297	\$ 326,893	\$ 15,328,866	\$ -	\$ (2,938,538)	\$ (2,938,538)
Special Populations	5,266,549	-	4,796,375	-	(470,174)	(470,174)
Alternative Programs	3,206,856	-	2,274,517	-	(932,339)	(932,339)
School Leadership	2,447,491	-	1,962,392	-	(485,099)	(485,099)
Co-curricular	196,646	988,604	-	-	791,958	791,958
School-based Support	2,541,991	-	2,147,537	-	(394,454)	(394,454)
System-wide Support Services						
Support and Development	262,261	-	110,646	-	(151,615)	(151,615)
Special Population	358,891	-	238,087	-	(120,804)	(120,804)
Alternative Programs	47,833	-	24,870	-	(22,963)	(22,963)
Technology Support	573,336	-	111,307	-	(462,029)	(462,029)
Operational Support	4,140,294	-	1,584,846	-	(2,555,448)	(2,555,448)
Financial and Human Resource	806,001	-	137,905	-	(668,096)	(668,096)
Accountability	177,100	-	34,599	-	(142,501)	(142,501)
System-wide Pupil Support	55,120	-	-	-	(55,120)	(55,120)
Policy, Leadership and Public Relations	1,157,088	-	430,764	-	(726,324)	(726,324)
Non-programmed Charges	302,759	-	76,952	-	(225,807)	(225,807)
Unallocated depreciation expense	1,273,953	-	-	-	(1,273,953)	(1,273,953)
Total governmental activities	<u>41,408,466</u>	<u>1,315,497</u>	<u>29,259,663</u>	<u>-</u>	<u>(10,833,306)</u>	<u>(10,833,306)</u>
Business-type activities						
School food service	3,114,981	432,378	2,632,768	-	-	(49,835)
Child care	51,503	56,336	-	-	-	4,833
Total business-type activities	<u>3,166,484</u>	<u>488,714</u>	<u>2,632,768</u>	<u>-</u>	<u>-</u>	<u>(45,002)</u>
<b>Total primary government</b>	<u>\$ 44,574,950</u>	<u>\$ 1,804,211</u>	<u>\$ 31,892,431</u>	<u>\$ -</u>	<u>(10,833,306)</u>	<u>(45,002)</u>
<b>General revenues</b>						
State of North Carolina				1,752,815	-	1,752,815
Randolph County				5,609,316	-	5,609,316
Other				3,592,415	4,824	3,597,239
Interest earned on investments				656	823	1,479
<b>Transfers</b>				(54,710)	54,710	-
<b>Total general revenues and transfers</b>				<u>10,900,492</u>	<u>60,357</u>	<u>10,960,849</u>
<b>Change in net position</b>				67,186	15,355	82,541
<b>Net position - beginning</b>				32,598,033	1,049,092	33,647,125
<b>Net position - ending</b>				<u>\$ 32,665,219</u>	<u>\$ 1,064,447</u>	<u>\$ 33,729,666</u>

See notes to financial statements.

**Asheboro City Board of Education**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	Major Funds						Total Governmental Funds
	General	State Public School Fund	Federal Grants Fund	Other Restricted Fund	Capital Outlay Fund	Individual Schools Fund	
<b>Assets</b>							
Cash and cash equivalents	\$ 4,394,412	\$ -	\$ -	\$ 222,744	\$ 1,542,817	\$ 210,711	\$ 6,370,684
Accounts receivable, net	11,749	-	-	42,295	1,116	-	55,160
Due from other governments	100,893	273,797	31,585	27,956	6,126	7,247	447,604
Due from other funds	61,692	-	-	58,107	-	-	119,799
Inventories	40,053	-	-	-	-	-	40,053
<b>Total Assets</b>	<b>\$ 4,608,799</b>	<b>\$ 273,797</b>	<b>\$ 31,585</b>	<b>\$ 351,102</b>	<b>\$ 1,550,059</b>	<b>\$ 217,958</b>	<b>\$ 7,033,300</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ 171,664	\$ -	\$ -	\$ 1,335	\$ 271,643	\$ -	\$ 444,642
Due to other funds	13,566	-	-	-	-	59,889	73,455
Accrued salaries wages and benefits	188,212	271,811	28,500	1,064	-	-	489,587
<b>Total Liabilities</b>	<b>373,442</b>	<b>271,811</b>	<b>28,500</b>	<b>2,399</b>	<b>271,643</b>	<b>59,889</b>	<b>1,007,684</b>
Deferred inflows of resources	41,976	1,986	3,085	57,371	5,126	7,247	116,791
<b>Fund balances</b>							
<b>Nonspendable</b>							
Inventories	40,053	-	-	-	-	-	40,053
<b>Restricted</b>							
Stabilization by State Statute	200,320	-	-	-	-	-	200,320
School Capital Outlay	-	-	-	-	1,161,574	-	1,161,574
Individual Schools Programs	-	-	-	116,332	-	150,822	150,822
Assigned	-	-	-	-	-	-	116,332
Designated for subsequent year's expenditures	302,741	-	-	175,000	111,716	-	589,457
<b>Unassigned</b>							
General fund	3,650,267	-	-	-	-	-	3,650,267
<b>Total Fund Balances</b>	<b>4,193,381</b>	<b>-</b>	<b>-</b>	<b>291,332</b>	<b>1,273,290</b>	<b>150,822</b>	<b>5,908,825</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,608,799</b>	<b>\$ 273,797</b>	<b>\$ 31,585</b>	<b>\$ 351,102</b>	<b>\$ 1,550,059</b>	<b>\$ 217,958</b>	<b>\$ 7,033,300</b>

See notes to financial statements.

**Asheboro City Board of Education**  
**Reconciliation of the Balance Sheet of Governmental Funds to the**  
**Statement of Net Position**  
**June 30, 2016**

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

Ending fund balance - governmental funds	\$ 5,908,825
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	
Deferred outflows of resources related to pensions	2,211,797
<p>Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.</p>	
<p>Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.</p>	
Net pension liability	(7,550,043)
Deferred inflows of resources related to pensions	<u>(1,975,971)</u>
Net position of governmental activities	<u><u>\$ 32,665,219</u></u>

**Asheboro City Board of Education**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	Major Funds						Total Governmental Funds
	General	State Public School Fund	Federal Grants Fund	Other Restricted Fund	Capital Outlay Fund	Individual Schools Fund	
<b>Revenues</b>							
State of North Carolina	\$ -	\$ 27,061,547	\$ -	\$ 671,510	\$ 5,757	\$ -	\$ 27,738,814
Randolph County	4,670,199	-	-	-	939,117	-	5,609,316
U.S. Government	-	-	2,878,051	300,523	-	-	3,178,574
Other	3,494,807	-	-	514,883	5,364	988,604	5,003,658
<b>Total Revenues</b>	<u>8,165,006</u>	<u>27,061,547</u>	<u>2,878,051</u>	<u>1,486,916</u>	<u>950,238</u>	<u>988,604</u>	<u>41,530,362</u>
<b>Expenditures</b>							
<b>Current:</b>							
Instructional Programs							
Regular	1,355,567	15,819,010	144,791	103,599	-	983,969	18,406,936
Special Populations	175,965	4,057,243	739,132	294,209	-	-	5,266,549
Alternative Programs	385,463	670,829	1,603,688	546,876	-	-	3,206,856
School Leadership	485,099	1,962,392	-	-	-	-	2,447,491
Co-curricular	181,764	-	-	-	-	-	181,764
School-based Support	175,428	2,023,018	124,519	219,026	-	-	2,541,991
System-wide Support Services							
Support and Development	151,615	110,646	-	-	-	-	262,261
Special Population	114,499	167,121	70,966	6,305	-	-	358,891
Alternative Programs	22,963	2,625	22,245	-	-	-	47,833
Technology Support	462,029	54,010	57,297	-	-	-	573,336
Operational Support	2,140,263	1,548,289	36,557	404,862	-	-	4,129,971
Financial and Human Resource	668,096	137,905	-	-	-	-	806,001
Accountability	142,501	34,599	-	-	-	-	177,100
System-wide Pupil Support	55,120	-	-	-	-	-	55,120
Policy, Leadership and Public Relations	726,324	430,764	-	-	-	-	1,157,088
Non-programmed Charges	225,807	(1,904)	78,856	-	-	-	302,759
<b>Capital Outlay</b>							
Real property and buildings	-	-	-	-	1,137,083	-	1,137,083
Furniture and equipment	-	-	-	-	105,615	-	105,615
<b>Total expenditures</b>	<u>7,468,503</u>	<u>27,016,547</u>	<u>2,878,051</u>	<u>1,574,877</u>	<u>1,242,698</u>	<u>983,969</u>	<u>41,164,645</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>696,503</u>	<u>45,000</u>	<u>-</u>	<u>(87,961)</u>	<u>(292,460)</u>	<u>4,635</u>	<u>365,717</u>
<b>Other financing sources (uses)</b>							
Transfers out	(9,710)	(45,000)	-	-	-	-	(54,710)
<b>Total other financing sources (uses)</b>	<u>(9,710)</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,710)</u>
<b>Net change in fund balances</b>	686,793	-	-	(87,961)	(292,460)	4,635	311,007
<b>Fund balance - beginning</b>	3,507,250	-	-	379,293	1,565,750	146,187	5,598,480
<b>Decrease in reserve for inventory</b>	(662)	-	-	-	-	-	(662)
<b>Fund balance - ending</b>	<u>\$ 4,193,381</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,332</u>	<u>\$ 1,273,290</u>	<u>\$ 150,822</u>	<u>\$ 5,908,825</u>

See notes to financial statements.

**Asheboro City Board of Education**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
**For the Year Ended June 30, 2016**

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

Net change in fund balances - total governmental funds	\$	311,007
Change in fund balance due to change in reserve for inventory		(662)
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 exceeds capital outlay expense.		(112,213)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities		2,202,430
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax, vehicle tax, and E-Rate receivables		(63,201)
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		(2,186,547)
Compensated absences		(83,628)
		(2,270,175)
Total changes in net position of governmental activities	\$	67,186

See notes to financial statements.

**Asheboro City Board of Education**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2016**

<b>General Fund</b>				
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues</b>				
Randolph County	\$ 4,667,005	\$ 4,667,005	\$ 4,670,199	\$ 3,194
Other	3,464,000	3,464,000	3,494,807	30,807
<b>Total Revenues</b>	<b>8,131,005</b>	<b>8,131,005</b>	<b>8,165,006</b>	<b>34,001</b>
<b>Expenditures</b>				
Instructional Programs				
Regular	1,813,980	1,985,830	1,355,567	630,263
Special Populations	189,725	189,725	175,965	13,760
Alternative Programs	392,200	403,000	385,463	17,537
School Leadership	784,600	593,800	485,099	108,701
Co-curricular	220,000	220,000	181,764	38,236
School-based Support	257,200	263,000	175,428	87,572
System-wide Support Services				
Support and Development	260,500	189,700	151,615	38,085
Special Population	84,000	130,000	114,499	15,501
Alternative Programs	-	25,000	22,963	2,037
Technology Support	530,000	503,800	462,029	41,771
Operational Support	2,333,300	2,400,257	2,140,263	259,994
Financial and Human Resource	999,000	892,800	668,096	224,704
Accountability	170,500	222,300	142,501	79,799
System-wide Pupil Support	39,400	76,400	55,120	21,280
Policy, Leadership and Public Relations	771,600	809,650	726,324	83,326
Non-programmed Charges	265,000	265,000	225,807	39,193
<b>Total expenditures</b>	<b>9,111,005</b>	<b>9,170,262</b>	<b>7,468,503</b>	<b>1,701,759</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(980,000)</b>	<b>(1,039,257)</b>	<b>696,503</b>	<b>1,735,760</b>
<b>Other financing sources (uses)</b>				
Transfers out	(20,000)	(20,000)	(9,710)	10,290
Appropriated fund balance	1,000,000	1,059,257	-	(1,059,257)
Total other financing sources (uses)	<b>980,000</b>	<b>1,039,257</b>	<b>(9,710)</b>	<b>(1,048,967)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>686,793</b>	<b>\$ 686,793</b>
<b>Fund balance - beginning</b>			3,507,250	
<b>Decrease in reserve for inventory</b>			(662)	
<b>Fund balance - ending</b>			<b>\$ 4,193,381</b>	

**Asheboro City Board of Education**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - State Public School Fund**  
**For the Year Ended June 30, 2016**

	<b>State Public School Fund</b>			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
State of North Carolina	\$ 27,861,268	\$ 28,259,571	\$ 27,061,547	\$ (1,198,024)
<b>Total Revenues</b>	<u>27,861,268</u>	<u>28,259,571</u>	<u>27,061,547</u>	<u>(1,198,024)</u>
<b>Expenditures</b>				
Instructional Programs				
Regular	16,886,079	16,511,226	15,819,010	692,216
Special Populations	3,929,700	4,129,660	4,057,243	72,417
Alternative Programs	822,700	923,069	670,829	252,240
School Leadership	1,984,700	2,010,435	1,962,392	48,043
School-based Support	1,975,460	2,081,571	2,023,018	58,553
System-wide Support Services				
Support and Development	3,900	111,138	110,646	492
Special Population	206,150	189,944	167,121	22,823
Alternative Programs	-	2,625	2,625	-
Technology Support	92,449	64,105	54,010	10,095
Operational Support	1,519,320	1,580,690	1,548,289	32,401
Financial and Human Resource	8,500	137,990	137,905	85
Accountability	9,200	34,647	34,599	48
Policy, Leadership and Public Relations	378,110	437,471	430,764	6,707
Non-programmed Charges	-	-	(1,904)	1,904
<b>Total expenditures</b>	<u>27,816,268</u>	<u>28,214,571</u>	<u>27,016,547</u>	<u>1,198,024</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers out	(45,000)	(45,000)	(45,000)	-
Total other financing sources (uses)	<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund balance - beginning</b>			-	
<b>Fund balance - ending</b>			<u>\$ -</u>	



**Asheboro City Board of Education**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Federal Grants Fund**  
**For the Year Ended June 30, 2016**

	<b>Federal Grants Fund</b>			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
U.S. Government	\$ 3,658,721	\$ 3,936,038	\$ 2,878,051	\$ (1,057,987)
<b>Total Revenues</b>	<u>3,658,721</u>	<u>3,936,038</u>	<u>2,878,051</u>	<u>(1,057,987)</u>
<b>Expenditures</b>				
Instructional Programs				
Regular	180,820	178,229	144,791	33,438
Special Populations	1,011,151	1,125,073	739,132	385,941
Alternative Programs	1,739,745	1,942,164	1,603,688	338,476
School-based Support	146,376	158,672	124,519	34,153
System-wide Support Services				
Special Population	158,999	95,759	70,966	24,793
Alternative Programs	100,750	114,292	22,245	92,047
Technology Support	62,803	57,297	57,297	-
Operational Support	129,323	134,984	36,557	98,427
Non-programmed Charges	128,754	129,568	78,856	50,712
<b>Total expenditures</b>	<u>3,658,721</u>	<u>3,936,038</u>	<u>2,878,051</u>	<u>1,057,987</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund balance - beginning</b>			<u>-</u>	
<b>Fund balance - ending</b>			<u>\$ -</u>	

**Asheboro City Board of Education**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Other Restricted Fund**  
**For the Year Ended June 30, 2016**

	<b>Other Restricted Fund</b>			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
State of North Carolina	\$ 646,200	\$ 671,876	\$ 671,510	\$ (366)
U.S. Government	195,000	307,460	300,523	(6,937)
Other	491,200	544,000	514,883	(29,117)
<b>Total Revenues</b>	<u>1,332,400</u>	<u>1,523,336</u>	<u>1,486,916</u>	<u>(36,420)</u>
<b>Expenditures</b>				
Instructional Programs				
Regular	96,200	105,445	103,599	1,846
Special Populations	361,700	382,666	294,209	88,457
Alternative Programs	571,200	566,876	546,876	20,000
School-based Support	175,000	259,551	219,026	40,525
System-wide Support Services				
Special Population	8,300	8,798	6,305	2,493
Operational Support	325,000	405,000	404,862	138
<b>Total expenditures</b>	<u>1,537,400</u>	<u>1,728,336</u>	<u>1,574,877</u>	<u>153,459</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(205,000)</u>	<u>(205,000)</u>	<u>(87,961)</u>	<u>117,039</u>
<b>Other financing sources (uses)</b>				
Appropriated fund balance	205,000	205,000	-	(205,000)
Total other financing sources (uses)	<u>205,000</u>	<u>205,000</u>	<u>-</u>	<u>(205,000)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(87,961)</u>	<u>\$ (87,961)</u>
<b>Fund balance - beginning</b>			<u>379,293</u>	
<b>Fund balance - ending</b>			<u>\$ 291,332</u>	

**Asheboro City Board of Education**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2016**

	<u>Major</u>	<u>Nonmajor</u>	
	<u>School Food</u>	<u>Child</u>	
	<u>Service</u>	<u>Care</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 771,804	\$ 4,824	\$ 776,628
Accounts receivable, net	2,227	-	2,227
Due from other governments	98,419	-	98,419
Due from other funds	9,710	3,856	13,566
Inventories	140,693	-	140,693
<b>Total current assets</b>	<b>1,022,853</b>	<b>8,680</b>	<b>1,031,533</b>
<b>Noncurrent assets</b>			
Capital assets (net of depreciation)	214,079	-	214,079
<b>Total noncurrent assets</b>	<b>214,079</b>	<b>-</b>	<b>214,079</b>
<b>Total assets</b>	<b>1,236,932</b>	<b>8,680</b>	<b>1,245,612</b>
Deferred outflows of resources	15,578	1,107	16,685
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	60,864	-	60,864
Due to other funds	59,910	-	59,910
Unearned revenue	10,446	-	10,446
Compensated absences payable	3,666	-	3,666
Total current liabilities	134,886	-	134,886
Net pension liability	34,702	4,183	38,885
Deferred inflows of resources	23,308	771	24,079
<b>Net position</b>			
Investment in capital assets	214,079	-	214,079
Unrestricted	845,535	4,833	850,368
<b>Total net position</b>	<b>\$ 1,059,614</b>	<b>\$ 4,833</b>	<b>\$ 1,064,447</b>

See notes to financial statements.

**Asheboro City Board of Education**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	<u>Major</u>	<u>Nonmajor</u>	
	<u>School Food</u>	<u>Child</u>	
	<u>Service</u>	<u>Care</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b>Operating revenues</b>			
Food sales	\$ 432,378	\$ -	\$ 432,378
Child care fees	-	56,336	56,336
<b>Total operating revenues</b>	<u>432,378</u>	<u>56,336</u>	<u>488,714</u>
<b>Operating expenses</b>			
Food cost	1,291,014	-	1,291,014
Salaries and benefits	1,214,363	51,096	1,265,459
Indirect costs	180,780	-	180,780
Materials and supplies	121,001	407	121,408
Contracted services	243,830	-	243,830
Depreciation	41,600	-	41,600
Other	22,393	-	22,393
<b>Total operating expenses</b>	<u>3,114,981</u>	<u>51,503</u>	<u>3,166,484</u>
<b>Operating Profit/(Loss)</b>	<u>(2,682,603)</u>	<u>4,833</u>	<u>(2,677,770)</u>
<b>Nonoperating revenue</b>			
Federal reimbursements	2,427,423	-	2,427,423
Federal commodities	195,764	-	195,764
State reimbursements	9,581	-	9,581
Interest earned	823	-	823
Miscellaneous local revenue	4,824	-	4,824
<b>Total nonoperating revenue</b>	<u>2,638,415</u>	<u>-</u>	<u>2,638,415</u>
<b>Loss before transfers</b>	(44,188)	4,833	(39,355)
<b>Transfers</b>			
Transfers in	54,710	-	54,710
<b>Total transfers</b>	<u>54,710</u>	<u>-</u>	<u>54,710</u>
<b>Change in net position</b>	10,522	4,833	15,355
<b>Total net position - beginning</b>	<u>1,049,092</u>	<u>-</u>	<u>1,049,092</u>
<b>Total net position - ending</b>	<u>\$ 1,059,614</u>	<u>\$ 4,833</u>	<u>\$ 1,064,447</u>

See notes to financial statements.

## Asheboro City Board of Education

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	<u>Major</u> <u>School Food</u> <u>Service</u> <u>Fund</u>	<u>Nonmajor</u> <u>Child</u> <u>Care</u> <u>Fund</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 432,378	\$ 56,336	\$ 488,714
Cash paid for goods and services	(1,751,352)	(407)	(1,751,759)
Cash paid to employees for services	(1,220,944)	(51,105)	(1,272,049)
<b>Net cash provided by (used in) operating activities</b>	<u>(2,539,918)</u>	<u>4,824</u>	<u>(2,535,094)</u>
<b>Cash flows from noncapital financing activities</b>			
Federal reimbursements	2,427,423	-	2,427,423
State reimbursements	9,581	-	9,581
Miscellaneous local revenue	4,824	-	4,824
Transfers in	54,710	-	54,710
<b>Net cash provided by noncapital financing activities</b>	<u>2,496,538</u>	<u>-</u>	<u>2,496,538</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition of capital assets	(68,476)	-	(68,476)
<b>Net cash used in capital and related financing activities</b>	<u>(68,476)</u>	<u>-</u>	<u>(68,476)</u>
<b>Cash flows from investing activities</b>			
Interest on investments	823	-	823
<b>Net cash provided by investing activities</b>	<u>823</u>	<u>-</u>	<u>823</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(111,033)	4,824	(106,209)
<b>Cash and cash equivalents, July 1</b>	<u>882,837</u>	<u>-</u>	<u>882,837</u>
<b>Cash and cash equivalents, June 30</b>	<u>\$ 771,804</u>	<u>\$ 4,824</u>	<u>\$ 776,628</u>
<b>Reconciliation of operating loss to net cash used in operating activities</b>			
Operating profit (loss)	\$ (2,682,603)	\$ 4,833	\$ (2,677,770)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation	41,600	-	41,600
Donated federal commodities consumed	195,764	-	195,764
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources			
(Increase) in accounts receivable	(1,897)	-	(1,897)
Decrease in due from other governments	16,530	-	16,530
(Increase) in due from other funds	(3,732)	-	(3,732)
(Increase) in inventories	(6,182)	-	(6,182)
(Decrease) in current liabilities	(92,753)	-	(92,753)
Increase in net pension liability	20,596	2,956	23,552
Decrease in deferred outflows	6,591	946	7,537
(Decrease) in deferred inflows	(27,251)	(3,911)	(31,162)
(Decrease) in accrued salaries and benefits	(6,581)	-	(6,581)
Total adjustments	<u>142,685</u>	<u>(9)</u>	<u>142,676</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (2,539,918)</u>	<u>\$ 4,824</u>	<u>\$ (2,535,094)</u>

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

The School Food Service Fund used donated commodities with a value of \$195,764 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue. The Fund recorded the consumption of the donated commodities during the fiscal year as an operating expense. These transactions are reported on Exhibit G.

**Asheboro City Board of Education****NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended June 30, 2016****I. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

**B. Basis of Presentation**

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

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

*Fund Financial Statements:* The fund financial statements provide information about the Board’s funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

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 non-exchange transactions or ancillary activities.

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

I. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The Board reports the following major governmental funds:

*General Fund.* The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the “Local Current Expense Fund,” which is mandated by State law [G.S. 115C-426].

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

*Federal Grants Fund.* The Federal Grants Fund includes appropriations from the federal government that pass through the Department of Public Instruction for the current operating expenditures of the public school system.

*Other Restricted Fund.* The Other Restricted Fund includes appropriations from various sources not required to be recorded in other funds.

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

*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 Individual Schools Fund is reported as a special revenue fund.

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 and is reported as an enterprise fund.

C. Measurement Focus and Basis of Accounting

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

**Asheboro City Board of Education****NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended June 30, 2016****I. Summary of Significant Accounting Policies (Continued)**

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

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

**D. Budgetary Data**

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. 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 purpose level for all annually budgeted funds. The Board has authorized the Superintendent to move monies from one purpose to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund. 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.

**E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity****1. Deposits and Investments**

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



**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity (Continued)

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

2. Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. All cash and investments with original maturities of three months or less are considered cash and cash equivalents.

3. Inventories

Inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable materials and supplies, which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reserved. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

Donated assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1950 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$2,000 with an estimated useful life of three or more years. 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.

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity (Continued)

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

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

	<u>Years</u>
Buildings	50
Land improvements and building improvements	20
Equipment and furniture	3-12
Vehicles and motorized equipment	6
Technology equipment	5

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

5. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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 subsequent to the measurement date. The statement of net 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 – Sales tax refunds receivable in each of the Governmental Funds and pension related deferrals.

6. Long-term Obligations

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

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity (Continued)

7. 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, 2016 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate of the current portion of compensated absences based on prior years' records has been made.

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

8. Net Position/Fund Balances

Net Position

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

Fund Balance

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

The governmental fund types classify fund balances as follows:

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

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

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity (Continued)

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.

Restricted for Programs – revenue sources restricted in purpose and not intended for general K-12 expenditures.

Assigned fund balance – portion of fund balance that the Board 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 governing body approves the appropriation; however the budget ordinance authorizes the finance officer to modify the appropriations by resource or appropriation within funds.

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

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity (Continued)

9. 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 total fund balance of the governmental funds and net position of the governmental activities as reported in the government-wide statement of net position. The net adjustment of \$26,765,394 consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Total Capital Assets	\$ 64,497,122
Less Accumulated Depreciation	<u>(28,155,048)</u>
Net Capital Assets	36,342,074
 Accounts receivable recorded in the government-wide statements as these funds are not available and therefore unavailable in the fund statements.	74,689
 Pension related deferred outflows of resources	
Differences between contributions and proportional share of contributions and changes in proportion	9,367
Contributions made to the pension plan in current fiscal year	2,202,430
 Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Compensated Absences	(2,346,152)
Net pension liability	(7,550,043)
Deferred inflows of resources related to pensions	
Differences between expected and actual experience	(852,473)
Difference between projected and actual earnings on plan investments	<u>(1,123,498)</u>
 Total adjustment	\$ 26,756,394

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity (Continued)

9. Reconciliation of Government-wide and Fund Financial Statements (Continued)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$243,821 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,186,945
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(1,299,158)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,202,430
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	(2,186,547)
Compensated absences	(83,628)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property, vehicle tax and E-Rate receivable	(63,201)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	(662)
Total adjustment	<u>\$ (243,821)</u>

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity (Continued)

10. Defined Benefit Pension 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) and additions to/deductions from TSERS' fiduciary net position have been determined on the same basis as they are reported by TSERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS. Investments are reported at fair value.

II. Detail Notes on all Funds

A. Assets

1. Deposits

All of the Board's deposits are insured or collateralized by using the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the Board'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 to the State Treasurer. 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, 2016, the Board had deposits with banks and savings and loans with a carrying amount of \$7,147,312. The bank balances with the financial institutions and the State Treasurer were \$7,245,003 and \$2,102,060, respectively. Of these balances, \$500,000 was covered by federal depository insurance and \$8,847,063 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

A. Assets (Continued)

2. Accounts Receivable

Receivables at the government-wide level at June 30, 2016, were as follows:

	Internal Balances	Due From Other Governments	Accounts Receivable
Governmental activities			
General Fund	\$ 48,126	\$ 100,893	\$ 11,749
Other governmental activities	(1,782)	346,711	43,411
<b>Total</b>	<u>\$ 46,344</u>	<u>\$ 447,604</u>	<u>\$ 55,160</u>
Business-type activities			
School Food Service	\$ (46,344)	\$ 98,419	\$ 2,227
<b>Total</b>	<u>\$ (46,344)</u>	<u>\$ 98,419</u>	<u>\$ 2,227</u>

Internal balances consist of operating and administrative costs due to the General Fund from the Individual Schools Fund and School Food Service Fund and administrative costs due to the Other Restricted Fund from the School Food Service Fund.

Due from other governments consists of the following:

**Governmental activities**

General Fund	\$ 100,893	Miscellaneous revenues from State, Federal and County
State Public School Fund	273,797	Sales tax and operating revenue from State
Federal Grant Fund	31,585	Sales tax from State and operating revenue from Federal
Other Restricted Fund	27,956	Miscellaneous revenues from State, Federal, and Grants
Capital Outlay Fund	6,126	Sales tax refund from State and Federal reimbursement
Individual Schools Fund	<u>7,247</u>	Sales tax refund from State
<b>Total</b>	<u>\$ 447,604</u>	

**Business-type activities**

School Food Service Fund	<u>\$ 98,419</u>	Miscellaneous revenues from State and Federal
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**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 3,038,935	\$ -	\$ -	\$ 3,038,935
Construction in progress	159,264	208,479	(159,264)	208,479
Total capital assets not being depreciated	<u>3,198,199</u>	<u>208,479</u>	<u>(159,264)</u>	<u>3,247,414</u>
Capital assets being depreciated				
Buildings	54,364,310	1,057,843	-	55,422,153
Land improvements	1,370,218	-	-	1,370,218
Furniture, equipment and vehicles	4,388,287	79,887	(10,837)	4,457,337
Total capital assets being depreciated	<u>60,122,815</u>	<u>1,137,730</u>	<u>(10,837)</u>	<u>61,249,708</u>
Total capital assets	<u>63,321,014</u>	<u>1,346,209</u>	<u>(170,101)</u>	<u>64,497,122</u>
Less accumulated depreciation for				
Buildings	22,002,107	1,106,037	-	23,108,144
Land improvements	1,030,583	28,601	-	1,059,184
Furniture, equipment and vehicles	3,834,037	164,520	(10,837)	3,987,720
Total accumulated depreciation	<u>26,866,727</u>	<u>\$ 1,299,158</u>	<u>\$ (10,837)</u>	<u>28,155,048</u>
Total capital assets being depreciated, net	<u>33,256,088</u>			<u>33,094,660</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 36,454,287</u>			<u>\$ 36,342,074</u>

Capital asset activity for the year ended June 30, 2016, was as follows:

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 1,273,953
Co-curricular services	14,882
Operational support services	10,323
Total	<u>\$ 1,299,158</u>

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

A. Assets (Continued)

3. Capital Assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities</b>				
School Food Service Fund				
Capital assets being depreciated				
Equipment and vehicles	\$ 1,124,991	\$ 68,476	\$ -	\$ 1,193,467
Total capital assets being depreciated	1,124,991	68,476	-	1,193,467
Less accumulated depreciation for				
Equipment and vehicles	937,788	41,600	-	979,388
Total accumulated depreciation	937,788	\$ 41,600	\$ -	979,388
<b>Business-type activities capital assets, net</b>	<b>\$ 187,203</b>			<b>\$ 214,079</b>

Construction Commitments

The Board has active construction projects as of June 30, 2016. The projects include the replacement of a roof at North Asheboro Middle School, a fire alarm installation at Balfour Elementary School, a HVAC renovation at McCrary Elementary School and a HVAC and renovation at Lindley Park School. At year-end, the Board's commitments with contractors for school construction are as follows:

Project	Spent-to-date	Remaining Commitment
North Asheboro Middle School - roof replacement	\$ 132,778	\$ 103,728
Balfour Elementary School - fire alarm installation	23,682	32,897
Charles W. McCrary Elementary School - HVAC	3,101	2,785
Lindley Park Elementary School - HVAC	3,101	2,785
Lindley Park Elementary School - renovation	45,817	29,706
Total	<u>\$ 208,479</u>	<u>\$ 171,901</u>

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities

1. Pension Plan and Other Postemployment 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 (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60 (10 years for members joining on or after August 1, 2011). Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

**Asheboro City Board of Education**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan and Other Postemployment Obligations (Continued)

a. Teachers' and State Employees' Retirement System (Continued)

TSERS plan members who are Law Enforcement Officers (LEOs) are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), 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, 2016, was 9.15% 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 \$2,212,253 for the year ended June 30, 2016.

*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, 2016, the Board reported a liability of \$7,588,928 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015 and at June 30, 2014, the Board's proportion was .206% and .208% respectively.

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan and Other Postemployment Obligations (Continued)

a. Teachers' and State Employees' Retirement System (Continued)

For the year ended June 30, 2016, the Board recognized pension expense of \$2,196,296. At June 30, 2016, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (862,861)
Net difference between projected and actual earnings on pension plan investments	-	(822,197)
Changes in proportion and differences between Board contributions and proportionate share of contributions	16,229	(314,991)
Board contributions subsequent to the measurement date	2,212,253	-
Total	<u>\$ 2,228,482</u>	<u>\$ (2,000,049)</u>

\$2,212,253 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2017	\$ (1,069,565)
2018	(1,069,565)
2019	(1,039,604)
2020	1,194,914
Total	<u>\$ (1,983,820)</u>

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan and Other Postemployment Obligations (Continued)

a. Teachers' and State Employees' Retirement System (Continued)

*Actuarial Assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 9.10 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan and Other Postemployment Obligations (Continued)

a. Teachers' and State Employees' Retirement System (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 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 3.19%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Asheboro City Board of Education**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan and Other Postemployment Obligations (Continued)

a. Teachers' and State Employees' Retirement System (Continued)

*Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Board's proportionate share of the net pension liability (asset)	<u>\$22,840,580</u>	<u>\$ 7,588,928</u>	<u>\$(5,353,857)</u>

*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

i. Healthcare Benefits

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



**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan and Other Postemployment Obligations (Continued)

b. Other Post-employment Benefits (Continued)

i. Healthcare Benefits (Continued)

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

*Funding Policy.* The Comprehensive Major Medical Plan is administered by the Executive Administrator and Board of Trustees of the Plan, which establish premium rates except as may be established by the General Assembly in an appropriation act. The healthcare benefits for retired and disabled employees are the same as for active employees, except that the coverage becomes secondary when former employees become eligible for Medicare. For employees first hired on and after October 1, 2006, future coverage as retired employees is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on and after October 1, 2006 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium. For employees hired before October 1, 2006, healthcare benefits are provided to retirees (at no charge to the retirees) who have at least five years of contributing retirement membership prior to disability or retirement. In addition, persons who became surviving spouses of retirees prior to October 1, 1986, receive the same coverage as retirees at the State's expense.

Contributions are determined as a percentage of covered monthly payroll. Annually, the monthly contribution rates to the Plan, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill. For the fiscal years ended June 30, 2016, 2015, and 2014, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of \$1,353,947, \$1,391,204, and \$1,359,195, respectively. These contributions represented 5.60%, 5.49%, and 5.40% of covered payroll, respectively.

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan and Other Postemployment Obligations (Continued)

b. Other Post-employment Benefits (Continued)

ii. Long-term Disability Benefits

*Plan Description.* Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan. The DIPNC is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System. Long-term disability benefits are payable as an other postemployment benefit from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The Plan accumulates contributions from employers and any earnings on those contributions in the Disability Income Plan Trust Fund. The plan does not provide for automatic post-retirement benefit increases.

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

*Funding Policy.* An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in the Teachers' and State Employees' Retirement System of North Carolina, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from the Retirement System; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from the Retirement System after (1) reaching the age of 65 and completing five years of creditable service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan and Other Postemployment Obligations (Continued)

b. Other Post-employment Benefits

ii. Long-term Disability Benefits (Continued)

The monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one twelfth of the annual longevity payment to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled. The monthly benefit shall be further reduced by the amount of any monthly payments from the Department of Veterans Affairs, any other federal agency or any payments made under the provisions of G.S.127A-108, to which the participant or beneficiary may be entitled on account of the same disability. Provided in any event, the benefits payable shall be no less than \$10 a month. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS. For members who obtain five years of membership service on or after August 1, 2007, the monthly long-term disability benefit is reduced by the primary Social Security retirement benefit to which you might be entitled should you become age 62 during the first 36 months. After 36 months of long-term disability, there will be no further payments from the DIPNC unless the member is approved for and are in receipt of primary Social Security disability benefits. It is payable so long as the member remains disabled and is in receipt of a primary Social Security disability benefit until eligible for an unreduced service retirement benefit. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS.

The Board's contributions are established in the Appropriations Bill by the General Assembly. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as another postemployment benefit. For the fiscal years ended June 30, 2016, 2015, and 2014, the Board paid all annual required contributions to the DIPNC for disability benefits of \$99,128, \$103,897, and \$110,749, respectively. These contributions represented .41%, .41%, and .44% of covered payroll, respectively.

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

2. Accounts Payable and Accrued Salaries

Accounts payable and accrued salaries and wages at June 30, 2016 are as follows:

	Accounts Payable	Accrued Salaries and Benefits
<b>Governmental activities</b>		
General	\$ 171,664	\$ 188,212
Other governmental	272,978	301,375
<b>Total-governmental activities</b>	<u>\$ 444,642</u>	<u>\$ 489,587</u>
<b>Business-type activities</b>		
School Food Service	\$ 60,864	\$ -
<b>Total business-type activities</b>	<u>\$ 60,864</u>	<u>\$ -</u>

3. Deferred Inflows and Outflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Sales tax refunds receivable (Other Restricted Fund)	\$ -	\$ 24,659
Sales tax refunds receivable (State Public School Fund)	-	1,986
Sales tax refunds receivable (Federal Grant Fund)	-	3,085
Sales tax refunds receivable (Capital Outlay Fund)	-	5,126
Sales tax refunds receivable (Individual Schools Fund)	-	7,247
Change in proportion and difference between employer contributions and proportionate share of contributions	16,229	314,991
Difference between projected and actual earnings on plan investments	2,212,253	822,197
Difference between expected and actual experience	-	862,861
	<u>\$ 2,228,482</u>	<u>\$ 2,042,152</u>

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

4. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Trust has an annual aggregate limit for general liability of \$2,550,000 and an annual aggregate limit of \$2,550,000 for errors and omissions claims. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage.

The Trust provides workers' compensation coverage up to the statutory limits for employees to the extent they are paid from Federal and Local funds. Workers' Compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds.

The Board participates in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk-financing fund administered by the North Carolina Department of Public Instruction. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on Flood, Earthquake, Business Interruption and Extra Expense. \$10 million per occurrence is provided on Increased Cost of Construction.

The Trust also provides auto coverage through the Automobile and Inland Marine Fund. Through the Trust, the Board maintains combined single limit bodily injury and physical damage coverage of \$1,000,000, uninsured/underinsured motorist coverage of \$1,000,000, auto medical payments coverage of \$2,000, and comprehensive and collision coverage of actual current value.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan (the Plan), a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits up to a \$5 million lifetime limit. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

4. Risk Management (Continued)

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time of the Board's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

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.

5. Contingent Liabilities

At June 30, 2016, the Board was a defendant to various lawsuits. In the opinion of the Board's management and the Board's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Board's financial position.

6. Long-Term Obligations – Compensated Absences and Pension Liabilities

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2016:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<b>Governmental activities:</b>					
Compensated absences	\$ 2,262,524	\$ 2,031,023	\$ (1,947,395)	\$ 2,346,152	\$ 1,947,395
Net pension liability	2,424,710	5,125,333	-	7,550,043	-
	<u>\$ 4,687,234</u>	<u>\$ 7,156,356</u>	<u>\$ (1,947,395)</u>	<u>\$ 9,896,195</u>	<u>\$ 1,947,395</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 10,247	\$ 6,976	\$ (13,557)	\$ 3,666	\$ 3,666
Net pension liability	15,333	23,552	-	38,885	-
	<u>\$ 25,580</u>	<u>\$ 30,528</u>	<u>\$ (13,557)</u>	<u>\$ 42,551</u>	<u>\$ 3,666</u>

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

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

II. Detail Notes on all Funds (Continued)

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2016, consist of the following:

Description	Amount
From the General Fund to the School Food Service Fund for meal charges and price.	\$ 9,710
From the State Public School Fund to the School Food Service Fund for salary costs.	\$ 45,000

D. Fund Balance

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

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

<b>Total fund balance - General Fund</b>	\$ 4,193,381
<b>Less:</b>	
Inventories	40,053
Stabilization by State Statute	200,320
Appropriated Fund Balance in 2016 budget	302,741
<b>Remaining Fund Balance</b>	<b>\$ 3,650,267</b>

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

Encumbrances	General Fund	Capital Outlay Fund
	\$67,962	\$648,570

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

III. 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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

IV. Subsequent Events

The Board has evaluated subsequent events through December 5, 2016, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.



## Asheboro City Board of Education

**Schedules of Required Supplementary Information**  
**Schedule of the Board's Proportionate Share of the Net Pension Liability**  
**Teachers' and State Employees' Retirement System**  
**Last Three Fiscal Years \***  
**June 30, 2016**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (%)	0.206%	0.208%	0.204%
Board's proportionate share of the net pension liability	\$ 7,588,928	\$ 2,440,043	\$ 12,366,666
Board's covered-employee payroll (1)	\$ 25,340,684	\$ 25,170,272	\$ 25,205,875
Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll	29.95%	9.69%	49.06%
Plan fiduciary net position as a percentage of the total pension liability	94.64%	98.24%	90.60%

(\*) Information is not required to be presented retroactively. This schedule will not present 10 years worth of information until fiscal year 2023.

(1) Payroll is 2015, 2014 and 2013, all other numbers are as of the measurement date December 31, 2014.

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

## Asheboro City Board of Education

**Schedules of Board Contributions**  
**Teachers' and State Employees' Retirement System**  
**Last Three Fiscal Years**  
**June 30, 2016**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,212,253	\$ 2,318,673	\$ 2,186,176
Contributions in relation to the contractually required contribution	<u>2,212,253</u>	<u>2,318,673</u>	<u>2,186,176</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 24,177,624	\$ 25,340,684	\$ 25,170,272
Contributions as a percentage of covered-employee payroll	9.15%	9.15%	8.69%

\*Information is not required to be presented retroactively. This schedule will not present 10 years worth of information until fiscal year 2023.

## Asheboro City Board of Education

Detail Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual - General Fund

For the Year Ended June 30, 2016

	2016		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues</b>			
Randolph County			
Appropriation	\$ 4,667,005	\$ 4,667,005	\$ -
Timber receipts	-	3,194	3,194
Total Randolph County	<u>4,667,005</u>	<u>4,670,199</u>	<u>3,194</u>
Other revenue			
Supplemental taxes - school district	3,239,000	3,262,077	23,077
Fines and forfeitures	175,000	200,093	25,093
Interest earned on investments	-	547	547
Other	50,000	32,090	(17,910)
Total other revenue	<u>3,464,000</u>	<u>3,494,807</u>	<u>30,807</u>
<b>Total revenues</b>	<u>8,131,005</u>	<u>8,165,006</u>	<u>34,001</u>
<b>Expenditures</b>			
Instructional Programs			
Regular	1,985,830	1,355,567	630,263
Special Populations	189,725	175,965	13,760
Alternative Programs	403,000	385,463	17,537
School Leadership	593,800	485,099	108,701
Co-curricular	220,000	181,764	38,236
School-based Support	263,000	175,428	87,572
Total instructional programs	<u>3,655,355</u>	<u>2,759,286</u>	<u>896,069</u>
System-wide support services			
Support and Development	189,700	151,615	38,085
Special Population	130,000	114,499	15,501
Alternative Programs	25,000	22,963	2,037
Technology Support	503,800	462,029	41,771
Operational Support	2,400,257	2,140,263	259,994
Financial and Human Resource	892,800	668,096	224,704
Accountability	222,300	142,501	79,799
System-wide Pupil Support	76,400	55,120	21,280
Policy, Leadership and Public Relations	809,650	726,324	83,326
Total support services	<u>5,249,907</u>	<u>4,483,410</u>	<u>766,497</u>

## Asheboro City Board of Education

**Detail Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual - General Fund**

**For the Year Ended June 30, 2016**

	<b>2016</b>		<b>Variance Positive (Negative)</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Expenditures, continued</b>			
Non-programmed charges			
Payments to Other Governmental Units	\$ 265,000	\$ 225,807	\$ 39,193
Total non-programmed charges	<u>265,000</u>	<u>225,807</u>	<u>39,193</u>
<b>Total expenditures</b>	<u>9,170,262</u>	<u>7,468,503</u>	<u>1,701,759</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(1,039,257)	696,503	1,735,760
<b>Other financing sources</b>			
Transfers out	(20,000)	(9,710)	10,290
Appropriated fund balance	<u>1,059,257</u>	<u>-</u>	<u>1,059,257</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	686,793	<u>\$ 686,793</u>
<b>Fund balance at beginning of year, July 1</b>		3,507,250	
<b>Decrease in reserve for inventory</b>		<u>(662)</u>	
<b>Fund balance at end of year, June 30</b>		<u>\$ 4,193,381</u>	

## Asheboro City Board of Education

**Detail Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual - Capital Outlay Fund**

**For the Year Ended June 30, 2016**

	<b>2016</b>		<b>Variance Positive (Negative)</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
State of North Carolina			
Sales & Use Tax	\$ -	\$ 5,757	\$ 5,757
Total State of North Carolina	<u>-</u>	<u>5,757</u>	<u>5,757</u>
Randolph County			
Appropriation	939,117	939,117	-
Total Randolph County	<u>939,117</u>	<u>939,117</u>	<u>-</u>
Other revenue			
Interest	-	109	109
Insurance Settlement	-	3,100	3,100
Other	-	2,155	2,155
Total Other	<u>-</u>	<u>5,364</u>	<u>5,364</u>
<b>Total revenues</b>	<u>939,117</u>	<u>950,238</u>	<u>11,121</u>
<b>Expenditures</b>			
Capital outlay			
Real property and buildings			
Central office		11,281	
Asheboro High School		713,993	
South Asheboro Middle School		56,419	
Balfour		31,431	
Donna Lee Loflin		4,901	
Guy B. Teachey		630	
Lindley Park		50,318	
North Asheboro Middle School		268,110	
Total real property and buildings	<u>1,914,470</u>	<u>1,137,083</u>	<u>777,387</u>

## Asheboro City Board of Education

**Detail Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual - Capital Outlay Fund**

**For the Year Ended June 30, 2016**

	<b>2016</b>		<b>Variance Positive (Negative)</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Expenditures, continued</b>			
Capital outlay, continued			
Furniture and equipment			
Central office		\$ 20,021	
Asheboro High School		17,904	
South Asheboro Middle School		24,308	
Balfour		3,858	
Charles W. McCrary		4,736	
Donna Lee Loflin		3,832	
Guy B. Teachey		1,400	
Lindley Park		4,070	
North Asheboro Middle School		25,486	
Total furniture and equipment	\$ 202,640	105,615	\$ 97,025
Buses and motor vehicles			
Central office	8,560	-	8,560
<b>Total expenditures</b>	<b>2,125,670</b>	<b>1,242,698</b>	<b>882,972</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,186,553)</b>	<b>(292,460)</b>	<b>894,093</b>
<b>Other financing sources (uses)</b>			
Appropriated fund balance	1,186,553	-	1,186,553
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>(292,460)</b>	<b>\$ (292,460)</b>
<b>Fund balance at beginning of year, July 1</b>		1,565,750	
<b>Fund balance at end of year, June 30</b>		<b>\$ 1,273,290</b>	

## Asheboro City Board of Education

**Detail Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual - Federal Grants Fund**

**For the Year Ended June 30, 2016**

	2016		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues</b>			
U.S. Government	\$ 3,936,038	\$ 2,878,051	\$ (1,057,987)
<b>Expenditures</b>			
Instructional Programs			
Regular	178,229	144,791	33,438
Special Populations	1,125,073	739,132	385,941
Alternative Programs	1,942,164	1,603,688	338,476
School-based Support	158,672	124,519	34,153
Total instructional programs	3,404,138	2,612,130	792,008
System-wide Support Services			
Special Population	95,759	70,966	24,793
Alternative Programs	114,292	22,245	92,047
Technology Support	57,297	57,297	-
Operational Support	134,984	36,557	98,427
Total support services	402,332	187,065	215,267
Non-programmed charges	129,568	78,856	50,712
<b>Total expenditures</b>	3,936,038	2,878,051	1,057,987
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-
<b>Net change in fund balance</b>	\$ -	-	\$ -
<b>Fund balance at beginning of year, July 1</b>		-	
<b>Fund balance at end of year, June 30</b>		\$ -	

## Asheboro City Board of Education

**Detail Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual - Other Restricted Fund**

**For the Year Ended June 30, 2016**

	<b>2016</b>		<b>Variance Positive (Negative)</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
State of North Carolina	\$ 671,876	\$ 671,510	\$ (366)
U.S. Government	307,460	300,523	(6,937)
Other revenue			
Indirect cost	275,000	262,715	(12,285)
Tuition and fees	50,000	43,602	(6,398)
Rental of school property	20,000	20,576	576
Other	199,000	187,990	(11,010)
Total other revenue	544,000	514,883	(29,117)
<b>Total revenues</b>	<b>1,523,336</b>	<b>1,486,916</b>	<b>(36,420)</b>
<b>Expenditures</b>			
Instructional Programs			
Regular	105,445	103,599	1,846
Special Populations	382,666	294,209	88,457
Alternative Programs	566,876	546,876	20,000
School-based Support	259,551	219,026	40,525
Total instructional programs	1,314,538	1,163,710	150,828
System-wide support services			
Special Population	8,798	6,305	2,493
Operational Support	405,000	404,862	138
Total support services	413,798	411,167	2,631



## Asheboro City Board of Education

**Detail Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual - Other Restricted Fund**

**For the Year Ended June 30, 2016**

	<u>2016</u>		<b>Variance Positive (Negative)</b>
	<u>Budget</u>	<u>Actual</u>	
<b>Expenditures, continued</b>			
<b>Total expenditures</b>	<u>\$ 1,728,336</u>	<u>\$ 1,574,877</u>	<u>\$ 153,459</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(205,000)</u>	<u>(87,961)</u>	<u>117,039</u>
<b>Other financing sources</b>			
Appropriated fund balance	<u>205,000</u>	<u>-</u>	<u>(205,000)</u>
<b>Total other financing sources</b>	<u>205,000</u>	<u>-</u>	<u>(205,000)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(87,961)</u>	<u>\$ (87,961)</u>
<b>Fund balance at beginning of year, July 1</b>		<u>379,293</u>	
<b>Fund balance at end of year, June 30</b>		<u>\$ 291,332</u>	

## Asheboro City Board of Education

**Detail Schedule of Revenues and Expenditures  
Budget and Actual (Non-GAAP) - School Food Service Fund**

**For the Year Ended June 30, 2016**

	<b>2016</b>		<b>Variance Positive (Negative)</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Operating revenues, food sales</b>	\$ 535,000	\$ 421,932	\$ (113,068)
<b>Operating expenditures</b>			
Business support services			
Food cost		1,297,196	
Salaries and benefits		1,220,944	
Indirect costs		180,780	
Materials and supplies		121,001	
Contracted services		243,830	
Other		22,393	
Capital Outlay		68,476	
<b>Total operating expenditures</b>	<u>3,500,000</u>	<u>3,154,620</u>	<u>345,380</u>
<b>Operating income (loss)</b>	<u>(2,965,000)</u>	<u>(2,732,688)</u>	<u>232,312</u>
<b>Nonoperating revenues</b>			
Federal reimbursements	2,705,000	2,427,423	(277,577)
Federal commodities	200,000	195,764	(4,236)
State reimbursements	-	9,581	9,581
Interest earned	-	823	823
Miscellaneous local revenue	15,000	4,824	(10,176)
<b>Total nonoperating revenues</b>	<u>2,920,000</u>	<u>2,638,415</u>	<u>(281,585)</u>
<b>Excess of revenues over (under) expenditures before other financing sources</b>	<u>(45,000)</u>	<u>(94,273)</u>	<u>(49,273)</u>
<b>Other financing sources</b>			
Transfers in	45,000	54,710	9,710
<b>Excess of revenues and other sources over expenditures</b>	<u>\$ -</u>	<u>(39,563)</u>	<u>\$ (39,563)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items			
Depreciation		(41,600)	
Equipment purchases		68,476	
Decrease in accrued vacation pay		6,581	
Increase in inventory		6,182	
Net pension liability		(20,596)	
Deferred outflows - pension		(6,591)	
Deferred inflows - pension		27,251	
Unearned revenue		10,446	
Pension expense		(64)	
<b>Change in net position (full accrual)</b>		<u>\$ 10,522</u>	

## Asheboro City Board of Education

**Detail Schedule of Revenues and Expenditures -  
Budget and Actual (Non-GAAP) - Child Care Fund**

**For the Year Ended June 30, 2016**

	<u>2016</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Child care fees	\$ 60,000	\$ 56,336	\$ (3,664)
<b>Expenditures</b>			
Current			
Salaries and benefits		51,096	
Materials and supplies		407	
<b>Total expenditures</b>	<u>60,000</u>	<u>51,503</u>	<u>8,497</u>
<b>Excess of revenues over expenditures before other financing sources</b>	<u>-</u>	<u>4,833</u>	<u>4,833</u>
<b>Other financing sources</b>			
Transfer - In	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over expenditures</b>	<u>\$ -</u>	<u>4,833</u>	<u>\$ 4,833</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Net pension liability		(2,956)	
Deferred outflows - pension		(946)	
Deferred inflows - pension		3,911	
Pension expense		(9)	
Change in net position		<u>\$ 4,833</u>	

**Report of Independent Auditor on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards***

Asheboro City Board of Education  
Asheboro, North Carolina

We have audited, in accordance with the 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, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Asheboro City Board of Education (the "Board") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 5, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, as described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Board's Response to Finding**

The Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Roubert LLP

Asheboro, North Carolina  
December 5, 2016

**Report of Independent Auditor on Compliance for Each Major Federal Program  
and Internal Control over Compliance in Accordance with OMB Uniform Guidance  
and the State Single Audit Implementation Act**

Asheboro City Board of Education  
Asheboro, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited the Asheboro City Board of Education (the “Board”), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board’s major federal programs for the year ended June 30, 2016. The Board’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the Board’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Board’s compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

**Report on Internal Control Over Compliance**

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board’s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Channing Roubert* LLP

Asheboro, North Carolina  
December 5, 2016

## **Report of Independent Auditor on Compliance for Each Major State Program and Internal Control Over Compliance in Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act**

Asheboro City Board of Education  
Asheboro, North Carolina

### **Report on Compliance for Each Major State Program**

We have audited the Asheboro City Board of Education (the "Board"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major State programs for the year ended June 30, 2016. The Board's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Board's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina* and the State Single Audit Implementation Act. Those standards, the Uniform Guidance and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of the Board's compliance.

### **Opinion on Each Major State Program**

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State Program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.



A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cherry Roubert LLP*

Asheboro, North Carolina  
December 5, 2016

**ASHEBORO CITY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2016**

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Section I - Summary of Auditor's Results

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**Financial Statements**

Type of report the auditor issued on whether the financial statements are prepared in accordance with GAAP:

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant Deficiency(s) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?

yes  no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant Deficiency(s) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to federal awards?

yes  no

Type of auditor's report issued on compliance for major federal programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

yes  no

Identification of major federal programs:

CFDA #

Name of Federal Program or Cluster

84.010

Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)

ASHEBORO CITY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Auditee qualified as low-risk auditee? [X] yes [ ] no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? [ ] yes [X] no
Significant Deficiency(s) identified that are not considered to be material weaknesses? [ ] yes [X] none reported

Noncompliance material to State awards? [ ] yes [X] no

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? [ ] yes [X] no

Identification of major state programs:

Program Name

State Public School Fund

**ASHEBORO CITY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2016**

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Section II – Financial Statement Findings

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**Finding 2016-001**

## SIGNIFICANT DEFICIENCY

## SEGREGATION OF DUTIES AT INDIVIDUAL SCHOOLS

**Criteria:** Duties within a department or function should be separated so that one person does not perform processing from the beginning to the end of a process.

**Condition:** In the current school environment there is a lack of segregation of duties as the school treasurer handles the recording of receipts and disbursements, the deposit of receipts, the reconciliation of receipts and disbursements (bank reconciliation) and the receipt of goods in some instances. These duties are incompatible as it allows one individual to have control over all phases of a transaction, which includes authorization, custody and record keeping.

**Effect:** Many individual schools have a lack of segregation of duties at the school treasurer level that has created an environment that is more susceptible to innocent errors or fraud.

**Cause:** Lack of personnel at the sites available to segregate duties properly.

**Repeat Finding:** This is a repeat finding from the immediate previous audit, 2015-001.

**Recommendation:** The Board of Education monitors the individual schools as closely as possible. Once additional employees are hired at the individual schools then duties should be spread amongst the employees thus to further segregate duties.

**Views of responsible officials and planned corrective actions:** We share the concern over the lack of segregation of duties at the individual schools. However, current funding levels do not allow for additional financial staff at each school site.

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Section III – Federal Award Findings and Questioned Costs

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None reported.

**ASHEBORO CITY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2016**

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Section IV – State Award Findings and Questioned Costs

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None reported.

**ASHEBORO CITY BOARD OF EDUCATION****CORRECTIVE ACTION PLAN****Year Ended June 30, 2016**

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**Section II – Financial Statement Findings**

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**Finding 2016-001**

Name of contact person: Harold Blair – Director of Finance

Corrective Action: See “Views of responsible officials and planned correction actions” in Section II – Financial Statement Findings Related to the Audit of the Basic Financial Statements of the Board.

Proposed completion date: Unknown

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**Section III – Federal Award Findings and Questioned Costs**

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None reported.

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**Section IV – State Award Findings and Questioned Costs**

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None reported.

**ASHEBORO CITY BOARD OF EDUCATION**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**Year Ended June 30, 2016**

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Section II – Financial Statement Findings

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**Finding 2015-001**

Status: See current year finding 2016-001

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Section III – Federal Award Findings and Questioned Costs

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None reported

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Section IV – State Award Findings and Questioned Costs

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None reported

**Asheboro City Board of Education**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2016**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<b>Federal Grants:</b>			
<u>U. S. Department of Agriculture</u>			
School Nutrition Program (Note 3)			
<u>Child Nutrition Cluster:</u>			
Non-Cash Assistance (Commodities):			
Passed-through N.C. Department of Agriculture:			
National School Lunch Program	10.555	PRC 035	\$ 195,579
Summer Food Service Program for Children	10.559	PRC 035	185
<i>Total Non-cash Assistance</i>			<u>195,764</u>
Cash Assistance:			
Passed-through the N.C. Department of Public Instruction:			
School Breakfast Program	10.553	PRC 035	731,549
National School Lunch Program	10.555	PRC 035	1,637,833
Passed-through the N.C. Department of Health and Human Services:			
Division of Public Health:			
Summer Food Service Program for Children	10.559	PRC 035	58,041
<i>Total Cash Assistance</i>			<u>2,427,423</u>
<i>Total Child Nutrition Cluster</i>			<u>2,623,187</u>
Total School Nutrition Program (Note 3)			<u>2,623,187</u>
Total U. S. Department of Agriculture			<u>2,623,187</u>
<u>U.S. Department of Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Grants to Local Education Agencies			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	PRC 050	1,668,332
21st Century Community Learning Centers	84.287C	PRC 110	143,357
Supporting Effective Instruction State Grants	84.367A	PRC 103	89,174
ARRA - Race to the Top	84.395	PRC 160	57,297
<u>Office of English Language Acquisition</u>			
Passed-through the N.C. Department of Public Instruction:			
English Language Acquisition State Grants	84.365	PRC 104	73,817
<u>Office of Special Education and Rehabilitative Services</u>			
Passed-through the N.C. Department of Public Instruction:			
<u>Special Education Cluster:</u>			
Individuals with Disabilities Education Act			
- Education of the Handicapped	84.027	PRC 060	719,434
- Special Needs Targeted Assistance	84.027A	PRC 118	11,086
- Preschool Targeted Assistance	84.173A	PRC 119	5,972
- Preschool Handicapped	84.173	PRC 049	36,118
Total Special Education Cluster			<u>772,610</u>
Special Education State Personnel Development	84.323A	PRC 082	1,838
<u>Office of Vocational and Adult Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990			
Career and Technical Education - Capacity Building Grant	84.048A	PRC 017	71,626
Total U. S. Department of Education			<u>2,878,051</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
ROTC Language and Culture Training Grants	12.357	PRC 301	54,694
<b>Total federal assistance</b>			<u>5,555,932</u>



**Asheboro City Board of Education**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2016**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<b>State Grants:</b>			
<b>Cash Assistance:</b>			
<u>N.C. Department of Public Instruction:</u>			
State Public School Fund			\$ 25,387,876
Driver Training - SPSF		PRC 012	46,175
School Technology Fund - SPSF		PRC 015	111,950
Vocational Education			
- State Months of Employment		PRC 013	1,305,518
- Program Support Funds		PRC 014	210,029
Reduced-Price Breakfast		PRC 035	9,581
Total N.C. Department of Public Instruction			<u>27,071,128</u>
<u>N.C. Department of Health and Human Services:</u>			
Division of Child Development:			
Smart Start		PRC 401	58,500
More at Four		PRC 413	488,376
Total Division of Child Development			<u>546,876</u>
Division of Public Health			
School Nurse Funding Initiative		PRC 615	100,000
Total N.C. Department of Health and Human Services			<u>646,876</u>
Total State assistance			<u>27,718,004</u>
Total federal and State assistance			<u>\$ 33,273,936</u>

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Asheboro City Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Asheboro City Board of Education, it is not intended to and does not present the financial position, changes in net position, or cash flows of Asheboro City Board of Education.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Asheboro City Board of Education has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3: Cluster of Programs**

The following are clustered by the NC Department of Public Instruction and are treated separately for state audit requirement purposes: School Nutrition Program

**Note 4: Sub recipients**

The Board has not contracted or made awards to sub recipients.

ASHEBORO CITY SCHOOLS  
FIELD TRIP / TRANSPORTATION REQUEST  
SEND TO TRANSPORTATION SUPERVISOR - CENTRAL OFFICE

Group Making Request: Beta Clubs School: SAMS

Destination: Asheboro, NC Date of Trip: Feb 10-17

Number of Students Involved: 40 Percent of Total Group: \_\_\_\_\_

Reasons for Students Not Attending: not competing

Transportation Method:  Activity Bus  Charter Bus  Private Automobile  Other (\_\_\_\_\_)

If using a Charter Bus service, state name of Vendor here: \_\_\_\_\_

Number of Vehicles Needed (to be secured by the Central Office): 1

Number of Drivers Needed (to be secured by the Central Office): 0

Departure Time: 8:30 Feb 10 Return Time: 3:30 Feb 17 Round Trip Miles (estimated): 70

Estimated Cost to the Student: \$ 90 - convention cost + 3 meals + transportation

Purpose(s) of the Field Trip: To compete in state Beta Club competitions

List below the names of adult chaperones who will be accompanying this group on the field trip. Place an "\*" by individuals who are licensed to drive school vehicles and who will be serving in that capacity for you.

Kim Hoffman / Julie Dawson / Leslie Smith-Moore / Heather Norris\*

If approved, the following procedures must be followed; (1) Written parental permission is required for all field trips. This permission should be acquired using the Asheboro City Schools Parental Field Trip Permission Form; (2) No students can serve as drivers; private vehicles are used as a last resort; and (3) All students in a class or group shall have an opportunity to attend—means will provided for students to participate when necessary.

I certify that all those requirements, in addition to the general guidelines on the back of this form, will be fully met.

Heather Norris \_\_\_\_\_ 12/6/16  
Sponsor (Group Responsible for Paying for the Trip) Date

Approved: [Signature] \_\_\_\_\_ 12-20-16  
Principal Date

Approved: [Signature] \_\_\_\_\_ 12-22-16  
Superintendent or Designee Date

Transportation Scheduled: \_\_\_\_\_  
Transportation Supervisor Date

Special Comments/ Response: \_\_\_\_\_

**Asheboro City Schools  
Personnel Transactions  
January 12, 2017**

**\*A. RESIGNATIONS/RETIREMENTS/SEPARATIONS**

<b>LAST</b>	<b>FIRST</b>	<b>SCHOOL</b>	<b>SUBJECT</b>	<b>EFFECTIVE</b>
Cooper	J. Brent	SAMS	Social Studies	2/2/2017

**\*B. APPOINTMENTS**

<b>LAST</b>	<b>FIRST</b>	<b>SCHOOL</b>	<b>SUBJECT</b>	<b>EFFECTIVE</b>
Baxter	Brooke	AHS	English	8/14/2017
Gibson	Lakeia	CO	Substitute Bus Driver	12/12/2016
Grant	Cathie	GBT	Tutor (temporary; part-time)	1/3/2017 - 6/10/2017
Hardy	Crystal	CO	Substitute Bus Driver	12/20/2016
Corsbie	Joanne	CO	Substitute/\$103 per day	2/1/2017
Davis	Catherine	CO	Substitute/\$103 per day	1/13/2017
Grant	Cathie	CO	Substitute/\$103 per day	1/5/2017
Jarrett	Susan	CO	Substitute/\$103 per day	1/13/2017

**Asheboro City Schools  
Personnel Transactions - Addendum  
January 12, 2017**

**\*A. RESIGNATIONS/RETIREMENTS/SEPARATIONS**

<b>LAST</b>	<b>FIRST</b>	<b>SCHOOL</b>	<b>SUBJECT</b>	<b>EFFECTIVE</b>
Kingston	Chris	AHS	Physical Education	1/27/2017

**Asheboro City Schools  
Certified Appointments  
January 12, 2017**

**NAME**

Baxter, Brooke

**COLLEGE/DEGREE**

Appalachian State University  
B: English; Secondary Education

**LICENSURE**

9-12 English

Ms. Brooke Baxter is recommended to teach English at Asheboro High School for the 2017-2018 school year. Ms. Baxter completed her student teaching at Asheboro High School (10<sup>th</sup> grade English and 11<sup>th</sup> grade AP English) and is excited to begin her teaching career at Asheboro High School. Ms Baxter also completed an internship at Watauga High School in 11<sup>th</sup> grade AP English, and field experiences that included Appalachian State's Camp Kaleidoscope and an afterschool program at Crossnore Elementary School, Newland, North Carolina. We are pleased to welcome Ms. Baxter to Asheboro City Schools.

ASHEBORO CITY SCHOOLS  
FIELD TRIP / TRANSPORTATION REQUEST  
SEND TO TRANSPORTATION SUPERVISOR - CENTRAL OFFICE

Group Making Request: 5<sup>th</sup> Grade School: CW McCrary

Destination: Camp Caraway Date of Trip: 3/23-24/17

Number of Students Involved: 57 Percent of Total Group: 100%

Reasons for Students Not Attending: parents not wanting students to spend night

Transportation Method:  Activity Bus  Bus  Charter  Private Automobile  Other ( )

If using a Charter Bus service, state name of Vendor here: \_\_\_\_\_

Number of Vehicles Needed (to be secured by the Central Office): 1

Number of Drivers Needed (to be secured by the Central Office): 1

Departure Time: 3/23/17 9:15 am Return Time: 3/24/17 1:45 pm Round Trip Miles (estimated): 31.2

Estimated Cost to the Student: \$70.<sup>00</sup>

Purpose(s) of the Field Trip: all science 5<sup>th</sup> grade standards - force & motion, ecosystems, weather, human body, cells/genetics, etc.

List below the names of adult chaperones who will be accompanying this group on the field trip. Place an "\*" by individuals who are licensed to drive school vehicles and who will be serving in that capacity for you.

Ashley Hutton, Katie Henderson, Laura King, Julie Brady  
Emmy Biaggi, 7-10 parent chaperones

If approved, the following procedures must be followed: (1) Written parental permission is required for all field trips. This permission should be acquired using the Asheboro City Schools Parental Field Trip Permission Form; (2) No students can serve as drivers; private vehicles are used as a last resort; and (3) All students in a class or group shall have an opportunity to attend—means will provided for students to participate when necessary.

I certify that all those requirements, in addition to the general guidelines on the back of this form, will be fully met.

5<sup>th</sup> Grade - CWM \_\_\_\_\_ 1/3/17  
Sponsor (Group Responsible for Paying for the Trip) Date

Approved: [Signature] \_\_\_\_\_ 1-3-2017  
Principal Date

Approved: [Signature] \_\_\_\_\_ 1/5/2017  
Superintendent or Designee Date

Transportation Scheduled: \_\_\_\_\_  
Transportation Supervisor Date

Special Comments/ Response: \_\_\_\_\_

Policies  
For  
30-Day  
Review

Board meetings are conducted for the purpose of carrying on the official business of the school district. The public is cordially invited to attend board meetings to observe the board as it conducts its official business.

The board of education, as an elected representative body of the school district, also wishes to provide a forum for citizens to express interests and concerns related to the school district. To provide an opportunity for input while conducting an orderly meeting, individuals or groups may be heard by the board in accordance with this policy or policy 2300, Board Meetings, section D, paragraph 2, which addresses public hearings.

#### **A. REQUESTS TO PLACE ITEM ON THE AGENDA**

In order that the board may fairly and adequately discharge its overall responsibility, citizens desiring an item to be placed on the agenda for a specific board meeting should direct written requests to the superintendent at least six working days prior to the meeting.

The request should include: (1) the name and address of the person or persons making the request; (2) the organization or group, if any, represented; and (3) a brief explanation of the nature of the item. Questions and/or materials to be presented to the board are to be submitted along with the request. Additional items may be added to the agenda by the board on a two-thirds vote of the board members.

The superintendent will confer with the chairperson of the board concerning whether to approve placing the requested item on the agenda, and to determine the appropriate meeting for such discussion. The superintendent, with the consent of the board chairperson, shall accept or deny a request for inclusion on the agenda for any reason determined appropriate by the superintendent and chairperson.

The superintendent will notify the requesting party of the response to the request. The board may, by majority vote and notwithstanding prior denial by the superintendent, consent to hear a presentation where the appeal to speak is made immediately prior to or during the course of the meeting. If the request is denied, the superintendent shall explain any other processes available for addressing the concerns. (See Section C, Reports of Complaints, below.)

The chairperson will establish the amount of time for individual or group presentations.



**B. PUBLIC COMMENT**

Each month, a part of at least one regularly scheduled board meeting will be set aside for citizens to address the board through public comment. A sign-up sheet will be available for any individual or group to indicate their desire to address the board. The chairperson will decide the amount of time devoted to public comments. The superintendent shall develop additional procedures to ensure that public comment session proceed in an efficient and orderly manner.

Board members need not respond to individuals who address the board except to request clarification of points made by the presenter.

Except in cases of emergency, information received during presentations will not be acted upon at the time it is received. It will take unanimous vote of the board members present to take action on a presentation considered to be of an unusual or emergency nature at the time it is presented.

Disruptions by any person or persons of a public meeting will be subject to action in accordance with G.S. 143-318.17.

If the board does not hold a regular meeting during a month, the board will not provide a time for public comment at any other meeting held during that month, unless a majority of the board votes to allow public comment at the meeting or unless the purpose of the meeting is a public hearing.

**C. REPORTS OF COMPLAINTS**

Complaints about the performance of school personnel, implementation of board policy, the quality of the educational program or school facilities should be submitted initially for a response to the school district official responsible for the program or facility or to the superintendent. The superintendent or designee shall make available this board policy and other relevant grievance procedures to any individual or group submitting a complaint.

Legal References: G.S. 143-318.10, and -318-17; 115C-36, -51

Cross References: Student and Parent Grievance Procedure (policy 1740/4010), Role of Board Members in Handling Complaints (policy 2122), Board Meetings (policy 2300), Board Meeting Agenda (policy 2330), Responding to Complaints (policy 1742/5060)

Adopted: April 9, 1998 to become effective July 1, 1998

Revised: September 13, 2012

Reviewed by Policy Committee on July 12, 2012

The board provides its students and staff access to a variety of technological resources. These resources provide opportunities to enhance learning and improve communication within the school community and with the larger global community. Through the school system's technological resources, users can observe events as they occur around the world, interact with others on a variety of subjects, and acquire access to current and in-depth information.

The board intends that students and employees benefit from these resources while remaining within the bounds of safe, legal, and responsible use. Accordingly, the board establishes this policy to govern student and employee use of school system technological resources. This policy applies regardless of whether such use occurs on or off school system property, and it applies to all school system technological resources, including but not limited to computer networks and connections, the resources, tools, and learning environments made available by or on the networks, and all devices that connect to those networks.

**A. EXPECTATIONS FOR USE OF SCHOOL TECHNOLOGICAL RESOURCES**

The use of school system technological resources, including access to the Internet, is a privilege, not a right. Individual users of the school system's technological resources are responsible for their behavior and communications when using those resources. Responsible use of school system technological resources is use that is ethical, respectful, academically honest, and supportive of student learning. Each user has the responsibility to respect others in the school community and on the Internet. Users are expected to abide by the generally accepted rules of network etiquette. General student and employee behavior standards, including those prescribed in applicable board policies, the Code of Student Conduct, and other regulations and school rules, apply to use of the Internet and other school technological resources.

In addition, anyone who uses school system computers or electronic devices or who accesses the school network or the Internet using school system resources must comply with the additional rules for responsible use listed in Section B, below. These rules are intended to clarify expectations for conduct but should not be construed as all-inclusive.

Before using the Internet, all students must be trained about appropriate online behavior as provided in policy 3226/4205, Internet Safety.

All students and employees must be informed annually of the requirements of this policy and the methods by which they may obtain a copy of this policy. Before using school system technological resources, students and employees must sign a statement indicating that they understand and will strictly comply with these requirements. Failure to adhere to these requirements will result in disciplinary action, including revocation of user privileges. Willful misuse may result in disciplinary action and/or criminal prosecution under applicable state and federal law.

**B. RULES FOR USE OF SCHOOL TECHNOLOGICAL RESOURCES**

1. School system technological resources are provided for school-related purposes only. Acceptable uses of such technological resources are limited to responsible, efficient, and legal activities that support learning and teaching. Use of school system technological resources for commercial gain or profit is prohibited. Student personal use of school system technological resources for amusement or entertainment is also prohibited. Because some incidental and occasional personal use by employees is inevitable, the board permits infrequent and brief personal use by employees so long as it occurs on personal time, does not interfere with school system business, and is not otherwise prohibited by board policy or procedure.
2. Under no circumstance may software purchased by the school system be copied for personal use.
3. Students and employees must comply with all applicable laws, including those relating to copyrights and trademarks, confidential information, and public records. Any use that violates state or federal law is strictly prohibited. Plagiarism of Internet resources will be treated in the same manner as any other incidents of plagiarism, as stated in the Code of Student Conduct.
4. No user of technological resources, including a person sending or receiving electronic communications, may engage in creating, intentionally viewing, accessing, downloading, storing, printing, or transmitting images, graphics (including still or moving pictures), sound files, text files, documents, messages, or other material that is obscene, defamatory, profane, pornographic, harassing, abusive, or considered to be harmful to minors.
5. The use of anonymous proxies to circumvent content filtering is prohibited.
6. Users may not install or use any Internet-based file sharing program designed to facilitate sharing of copyrighted material.
7. Users of technological resources may not send electronic communications fraudulently (i.e., by misrepresenting the identity of the sender).
8. Users must respect the privacy of others. When using e-mail, chat rooms, blogs, or other forms of electronic communication, students must not reveal personal identifying information or information that is private or confidential, such as the home address or telephone number, credit or checking account information, or social security number of themselves or fellow students. For further information regarding what constitutes personal identifying information, see policy 4705/7825, Confidentiality of Personal Identifying Information. In addition, school employees must not disclose on school system websites or web pages or elsewhere on the Internet any personally identifiable, private, or confidential information concerning students (including names, addresses, or pictures) without the written permission

of a parent or guardian or an eligible student, except as otherwise permitted by the Family Educational Rights and Privacy Act (FERPA) or policy 4700, Student Records. Users also may not forward or post personal communications without the author's prior consent.

9. Users may not intentionally or negligently damage computers, computer systems, electronic devices, software, computer networks, or data of any user connected to school system technological resources. Users may not knowingly or negligently transmit computer viruses or self-replicating messages or deliberately try to degrade or disrupt system performance. Users must scan any downloaded files for viruses.
10. Users may not create or introduce games, network communications programs, or any foreign program or software onto any school system computer, electronic device, or network without the express permission of the technology director or designee.
11. Users are prohibited from engaging in unauthorized or unlawful activities, such as "hacking" or using the computer network to gain or attempt to gain unauthorized or unlawful access to other computers, computer systems, or accounts.
12. Users are prohibited from using another individual's ID or password for any technological resource without permission from the individual. Students must also have permission from the teacher or other school official.
13. Users may not read, alter, change, block, execute, or delete files or communications belonging to another user without the owner's express prior permission.
14. Employees shall not use passwords or user IDs for any data system (e.g. the state student information and instructional improvement system applications, time - keeping software, etc.) for an unauthorized or improper purpose.
15. If a user identifies a security problem on a technological resource, he or she must immediately notify a system administrator. Users must not demonstrate the problem to other users. Any user identified as a security risk will be denied access.
16. Teachers shall make reasonable efforts to supervise students' use of the Internet during instructional time.
17. Views may be expressed on the Internet or other technological resources as representing the view of the school system or part of the school system only with prior approval by the superintendent or designee.

**C. RESTRICTED MATERIAL ON THE INTERNET**

The Internet and electronic communications offer fluid environments in which students

may access or be exposed to materials and information from diverse and rapidly changing sources, including some that may be harmful to students. The board recognizes that it is impossible to predict with certainty what information on the Internet students may access or obtain. Nevertheless school system personnel shall take reasonable precautions to prevent students from accessing material and information that is obscene, pornographic, or otherwise harmful to minors, including violence, nudity, or graphic language that does not serve a legitimate pedagogical purpose. The superintendent shall ensure that technology protection measures are used as provided in policy 3226/4205, Internet Safety, and are disabled or minimized only when permitted by law and board policy. The board is not responsible for the content accessed by users who connect to the Internet via their personal mobile telephone technology (e.g., 3G, 4G service).

**D. PARENTAL CONSENT**

The board recognizes that parents of minors are responsible for setting and conveying the standards their children should follow when using media and information sources. Accordingly, before a student may independently access the Internet, the student's parent must be made aware of the possibility that the student could obtain access to inappropriate material while engaged in independent use of the Internet. The parent and student must consent to the student's independent access to the Internet and to monitoring of the student's e-mail communication by school personnel.

In addition, in accordance with the board's goals and visions for technology, students may require accounts in third party systems for school related projects designed to assist students in mastering effective and proper online communications or to meet other educational goals. Parental permission will be obtained when necessary to create and manage such third party accounts.

**E. PRIVACY**

Students, employees, visitors, and other users have no expectation of privacy in anything they create, store, send, delete, receive, or display when using the school system's network, devices, Internet access, email system, or other technological resources owned or issued by the school system, whether the resources are used at school or elsewhere, and even if the use is for personal purposes. Users should not assume that files or communications created, transmitted or displayed using school system technological resources or stored on servers or on the storage mediums of individual devices will be private. The school system may, without notice, (1) monitor, track, and/or log network access, communications, and use; (2) monitor and allocate fileserver space; and (3) access, review, copy, store, delete, or disclose the content of all user files, regardless of medium, the content of electronic mailboxes, and system outputs, such as printouts, for any lawful purpose. Such purposes may include, but are not limited to, maintaining system integrity, security, or functionality, ensuring compliance with board policy and applicable laws and regulations, protecting the school system from liability, and complying with public records requests. School system personnel shall monitor online activities of individuals who access the Internet via a school-owned device.

By using the school system's network, Internet access, email system, devices, or other technological resources, individuals consent to have that use monitored by authorized school system personnel as described in this policy.

**F. USE OF PERSONAL TECHNOLOGY ON SCHOOL SYSTEM PROPERTY**

The school system assumes no responsibility for personal technology devices. Student, employee, visitor and other personal devices are governed by policy 4318, Use of Wireless Communication Devices. The use of personal devices by teachers and staff for instructional purposes are governed by policy 3220, Technology in the Educational Program.

**G. PERSONAL WEBSITES**

The superintendent may use any means available to request the removal of personal websites that substantially disrupt the school environment or that utilize school system or individual school names, logos, or trademarks without permission.

1. Students

Though school personnel generally do not monitor students' Internet activity conducted on non-school system devices during non-school hours, when the student's online behavior has a direct and immediate effect on school safety or maintaining order and discipline in the schools, the student may be disciplined in accordance with board policy (see the student behavior policies in the 4300 series).

2. Employees

Employees' personal websites are subject to policy 7335, Employee Use of Social Media.

3. Volunteers

Volunteers are to maintain an appropriate relationship with students at all times. Volunteers are encouraged to block students from viewing personal information on volunteer personal websites or online networking profiles in order to prevent the possibility that students could view materials that are not age-appropriate. An individual volunteer's relationship with the school system may be terminated if the volunteer engages in inappropriate online interaction with students.

Legal References: U.S. Const. amend. I; Children's Internet Protection Act, 47 U.S.C. 254(h)(5); Electronic Communications Privacy Act, 18 U.S.C. 2510-2522; Family Educational Rights and Privacy Act, 20 U.S.C. 1232g; 17 U.S.C. 101 et seq.; 20 U.S.C. 7131; G.S. 115C-325(e) (applicable to career status teachers), -325.4 (applicable to non-career status teachers)

Cross References: Curriculum and Instructional Guides (policy 3115), Technology in the

Educational Program (policy 3220), Internet Safety (policy 3226/4205), Copyright Compliance (policy 3230/7330), Web Page Development (policy 3227/7322), Student Behavior Policies (all policies in the 4300 series), Student Records (policy 4700), Confidentiality of Personal Identifying Information (policy 4705/7825), Public Records – Retention, Release, and Disposition (policy 5070/7350), Use of Equipment, Materials, and Supplies (policy 6520), Network Security (policy 6524), Staff Responsibilities (policy 7300), Employee Use of Social Media (policy 7335)

Revised: July 15, 2005; January 20, 2009; August 29, 2012, November 21, 2013, March 12, 2015



The school system computers, networks, and other technological resources support the educational and administrative functions of the school system. Because employees and students depend on these systems to assist with teaching and learning and because sensitive and confidential information may be stored on these systems, system integrity and security is of utmost importance.

**A. NETWORK AND INFORMATION SECURITY**

The school system information technology systems are valuable assets that must be protected. To this end, school technology personnel shall evaluate each information technology asset and assign protective controls that are commensurate with the established value of such assets. Appropriate security measures must be in place to protect all information technology assets from accidental or unauthorized use, theft, modification, or destruction, and to prevent the unauthorized disclosure of restricted information. Network security measures must include an information technology system disaster recovery process. Audits of security measures must be conducted annually.

All personnel shall ensure the protection and security of information technology assets that are under their control.

**B. SECURITY AWARENESS**

The technology director or designee shall provide employees with information to enhance awareness regarding technology security threats and to educate them about appropriate safeguards, network security, and information security.

**C. MALWARE PROTECTION**

Malware detection programs and practices must be implemented throughout the school system. The superintendent or designee is responsible for ensuring that the school system network includes current software to prevent the introduction or propagation of computer malware.

**D. TRAINING FOR USE OF TECHNOLOGICAL RESOURCES**

Users should be trained as necessary to use technological resources effectively and in a manner that maintains the security of the network infrastructure and ensures compliance with state and federal law and regulations. Such training should include information related to remote access, virus protection, the state student information and instructional improvement system applications, network and information security, and other topics deemed necessary by the superintendent or technology director. Training may be conducted as part of the technology-related professional development program (see policy 3220, Technology in the Educational Program).

**E. ACCESS TO INFORMATION TECHNOLOGY SYSTEMS**

Access to the school system's information technology assets will be controlled and

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managed to ensure that only authorized devices/persons have access.

1. User ID and Password

All users of information technology systems must be properly identified and authenticated before being allowed to access such systems. The combination of a unique user identification and a valid password is the minimum requirement for granting access to information technology systems. Depending on the operating environment, information involved, and exposure risks, additional or more stringent security practices may be required as determined by the superintendent or technology director. The technology director or designee shall establish password management capabilities and procedures to ensure the security of passwords.

2. Student Information System

The technology director or designee shall ensure that all school system computers with access to the state student information system application pursuant to State Board of Education Policy TCS-C-018 adhere to relevant standards and requirements established by the State Board of Education, including provisions related to user identification, and password and workstation security standards. Employees must follow all such standards when using any computer to access the student information system, including when using the employee's personal computer.

3. Remote Access

The superintendent and technology director may grant remote access to authorized users of the school system's computer systems. The technology director or designee shall ensure that such access is provided through secure, authenticated, and carefully managed access methods.

Legal References: G.S. 115C-523, -524; State Board of Education Policy TCS-C-018

Cross References: Professional and Staff Development (policy 1610/7800), Technology in the Educational Program (policy 3220), Technology Responsible Use (policy 3225/4312/7320), Internet Safety (policy 3226/4205), School Improvement Plan (policy 3430), Use of Equipment, Materials, and Supplies (policy 6520)

Other References: *State of North Carolina Statewide Information Security Manual* (Enterprise Security and Risk Management Office), available at <http://it.nc.gov/document/statewide-information-security-manual>

Adopted: January 20, 2009

Revised: June 30, 2009; August 29, 2012, December 12, 2013, March 12, 2015

Budget planning and preparation is critical to the development of a budget likely to further the educational goals of the board and the state and to provide for the smooth operations of the school system.

**A. ELEMENTS OF BUDGET PLANNING**

The budget planning for the board and administration will include:

1. establishing the priorities of the school system, recognizing that providing students the opportunity to receive a sound basic education and improving student success will always be of paramount concern;
2. considering long-range facilities plans, goals and objectives as established by the board and school district when assessing the needs of the school district;
3. integrating budget planning into program planning so that the budget may effectively express and implement all programs and activities of the school district;
4. seeking opportunities to communicate budget needs with the county commissioners on a regular basis, especially in regard to capital outlay;
5. seeking broad participation by administrators, teachers, other school district personnel and citizens;
6. exploring all practical and legal sources of income;
7. continually assessing the needs of the school district and the revenues and expenses; and
8. identifying the most cost effective means of meeting the school districts' needs.

**B. PROCESS**

By February 15 of each year, the superintendent shall submit to the board a calendar outlining the budget development process for the next fiscal year. The superintendent shall prepare a proposed annual budget and submit it with his or her budget message to the board no later than May 15.

On the same day that the budget is submitted to the board, the superintendent shall file a copy of it in his or her office, where it will remain available for public inspection until the budget resolution is adopted.

The board will consider the budget, and make such changes therein as it deems advisable. The Board will submit the entire budget as approved by the board to the board of county commissioners no later than May 15, or such later date as may be fixed by the board of county commissioners.

Legal References: G.S. 115C-47, -426.2, -427, -428, -429; Leandro v. State, 346 N.C. 336 (1997)

Cross References: Board Authority and Duties (policy 1010)

Adopted: May 14, 1998 to become effective July 1, 1998

Administrative Procedure: None

Revised: October 10, 2013

To fulfill the educational goals of the board, the board will seek as many sources of revenue as determined to be beneficial to the district. The superintendent will seek public and private grants and funding for special projects as a source of supplemental funding. Employees also are encouraged to learn about special funding opportunities and to participate in the development of proposals to obtain the funding.

All applications for grants or specially funded projects will be in accordance with the educational goals of the board. Contracts with non-governmental funding entities must be consistent with G.S. 143C, art. 6A.

When required by the funding agency, the proposals will be presented for board approval. The board will be notified of all funds awarded.

The superintendent will establish any procedures necessary to develop an efficient and effective process for seeking special funding.

Legal References: G.S. 115C-36, -47; 143C, art. 6A

Adopted: May 14, 1998 to become effective July 1, 1998

Revised: December 12, 2013

Policies  
For  
Approval

The board will select future school sites in a manner consistent with facility needs as identified in the long range plan. The board will consider options for acquiring property and buildings that are within its legal authority, are economically sound and meet immediate and future needs.

The superintendent shall assist the board in site selection. In making recommendations to the board, the superintendent should consider the following factors, along with any other factors the superintendent determines to be appropriate:

1. the size of the site needed for current and future needs;
2. the cost for acquisition and development;
3. a site's suitability for its intended uses;
4. a site's accessibility for students and the community; and
5. whether a site meets all legal requirements, including environmental standards.

The superintendent shall investigate and recommend to the board reasonable options for acquiring property or buildings, such as purchasing, leasing, or entering into relationships with other governmental agencies or private businesses, as permitted by law. The superintendent is authorized to select and work with consultants in identifying and assessing site options. Any contract for professional services must be reviewed by the board attorney, approved by the board, and meet any applicable board policies.

Legal References: G.S. 115C-47, -204, -517, -518, -521; 153A-164; 160A, art. 2, pt. 1; 147, art. 6E

Cross References: Selection and Use of Architects and Engineers (policy 9110)

Adopted: May 14, 1998 to become effective July 1, 1998

Administrative Procedure: None

Updated: July 10, 2014

**USE AND SELECTION OF ARCHITECTS,  
ENGINEERS, SURVEYORS, AND CONSTRUCTION  
MANAGERS AT RISK**

*Policy Code:*

**9110**

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**A. USE OF ARCHITECTS AND/OR ENGINEERS**

To the extent required by North Carolina General Statute 133-1.1, a registered architect or registered engineer, or both, will be used to design and inspect school system buildings being repaired or constructed. In addition, architects and/or engineers may be used for services, such as:

1. preparing feasibility studies for additions, alterations, or renovations of existing facilities;
2. providing consulting services on technical matters;
3. providing services related to long-range planning or facility design; and
4. assisting in the preparation and submission of any documents requested by other governmental agencies.

**B. SELECTION PROCESS FOR ARCHITECTURAL, ENGINEERING, SURVEYING, AND CONSTRUCTION MANAGEMENT AT RISK SERVICES**

Except as otherwise permitted under G.S. 115C-521(g), the procurement of architectural, engineering, surveying, or construction management at risk services for facility design, construction, and related services will be accomplished in accordance with the following requirements.

1. Projects with an Estimated Professional Fee of \$50, 000 or More
  - a. The superintendent shall solicit proposals from service providers for selection based upon qualifications using the following or similar criteria:
    - 1) training and experience of the service provider, especially in school-related projects;
    - 2) planning ability and promptness;
    - 3) experience in specification writing, including reputation for accuracy and sufficiency of detail;
    - 4) experience in the construction of K-12 buildings;



- 5) reputation for quality of design and construction in appearance and utility;
  - 6) history of thorough inspections and follow-through with jobs;
  - 7) timely completion of projects within the established budgets;
  - 8) relationships with contractors and designers; and
  - 9) any other factors the superintendent deems relevant.
- b. The superintendent shall provide a list of qualified service providers to the board for consideration and selection unless the estimated professional fee for the project is within the superintendent's authority to contract as provided in policy 6420, Contracts with the Board. The list shall not include any service provider whose name appears on the state treasurer's Final Divestment List or Iran Parent and Subsidiary Guidance list, as required by G.S. 147, art. 6E.
- c. A North Carolina resident firm will be granted a preference over a nonresident firm if the home state of the nonresident firm has a practice of granting a preference to its resident firms over North Carolina resident firms. Any preference granted to a resident firm will be in the same manner, on the same basis, and to the same extent as the preference granted by the nonresident firm's home state. The solicitation documents must require that nonresident firms disclose and describe any construction contract preferences granted by the firm's home state.
- d. Fees will be negotiated with the selected firm. If a fair and reasonable fee cannot be agreed upon, the board or superintendent will select the next best qualified firm and negotiate fees. The contract with the firm must be reviewed by the board attorney and meet all applicable laws and board policies. The contract must have board approval unless the board has delegated this authority to the superintendent in policy 6420.
2. Projects with an Estimated Professional Fee of Less than \$50,000
- a. The process established in subsection B.1. is not required unless otherwise directed by the board or superintendent for a specific project.
- b. When the estimated professional fee for a project is estimated to be within the superintendent's authority to contract on behalf of the board as provided in policy 6420, Contracts with the Board, the superintendent shall have authority to select the firm. Board approval of the firm is not required. The contract with the firm must meet all applicable laws and board policies and must be consistent with G.S. 147, art. 6E.

- c. When the professional fee is estimated to exceed the superintendent's authority to contract on behalf of the board as provided in policy 6420, Contracts with the Board, the superintendent shall recommend one or more firms to the board for consideration. The board will approve the selection of the firm. The contract with the firm must be reviewed by the board attorney, be approved by the board, ~~and~~ meet all applicable laws and board policies, and be consistent with G.S. 147, art. 6E.

Legal References: G.S. 115C-521(g); 133, arts. 1 and 3; 143-64.31, -64.32; 147, art. 6E

Cross References: Contracts with the Board (policy 6420), Site Selection (policy 9010), Facility Design (policy 9020)

Adopted: May 14, 1998 to become effective July 1, 1998

Updated: June 12, 2014, June 9, 2016

# PREQUALIFICATION OF BIDDERS FOR CONSTRUCTION PROJECTS

*Policy Code:*

**9115**

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## **A. GENERAL**

1. The purpose of this prequalification process is to impartially evaluate a contractor, and to properly determine by its responsible business practices, work experience, manpower, and equipment that it is qualified to bid on a board construction project, including prime contracts awarded by construction managers pursuant to the Construction Manager at Risk (“CM at Risk”) process. The award of contracts should be the result of open competition in bidding; impartiality in the selection of contractors; integrity in business practices; and skillful performance of public contracts.
2. The administration shall be responsible for prequalifying individual contractors to bid on board construction projects when the administration believes prequalification is preferred. The administration is not required to prequalify contractors for any particular project or projects. However, a contractor shall not be allowed to submit a bid on a construction project subject to prequalification, unless it has been prequalified in accordance with board policy. Prequalification shall not relieve the contractor from compliance with the certification requirements of G.S. 147, art. 6E at the time the contractor’s bid is submitted or the contract is executed.
3. The construction manager and the administration shall jointly develop the assessment tool and criteria for each CM at Risk project, including the prequalification scoring values and minimum requirement score. The construction manager shall use the process outlined in this policy for the prequalification of contractors on CM at Risk projects.
4. Notwithstanding the fact that a contractor was prequalified, the board, administration, and construction manager reserve the right to reject a contractor’s bid if it is determined that the contractor has not submitted the lowest responsible and responsive bid. The prequalification of the contractor shall not preclude the board, administration, or construction manager from subsequently concluding that the contractor is not a responsible bidder pursuant to G.S. 143-129. The prequalification of a contract for a project shall only apply to the individual project. All construction and repair contracts shall be awarded to the lowest responsive and responsible bidder, taking into consideration quality, performance, and the time specified in the proposals for the performance of the contract.

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**B. APPLICATION PROCESS**

1. The superintendent or designee shall designate a school official to oversee the prequalification process for each individual project (“School Prequalification Official”).
2. Each prospective bidder on contracts identified for prequalification by the administration and all CM at Risk projects shall submit an application on the approved prequalification application form in order to become prequalified. The approved prequalification application form will require information to be provided on the ownership of the firm, experience of the firm’s personnel, any affiliations with other construction firms, bonding capacity, financial resources, the type of work performed by the firm, and other objective criteria rationally related to the contract to be awarded.
3. The administration shall ensure that applications prepared for the projects comply with this policy and State law. The application is to be submitted by the deadline established in the notice of prequalification. The act of submitting the application does not permit the firm to submit a bid. Incomplete applications will be rejected or returned for further detail or correction in the sole discretion of the school system or construction manager.

**C. APPLICATION**

The application used by the school system or the construction manager must be approved by the School Prequalification Official and shall, at a minimum, address the following items:

- a. **Organizational Structure** – The firm shall provide a list of all owners, officers, partners, or individuals authorized to represent or conduct business for or sign legal documents for the firm. This list must include the full legal name, typed or printed in a clear legible form. Firms experiencing changes in ownership, organizational structure, or material changes in assets must inform the school system prior to the award of a contract. Failure of the firm to comply with this requirement may result in the termination of any contract awarded by the school system or construction manager.
- b. **Classification** – The firm shall indicate the type(s) of work the firm’s workforce and equipment normally perform, licensure, and other pertinent information. The firm shall provide its MWSBE (Minority, Women, Small Business Enterprise) status.
- c. **Experience** – The firm shall furnish information that documents the ability of the firm to undertake a project involving the type(s) of work for which prequalification is requested.

- d. Financial – Firms will be required to provide a complete current annual financial statement (current within the previous 12-month period).
- e. Litigation/Claims – Firms must provide information on its success at completing projects on time, including the payment of liquidated damages. The firm will be required to submit information regarding its litigation history, including litigation with owners.
- f. Capacity – Firms shall demonstrate sufficient bonding capacity, insurance, and resources for the project. Firms must provide relevant information on the personnel that will be directly responsible for the work, including the location of the office that will be primarily responsible for work. Firms shall also demonstrate an acceptable safety history for construction projects.
- g. Legal Authorization – All firms must show that they are legally authorized to conduct business in the State of North Carolina and have all required licensure for the work to be performed.

**D. REVIEW OF APPLICATION – SCHOOL SYSTEM BID PROJECTS**

1. Prequalification Committee – The School Prequalification Official shall establish a committee to review and score applications, including approving and denying prequalification (“Prequalification Committee”). The superintendent or designee shall not be a member of the Prequalification Committee.
2. Review of Applications – The school system’s Prequalification Committee shall use the school system’s objective assessment process. The prequalification criteria shall not require the firm to have previously been awarded a construction or repair project by the school system. The prequalification criteria used by the Prequalification Committee shall include prequalification scoring values and the minimum required score to be prequalified for the project. The school system’s Prequalification Committee shall approve or deny the applications in accordance with the prequalification criteria and scoring system.
3. Notice of Decision – The firms shall be promptly notified of the school system’s Prequalification Committee’s decision, including the reason for denial, via e-mail. Notice shall be provided prior to the opening of bids for the project and with sufficient time for the firm to appeal the denial of prequalification.

**E. REVIEW OF APPLICATION – CM AT RISK PROJECTS**

1. Prequalification Committee – The construction manager and the School Prequalification Official shall agree upon the members of the construction manager’s Prequalification Committee. The superintendent or designee shall not be on the Prequalification Committee. The construction manager’s Prequalification

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Committee will review prequalification applications submitted by the firms and will determine the firm's prequalification eligibility for the CM at Risk project.

2. Review of Applications – The construction manager's Prequalification Committee and the School Prequalification Official shall agree upon an objective assessment process. The construction manager and the School Prequalification Official shall develop prequalification criteria, including prequalification scoring values and the minimum required score to be prequalified for the project. The prequalification criteria shall not require the firm to have previously been awarded a construction or repair project by the construction manager or the school system. The construction manager's Prequalification Committee shall approve or deny the applications in accordance with the prequalification criteria and scoring system.
3. Notice of Decision – The firms shall be promptly notified of the construction manager's Prequalification Committee's decision, including the reason for denial, via e-mail. Notice shall be provided prior to the opening of bids for the project and with sufficient time for the firm to appeal the denial of prequalification.

#### **F. APPEALS PROCEDURE**

The firm may appeal from the denial of prequalification as noted below:

- a. Written Appeal – A written appeal may be filed via hand-delivery or e-mail to the applicable Prequalification Committee within three business days of receipt of notice that the firm has been denied prequalification. The written appeal shall clearly articulate the reasons why the firm is contesting the denial and attach all documents and additional information supporting the firm's position. The Prequalification Committee may contact the firm regarding the information provided prior to ruling on the appeal. If the Prequalification Committee is satisfied that the firm should be prequalified, the firm shall be notified that it is prequalified to bid on the project and allowed to participate in the bid process. If the Prequalification Committee upholds its denial, the firm shall be promptly notified in writing via e-mail.
- b. Hearing – The firm may appeal the Prequalification Committee's decision on the written appeal by requesting a hearing before the superintendent or designee via hand-delivery or e-mail within three (3) business days of the receipt of the Prequalification Committee's decision. The hearing shall be held within five (5) business days. The firm shall not be allowed to submit additional information without the written consent of the superintendent or designee. The firm shall be allowed thirty (30) minutes for the hearing. In the event the superintendent or designee is unable to hold a hearing in a timely manner, he/she may designate a school official to handle the appeal.
- c. Decision – For projects bid by the school system, the decision of the superintendent or designee or designee shall be final, and the firm shall be

promptly notified of the decision via e-mail. For CM at Risk projects, the superintendent or designee shall notify the construction manager of its recommended decision. The construction manager shall review the recommended decision and issue a final decision to the school system and firm. In the event the construction manager rejects a recommendation from the superintendent or designee to prequalify the firm, the construction manager shall provide a written explanation of the denial to both the superintendent or designee and the firm.

- d. General Rules for Appeals – Firms submitting applications shall be provided an e-mail address for communication with the construction manager or school system during the appeal process. The firm shall provide at least two e-mail addresses for use by the school system or construction manager in communicating with the firm. All appeals shall be completed prior to the date and time for the receipt and opening of bids.

Legal References: G.S. 143-128.1, -129, and 135.8; 147, art. 6E

Adopted: August 13, 2015

The board strives to obtain high quality services at a reasonable price through the bidding process employed by the school system.

**A. STANDARDS FOR PARTICIPATION IN CONSTRUCTION CONTRACTS**

All contracts formally or informally bid will be awarded to the lowest responsible bidder, taking into consideration quality, performance, reliability and the time specified in the bids for performance of the contract. Contracts will contain a provision stating that the contractor and contractor's subcontractors, if any, must comply with the requirements of G.S. Chapter 64, Article 2. Prior to bidding, contractors may be required to prequalify if the board has elected to use this process. For all contracts valued at \$1,000 or more, the board will require each bidder or vendor to certify that it is not listed on the state treasurer's Final Divestment List or Iran Parent and Subsidiary Guidance list, as required by G.S. 147, Article 6E, and that it will not engage subcontractors who are on either list.

The board prohibits discrimination against any person or business on the basis of race, color, ethnic origin, sex, disability or religion. In addition, in accordance with G.S. 143-133.5, the board prohibits discrimination against a bidder or contractor for being party to, refusing to be party to, adhering to, or refusing to adhere to an agreement with a labor organization. The superintendent is required to conduct contracting and purchasing programs so as to prevent such discrimination.

The superintendent, on behalf of the board, must certify that good faith efforts have been made to increase the participation in construction contracts by minority-owned and female-owned businesses, as required by policy 9125, Participation by Women- and Minority-Owned Businesses.

The board will grant a North Carolina resident firm providing architectural, engineering, surveying, construction management at-risk service, design-build services, or public-private construction services a preference over a nonresident firm, if the home state of the nonresident firm has a practice of granting a preference to its resident firms over North Carolina resident firms. Any preference granted to a resident firm will be in the same manner, on the same basis, and to the same extent as the preference granted by the nonresident firm's home state. The school system's bid documents will require that nonresident firms disclose and describe any construction contract preferences granted by the firm's home state.

**B. BIDDING METHODS**

The board may request bids for contracts for building projects using either single prime, multi-prime (separate prime), construction management at-risk, dual bidding, design-build, design-build bridging, and public-private partnership methods, as permitted by law. The superintendent shall make a recommendation to the board as to the method(s) that should



be used for a particular project.

If the superintendent believes the project cannot be reasonably completed under the methods authorized by G.S. 143-128, the superintendent shall so inform the board and make the recommendation to the board that it approve the use of alternative methods. Upon board approval, the superintendent shall submit to the State Building Commission a request to use an alternative contracting method along with supporting documentation.

**C. FORMAL BIDDING**

Construction and repair work requiring the estimated expenditure of \$500,000 or more will be advertised for bid and will be awarded through formal bidding procedures. Dividing contracts to lower the expenditure amounts so as to evade these requirements is prohibited. The board authorizes the use of newspaper advertisement, electronic advertisement, or both for formal bids; however, the superintendent has the authority to determine which method will be used for a specific purchase or categories of purchases. The superintendent shall establish formal bidding procedures consistent with this policy and applicable law and make the procedures available to all bidders or potential bidders.

**D. INFORMAL BIDDING**

Informal bids will be obtained for construction and repair contracts between \$30,000 and \$500,000. Quotations from contractors may be solicited by telephone or in writing. Informal bids are recommended, but not required, for construction and repair work costing less than \$30,000.

Dividing contracts to lower the expenditure amounts so as to evade the informal bidding requirements is prohibited. The superintendent shall develop informal bidding procedures consistent with this policy and applicable law and make the procedures available to all bidders and potential bidders.

**E. APPROVAL**

All formally bid construction contracts must be reviewed by the board attorney and submitted by the superintendent to the board for approval.

The superintendent shall consult with the board attorney in developing standard form contracts for informally bid construction projects. Board approval of informally bid projects is not required, unless otherwise directed by the board on specific projects.

**F. RECORDS AND REPORTING REQUIREMENTS**

Records of all informal or formal bids received will be maintained and will be available for public inspection. Such records should include the date the bid is received, from whom it is received, and what project it is for. The records will document why the selected contractor was the lowest responsive, responsible bidder if the contractor was not the low

bidder.

The superintendent must submit required reports to the State and provide reports to the board on the progress being made towards reaching the board's goals.

#### **G. DISPUTE RESOLUTION PROCESS**

The board establishes the following dispute resolution process to resolve issues arising out of construction and repair projects or contracts related to such projects. The dispute resolution process may be used by any party involved in the construction project for those disputes in which the amount in controversy is at least \$15,000.

Prior to initiating litigation concerning a dispute, parties to the dispute must do the following: (1) submit the dispute for review by the superintendent or other designated school official and the project architect, as appropriate, and (2) participate in mediation, if the matter cannot be resolved by school officials and the architect. The cost of the dispute resolution process will be divided between the parties to the dispute. If the board is a party to the dispute, the board will pay at least one-third of the cost.

Legal References: G.S. 64, art. 2; 115C-521, -522; 143-64.31 and art. 8; 147, art. 6E

Cross References: Prequalification of Bidders for Construction Projects, (policy 9115), Participation by Women- and Minority-Owned Businesses (policy 9125)

Adopted: May 14, 1998 to become effective July 1, 1998

Updated: May 8, 2014, August 13, 2015, June 9, 2016

## **SALE, DISPOSAL AND LEASE OF BOARD-OWNED REAL PROPERTY**

*Policy Code:* **9400**

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The board will consider the sale and disposal of board-owned real property, including land and buildings, as authorized by law. The board is guided in its decisions by its commitment to help students succeed by providing appropriate facilities and to use its resources in a fiscally and environmentally sound manner.

Any sale or disposal of real property, including school buildings, will be conducted in accordance with statutory requirements. The superintendent should secure the services of consultants as necessary to conduct feasibility assessments and determine the fair market value. No building or land will be sold below the fair market value or exchanged for less than full and fair consideration, except that the board will afford the board of county commissioners the first opportunity to obtain any real property at the fair market price or a price negotiated between the two boards.

When the board decides to lease board-owned property to another entity, the lease will be at the fair market value, except that the board may negotiate a lesser amount with another governmental unit.

All contracts for the sale, disposal, or lease of real property must be consistent with G.S. 147, art. 6E.

Legal References: G.S. 115C-72, -518, -521; 160A, art. 12; 147, art. 6E

Cross References: Planning to Address Facility Needs (policy 9000), Site Selection (policy 9010), Use and Selection of Architects, Engineers, Surveyors, and Construction Managers At Risk (policy 9110)

Adopted: May 14, 1998 to become effective July 1, 1998

Revised: May 8, 2014

## Course Proposals for Asheboro High School for the 2017-2018 School Year

### Course Descriptions:

**Course Title:** AP World History  
**Course Code:** 4A087X0  
**Credit:** 1  
**Grade:** 9-12  
**Prerequisites:** None

The AP World History course focuses on developing students' understanding of world history from approximately 8000 B.C.E. to the present. The course has students investigate the content of world history for significant events, individuals, developments, and processes in six historical periods, and develop and use the same thinking skills and methods (analyzing primary and secondary sources, making historical comparisons, chronological reasoning, and argumentation) employed by historians when they study the past. The course also provides five themes (interaction between humans and the environment; development and interaction of cultures; state building, expansion, and conflict; creation, expansion and interaction of economic systems; development and transformation of social structures) that students explore throughout the course in order to make connections among historical developments in different times and places encompassing the five major geographical regions of the globe: Africa, the Americas, Asia, Europe, and Oceania. AP World History is designed to be the equivalent of a two-semester introductory college or university world history course.

**Course Title:** JROTC Drill and Ceremonies  
**Course Code:** 95012X05  
**Credit:** 1  
**Grade:** 10-12  
**Prerequisites:** JROTC 1

This course would be an elective course extension to JROTC 2, 3, and/or 4 to allow JROTC students to extend their depth of knowledge in Aerospace Science and the Air Force. This hands-on experience affords students the opportunity to apply leadership and management skills learned in previous JROTC courses. Students engage in drill and ceremonies execution and performance, and how drill helps the individual, builds the team, and develops leaders. The course concentrates on the elements of military drill, and describes individual and group precision movements, procedures for saluting, drill, ceremonies, reviews, parades, and development of the command voice. Students are provided detailed instruction on ceremonial performances and protocol for civilian and military events and have the opportunity to personally learn drill. Though each class will follow an established lesson plan, most of the work is to be hands-on. Requirements: (1) students enrolled in a drill-only class must be concurrently enrolled in a regular AS/LE class; (2) the drill only class is recognized as an elective credit for graduation credit; and (3) the Drill-only class does not count toward the AFJROTC Certificate of Completion.

**Course Title:** Microsoft Introduction to Computer Science

**Course Code:** BP01

**Credit:** 1

**Grade:** 9-11

**Prerequisites:** None

This course is an introduction to programming for the early secondary grades. The course is designed to attract and reach a broad and diverse range of students, including those who may have never before considered programming. Students learn how to code by working in a real software development environment to design, program and publish mobile apps and games. Learning to code by creating real products, students discover how to make amazing things and have an impact on their world.

Mathematics is reinforced. Work-based learning strategies appropriate for this course include cooperative education, internship, service learning, and job shadowing. Apprenticeship is not available for this course. Future Business Leaders of America (FBLA) competitive events, community service, and leadership activities provide the opportunity to apply essential standards and workplace readiness skills through authentic experiences.

**Course Title:** Introduction to Trade and Industrial Education

**Course Code:** IU10

**Credit:** 1

**Grade:** 9-11

**Prerequisites:** None

This course will introduce students to concepts needed for careers in Trade and Industry professions including Advanced Manufacturing careers. Skillsets specific to Trade and Industry careers will be provided to include key concepts from the systems used in manufacturing processes and will incorporate problem-solving, design, technical communication, modeling, testing, evaluation, and implications of technology. Activities associated with the major program areas of Trade and Industrial Education will provide practical applications to enhance student learning. English language arts are reinforced. Work-based learning strategies appropriate for this course include job shadowing. Apprenticeship and cooperative education are not possible for this course. SkillsUSA competitive events, community service, and leadership activities provide the opportunity to apply essential standards and workplace readiness skills through authentic experiences.

### Calendar of Events

Wednesday, January 11	District Science Fair	9 a.m. - 12 p.m.	South Asheboro Middle School
Wednesday, January 11	The Phantom Strikes Again - NAMS Winter Play	6 p.m.	North Asheboro Middle School Theatre
Thursday, January 12	Board of Education Appreciation Reception	5:15 p.m.	Professional Development Center
Thursday, January 12	Board of Education Meeting	7:30 p.m.	Professional Development Center
Friday, January 13	The Phantom Strikes Again - NAMS Play	6 p.m.	North Asheboro Middle School Theatre
Saturday, January 28	BOE Winter Retreat	8 a.m. - 5 p.m.	Professional Development Center
Tuesday, January 31	State of Schools Community Event	6 - 7:30 p.m.	AHS Performing Arts Center
Thursday, February 9	Board of Education Meeting	7:30 p.m.	Professional Development Center
Thursday - Saturday Feb. 16-18	AHS Musical - The Phantom of the Opera	7 p.m.	AHS Performing Arts Center
Sunday, February 19	AHS Musical - The Phantom of the Opera	2 p.m.	AHS Performing Arts Center
Tuesday, February 21	District Spelling Bee	7 p.m.	Professional Development Center
Monday, February 27	BOE Planning Session for Legislative Breakfast	5 p.m.	Central Office Board Room
Tuesday, March 7	AHS Choral Concert	7:30 p.m.	AHS Performing Arts Center
Wednesday, March 8	2017 Youth Art Month Exhibit Reception	4-6 p.m.	Randolph Arts Guild
Thursday, March 9	Board of Education Meeting	7:30 p.m.	Professional Development Center
Tuesday, March 14	Middle School Festival Band Concert	7:30 p.m.	AHS Performing Arts Center
March 20-21	Central District Concert Band Festival	All Day	AHS Performing Arts Center
March 25-27	National School Boards Association Annual Conference	All Day	Denver, CO
Friday, April 7	Legislative Breakfast	8 - 10 a.m.	Professional Development Center
Friday, April 14	Good Friday Holiday	All-Day	All Sites
April 17-21	Spring Break	All Day	All Sites
May 1-5	Teacher Appreciation Week	All Day	All Sites
Thursday, May 4	Teacher of the Year Banquet	6-9 p.m.	Pinewood Country Club



## Points of Pride Update

January 12, 2017

### Student Celebrations

- **Students Wins “Yes, I Can” Award**

Braille reader, Daya, at Asheboro High School was nominated and has earned the North Carolina “Yes, I Can” Award. She presented the idea of printing Braille menus to a company that helps people with innovative ideas. The company, InventHelp, reviewed her idea and made an appointment with her to present her idea to George Forman.

- **DECA Students Place in District Competition**

A total of 24 DECA students traveled to Winston-Salem for the district competition. All 24 students were called to the stage for earning a proficient score.

### Staff Celebrations

- **Mr Reeder, 2016-17 Piedmont-Triad Teacher of the Year**

On Friday, December 9, Mr. Reeder was surprised by Dr. Worrell, Mr. Saunders, his parents, Chairman Lamb and North Carolina Teacher of the Year, Bobbie Cavnar. They came to announce that Mr. Reeder had been selected as the 2016-17 Piedmont-Triad Region Teacher of the Year. Mr. Reeder will go on to compete for the State Teacher of the Year against eight other teachers throughout the state!

### School Celebrations

- **North Asheboro Middle School Named Signature School**

North Asheboro Middle School was named the Signature School at the annual Piedmont Triad Education Consortium annual breakfast!

- **AHS FFA Chapter Featured in National Publication “New Horizons”**

- **AHS Band Named Winner in the Asheboro Parade**

Congratulations to the AHS Band who earned first place in the Band Category in the annual Asheboro Holiday Parade competition.

- **Donna Lee Loflin Students Visit STARworks**

Fifth grade students at Donna Lee Loflin Elementary School recently took a field trip to STARworks. They had the opportunity to see how North Carolina clay is processed into molding clay and sold to local potters. Another highlight of the trip was the glassblowing demonstration.

- **South Asheboro Middle School Geography Bee**

Congratulations to the SAMS 2016-17 Geography Bee winner sixth grade student Josue E. He will now complete a written exam as a preliminary to the state level Geography Bee. If his written exam score is high enough, he will move to the state level later in 2017.

- **Grinch Day and Career Day at Balfour Elementary School**

Balfour kindergarten students celebrated Grinch Day on Friday, December 9. Students and teachers dressed either as a Who or the Grinch. Throughout the day, students participated in Grinch-themed activities from Dr. Seuss' How the Grinch Stole Christmas.

Students in the 3rd, 4th, and 5th grades at Balfour Elementary participated in Career Day on Friday, December 9. Students were able to hear from professionals who work in a variety of career fields such law enforcement, small business, machining, and zoology.

## **Family & Community**

- **Lindley Park Hosts Leopard Legends**

Retired Lindley Park teachers provided snacks and inspiring words at the Lindley Park staff meeting in December! The team at Lindley Park is grateful to have a supportive community and a group of retired teachers who want to continue to positively impact the school. Once a Leopard, always a Leopard!

- **AHS Zoo FFA Chapter Hosts Food Drive for Christmas on Sunset**

AHS Zoo School students hosted a food collection drive for the Salvation Army and the Christian's United Outreach Center in partnership with Christmas on Sunset. Students collected over 700 food items with Mrs. Pack's class collecting an average of 17 items per student.

- **AHS Zoo School Students Volunteers with TreesNC**

AHS Zoo School students also had the opportunity to once again help with the Trees NC tree sapling giveaway during Christmas on Sunset. Students wrapped the trees during their Agriculture classes and distributed them during the festive annual event.





## BOARD OF EDUCATION GOALS 2016-2017

### STRATEGIC GOAL:

Recognizing that the long range goal of Asheboro City Schools is the successful preparation and graduation of each student, the goal for this plan is: **By 2021, 100 percent of Asheboro City Schools' students will graduate globally competitive for college, careers, and citizenship.**

### **Goal 1. Each student in Asheboro City Schools graduates prepared for further education, work and citizenship.**

**Objective 1.** Align instruction with a guaranteed and viable curriculum, so that students master grade /course standards for career and college readiness.

- a) Develop a plan to ensure a consistent and connected pacing guide, K-12.
  - Elementary pacing guides revised and completed for all content areas.
  - Secondary pacing guides revised and completed for all content areas.
  - Instructional facilitators and principals check for alignment and make appropriate adjustments during weekly CASA meetings to ensure consistent and connected pacing guides.
- b) Provide a Collaboration Around Student Achievement (CASA) toolkit for principals.
  - Administrative and school improvement teams were provided CASA toolkits during summer leadership meetings.
  - Thought partners provide support for CASA meetings as needed.
- c) Create a district scorecard to reflect up-to-date data.
  - Elementary schools have progress monitoring data sheets to monitor student progress and growth.
  - Monthly scorecards for each school with up-to-date data are available.
- d) Enhance monitoring of core instruction through professional development, walkthrough data, and administrative leadership team meetings.
  - August 19<sup>th</sup> and 22<sup>nd</sup>, core content teachers and support teachers participated in professional development to unpack standards, align pacing and unit plans,

increase rigor, and delve into strategies for identifying and addressing literacy deficits.

- November 8th Professional Development workday: Secondary teachers participated in “Literacy Design Collaborative (LDC)” and “Math Design Collaborative (MDC)” professional development to incorporate rigorous tasks into core content. Elementary teachers participated in “Engaging Literacy and Core pt. 2” professional development to continue their work from the August professional development (PD) day. All instructional staff began a discussion about addressing unconscious bias through a Canvas PD assignment which included a video message from Dr. Worrell.
- We have had two of the five literacy focused professional development sessions for administrators, IF’s, and cabinet members. Phonemic awareness was the Administrative Leadership Team literacy topic covered on October 19th and phonics was the topic at the November 16th meeting.
- During the Fall Administrative Leadership Team meetings, Administrators had professional development on enhancing and monitoring core Instruction: “Engaging Students and Increasing Rigor: Intentional Planning; Data Literacy”; EVAAS; MTSS; and “Literacy Components of the ACT”.

**Objective 2.** Define and implement consistent grading practices, so that students and families have a clear understanding of performance.

- a) Develop a plan to reinforce consistency in grading practices across all schools.

**Objective 3.** Enhance the integration of technology with instruction, so that students use digital resources as tools for learning.

- a) Develop and present a digital framework that reflects the multiple aspects of instruction in ACS.
- b) Use technology as a tool to provide access to resources and support student achievement.
  - The Canvas Learning Management System and Accelerated Reader have been refreshed with names of current students and course rosters for 2016-17.
  - Computer-Based SRI (Scholastic Reading Inventory) tests are being administered for each K-8 student. The Scholastic Reading Inventory (SRI) is a criterion-referenced test intended to measure reading comprehension and match students to text so they can read with confidence and control. Results from SRI are reported as scale scores (Lexile® measures).
  - Canvas was used as a medium to deliver district-wide professional development on November 8, 2016.
  - 120 new teacher laptops have been issued to K-8 teachers for use in classroom instruction.
  - Discovery Science Techbook, an online interactive technology tool, was renewed for grades 4-5 and added for grade 8 for 2016-2017.

- The REAL<sup>2</sup> partnership with the Randolph Public Library is active where students can utilize their school IDs to access electronic resources for research and other instructional resources.

**Objective 4.** Establish transition plans for the district and individual students, so that each student makes continual progress towards graduation.

- a) Develop a process to design measurable transition plans for all students.
- b) Expand opportunities for students to earn college credits.
  - Asheboro City Schools, Randolph Community College, and Randolph County Schools received a grant through NC Works to fund two Career Coaches in Randolph County. Asheboro High School shares a Career Coach with Southwest Randolph High School. The Career Coach focuses on raising dual community college enrollment, supporting students enrolled at the community college, and assisting in developing career plans for students.
  - The Asheboro High School Early College Academy was officially launched at the October 20, 2016, Board of Education meeting by Dr. Worrell and Dr. Shackelford. Students in 8th grade will have the opportunity to enroll in the Academy and graduate with both a high school diploma and an Associate's Degree from Randolph Community College.
  - Beginning in the Spring of 2017, Asheboro High School Freshmen and Sophomores will have the opportunity to participate in two automotive Career and College Promise Pathways at Randolph Community College.

**Objective 5.** Expand opportunities for each student to utilize critical thinking, collaboration, communication, and creativity so that students develop skills necessary for further education and careers.

- a) Provide literacy opportunities for primary grade students to improve reading skills and meet grade level expectations by the end of third grade.
  - Each school has designed a school schedule for the 2016-17 school year that provides a minimum of 90 minutes for core literacy instruction and a structured intervention time to support remediation of reading skill deficits.
  - Students receive extra adult support during the guided reading block that provides them with eyeball-to-eyeball instruction from reading assistants, reading specialists, and ESL and EC teachers.
  - Each elementary school has an academic after-school program that provides academic support to students that need additional support in reading.
  - During our Academic Family Teacher Teams (AFTT) meetings, parents are provided with reading achievement levels and progress monitoring data,

experience activities to support students at home, and set goals for their child's progress.

- b) Expand summer literacy camps and after-school opportunities to provide the extra support students need to read on grade level.
  - Summer camps have been extended for students in grades K-3 in literacy. Read to Achieve (RtA) served first and second grade students this year. Camps were located in four of the five elementary schools. The RtA camp was attended by 213 students. We also had an ELL camp for Kindergarten through third grade students. This camp was attended by 53 students.
  - Students had multiple opportunities to check-out books from the public library and school media centers this summer and take Accelerated Reader tests and receive incentives for reading.
- c) Provide high quality, evidenced-based interventions for students. Develop interventions based on assessment data, teacher observations, and other tools.
  - Professional development for supporting diagnostic literacy assessments was provided to secondary staff on August 22nd.
  - Professional development for utilizing literacy diagnostic data to plan instruction and intervention was provided to all elementary teachers on August 22nd.
  - Select teachers will participate in evidence-based literacy program trainings focusing on phonemic awareness and multi-sensory literacy instruction between August 15th and October 30th to strengthen teacher instructional and intervention practices.

**Objective 6.** Provide each student service learning opportunities, so that all students will further develop their citizenship and contribute to their community.

- a) Integrate character education, service learning, and civic engagement into our educational / instructional standards.
  - On November 2nd, the Board of Education members along with students from the McCrary Globe-Trotters and the Boys and Girls Club painted our Little Free Libraries.
  - On November 11th Asheboro City Schools' maintenance staff and students assisted in the Field of Honor for the Asheboro Community.
  - Zoo School students participated in the annual Downtown Cleanup (Keep Randolph Beautiful) on October 28<sup>th</sup>. They collected 10.5 lbs. of cigarette filters, which is 28,000 filters, plus 150 lbs. of trash, almost tripling the amount of cigarette filters collected last year.
- b) Promote the use of service learning as an instructional tool and structure opportunities for teachers to create and evaluate integrated units of study through community service learning projects.

## Goal 2. Each student has a personalized education.

**Objective 1.** Implement a multi-tiered system of support (MTSS), so that all students are ensured equitable access to rigorous instruction aligned to their educational needs.

a) District Multi-Tiered System of Support (MTSS) team module training and identify pilot schools for cohort one.

- The District MTSS Implementation Team participated in the first session of MTSS Module training with Cohort 3 on September 21st.
- Meeting dates have been scheduled for the District MTSS Problem-Solving Team, MTSS Implementation Team, and the Instructional Facilitators/Coaches teams to continue developing the district-wide implementation plan for MTSS.
- MTSS District Problem-Solving Team will review data regarding potential barriers, developing a communication plan, and developing common language and understanding in the meeting scheduled for December 12th.
- MTSS Implementation Team continues to participate in North Carolina Department of Public Instruction online training modules to further develop capacity and skills to support implementation.

b) Provide Instructional Success Plan (ISP) training and support to begin implementation for all schools and grade levels, focusing on literacy.

- Administrators and elementary teams from each school received training on Instructional Success Plans on August 22<sup>nd</sup> and will implement plans focusing on literacy in the fall of 2016.
- Data from Core Success Plans from all schools will be reviewed with instructional facilitators to engage in problem-solving at the school and district level regarding core instruction on October 18th.
- Procedures have been clarified for implementing the Instructional Success Plans within the context of the pre-referral team, and will be shared with stakeholders on October 18th and 19th.
- Teams from each elementary school will receive training on Instructional Success Plans on August 22<sup>nd</sup> to support implementation.
- Teams will provide recommended forms and proposed timelines for initial implementation to the Curriculum and Instruction Department.
- Teachers across all grade levels are completing Instructional Success Plans (or similar instructional planning tools) to strengthen the effectiveness of core instruction and engaging in an on-going review of student progress data.

**Objective 2.** Increase the number of students who graduate with postsecondary credit, portable industry credentials, and work-based learning experiences, so that students are prepared for further education and/or employment.

- a) All students grades 7-8 will interact with Career Cruising to conduct an interest inventory to begin career exploration and individual career & course plans.
- b) Implement Early College Academy for ACS Students in collaboration with Randolph Community College.
  - The Asheboro High School Early College Academy was officially launched at the October 20th Board of Education meeting by Dr. Worrell and Dr. Shackelford. Students in eighth grade will have the opportunity to enroll in the Academy and graduate with both a high school diploma and an Associate's Degree from Randolph Community College.
- c) Launch third Pathways to Prosperity Process with Randolph Community College and Randolph County Schools. Conduct Asset Mapping to determine high need area.

**Objective 3.** Increase number of STEAM (science, technology, engineering, arts, and math) and global education experiences for all students, so that students are globally competitive.

- a) Provide a variety of STEAM events at the district and school level.
  - Students attended STEM camps this summer through the following opportunities: Secondary students attended the STEM Camp at the AHS Zoo School and elementary students at Saint Luke's Church.
  - Hour of Code is the week of December 5-9. A district Hour of Code event was held Monday, December 5 in the PDC from 5-7. Students and families were able to code together in Minecraft, Pixel Press, Arduino, Code Academy, and more! Each school will hold Hour of Code events throughout the week.
- b) Provide technology training as part of parent education offerings.

**Objective 4.** Expand opportunities for personalized learning and engagement during and beyond the regular school day, so that student needs are met and personal interests are encouraged.

- a) Explore and implement additional after-school, summer opportunities that align with student interest and improve proficiency.
  - Students had opportunities to attend camps this summer that were aligned to their interests; some camps were the City Camp at Balfour Elementary, STEM camps, literacy camps, and health sciences camps. The Read to Achieve camps added a new component this year that allowed students to research and study topics that were of high interest to the students.
  - Each elementary school has an academic after-school program that provides academic support to students that need additional support in reading.

- b) Provide opportunities for Asheboro City Schools' students to participate in cultural exchange activities.
- c) Pilot dual language program at Balfour Elementary School.
- d) Create and evaluate integrated units of study that personalize student learning.
  - Six elementary teachers attended Math and Project-Based/ Problem-Based Learning for Student Success (MAPSS) training this summer and are currently implementing integrated math units of instruction. These teachers have shared some of their expertise during the November mandatory professional development days at their schools.

**Objective 5.** Cultivate partnerships with families and the community so that student learning *experiences are enhanced*.

- a) Develop and implement Family Engagement initiatives that are connected to student learning and build strong relationships with parents.
  - All schools trained in the Karen Mapp model of family engagement and are currently planning the first or three Academic Family Teacher Team meetings.
  - All schools hosted their first Academic Family Teacher Teams (AFTT) engagement nights during the first semester based on the Karen Mapp model of family engagement.

**Objective 6.** Expand opportunities for each student to experience the cultural arts, so that all students strengthen and develop their creativity and collaboration.

- a) Expand opportunities for students to experience cultural/ performing arts.
  - The Charlotte Opera Express Company performed for Asheboro City Schools third, fourth, and fifth grade students. They performed the Tortoise and the Hare.
  - The Park Street Players performed "You Can't Take It With You" in November.

### **Goal 3. Each student has excellent educators every day.**

**Objective 1.** Recruit, develop, and retain high quality professionals, so that students continue to learn and grow.

- a) Research and evaluate the feasibility of hosting a local career fair.
- b) Implement TeacherMatch and the North Carolina new online application process.
  - Planning to transition to this new applicant tracking system by December 2016.
- c) Evaluate the impact of attending specific college career fairs.
- d) Work with Asheboro High School administration to determine steps to re-launch a teacher cadet program.

- In 2017-2018, students will have the opportunity to take new Career and Technical Education courses: Principles of Education & Training and Human Growth and Development. These two courses will offer students the opportunity to gain the understanding of careers within the education and training career cluster as well as understanding the human development across the lifespan. In addition, students will have the opportunity for work-based learning opportunity in classrooms across the district and give the district a chance to nurture our own teaching force.

**Objective 2.** Foster a culture of professional growth, so that all employees are supported in achieving high standards and increased student performance.

- Develop a school administrator leadership program.
- Complete a professional development needs assessment, which will result in a comprehensive professional development plan.
- Evaluate and summarize Collaboration Around Student Achievement team data to determine professional development needs.

**Objective 3.** Celebrate, recognize, and cultivate excellence in the profession, so that faculty and staff feel supported, valued, and successful in order to maximize their full potential.

- Research employee recognition programs and recommend new ways to celebrate and recognize staff.
- Communicate regularly regarding the services provided through Asheboro City Schools Employee Assistance Program provider.

#### **Goal 4. Asheboro City Schools will have up-to-date business, technology, and communication systems to serve its students, families, and staff.**

**Objective 1:** Provide access and up-to-date training on the use of technology and communication systems, so that students, families, and/or staff can effectively use these resources to support student progress.

- Participate in Department of Public Instruction's Enterprise Resource Planning Systems software study.
- Document current telecommunication capabilities and needs.
- Develop implementation plan and budget for updated communications system.
- Conduct a needs assessment survey of students and families on home internet access.
- Communicate with city and local government to assess plans for community internet access.



**Objective 2:** Utilize technology-based collection systems for data analysis, so that data-based decisions are made about instruction, programs, and operations to ensure continuous improvement throughout the district.

- a) Deliver professional development for the Administrative Leadership Team and each school on the disaggregation and analysis of SchoolNet data generated through formative and benchmark assessments.
  - SchoolNet data from the final benchmark of the 2015-2016 school year was disaggregated by standard for each school and shared with administrators in July and school leadership teams in August to support the EOG and EOC summative data analysis.
  - SchoolNet data from the initial benchmark assessments from the 2016-2017 school year were shared and analyzed with the administrative leaders. Data was compiled for the progress monitoring forms in the elementary schools.
- b) Deliver professional development for administrators and each school on the effective use of EVAAS to support instruction.
  - Professional development was provided to administrators and instructional facilitators in October on the effective use of EVAAS to support instruction.
  - Administrators reviewed the use of EVAAS data in problem solving with data during the November Administrative Leadership Team meeting.
- c) Update benchmark assessments and monitor alignment with the NC Standard Course of Study and state assessments.
  - All grade levels have updated benchmarks. Initial benchmarks were given in September and the mid-year will be in January. Final summative benchmarks will be in April.
- d) Provide additional professional development on the implementation of the Baldrige Performance Excellence Program.
- e) Implement district Long Range Facilities Plan and work with County Commissioners to secure funding to support the plan.
- f) Deliver professional development on the use of Canvas to support integration into instruction.
  - “Coffee and Canvas” professional development was presented to new and veteran teachers at Asheboro High School on August 24. More than 20 teachers were in attendance. Future sessions are planned as well.
  - New users to Canvas are encouraged to participate in a self-paced Canvas course on how to use the program.

**Objective 3:** Develop and execute a comprehensive marketing plan, so that our community is informed about student outcomes, opportunities, quality educators, and the benefit of the district to the community.

- a) Continue to distribute a monthly community newsletter.

- A newsletter is being sent on a monthly basis. The August newsletter is set to be sent the week of August 15th.
- b) Develop a team and begin researching strategies for district marketing.
  - Members of the Marketing Team include: Maira Cortes, Carla Freemyer, Leigh Anna Marbert, and Andrew Hurley. No meeting with all members has occurred yet.
- c) Update the district website to better communicate with all stakeholders.
  - A Facebook feed has been added to the front of the Asheboro City Schools website. The new logo should be added to the site within the next week.
- d) Develop materials featuring diverse programs throughout Asheboro City Schools for potential employee candidates.
- e) Integrate the new Asheboro City Schools logo across all mediums and platforms.
  - The new Asheboro City Schools' logo has been added to ID badges, website, letterhead, presentations, presentation folders, and administrative apparel.

## Goal 5. Each student is healthy, safe and responsible.

**Objective 1.** Design, implement, and evaluate a system-wide process to ensure students are connected to an adult advocate, so that each student collaborates regularly with a mentor or trusted adult.

- a) Research evidence-based practices in student mentor programs to develop an implementation plan.

**Objective 2.** Provide a system of support to ensure access to effective health and safety programs so that the physical, social, and emotional needs of students are met.

- a) Coordinate professional development related to mental health to best serve student needs.
- b) Review and update crisis response and threat assessment protocols to provide appropriate professional development.
  - Secondary schools have reviewed and modified their crisis response plans.

**Objective 3.** Design, implement, and evaluate a comprehensive continuum of behavioral supports, so that students, families, and staff have clear expectations for appropriate behavior and resources are available to meet student needs.

- a) Collect and summarize policy documentation and disciplinary data.
- b) Present an annual summary to school and district stakeholders for review and utilization for planning.
- c) Utilize school and district problem-solving teams.
- d) Assess current needs and lead professional development on classroom management.

**Objective 4.** Expand community partnerships that promote a healthy lifestyle, so that the wellness of our students, families, and staff is improved.

a) Work with community partners and agencies to increase common health and wellness activities.

- Our schools and central office are participating in the Mayor's fitness challenge.

# Asheboro CITY SCHOOLS

*A learning community of excellence!*

*Chartered in 1905*

P.O. Box 1103, Asheboro, NC 27204-1103 ■ 1126 S. Park St. ■ (336) 625-5104 ■ (336) 625-9238, fax

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## **Asheboro City Board of Education January 12, 2017**

### **Finance**

Gus Agudelo, Chair  
Joyce Harrington  
Baxter Hammer  
Jeni Martin  
Archie Priest  
Kyle Lamb, ex-officio  
Phillip Cheek, ex-officio

### **Policy**

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Gidget Kidd  
Beth Knott  
Michael Smith  
Kyle Lamb, ex-officio  
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### **Legislative**

Gidget Kidd, Chair  
Linda Cranford  
Joyce Harrington  
Kyle Lamb, ex-officio  
Phillip Cheek, ex-officio

## **School Assignments 2016-2017**

Asheboro High School  
South Asheboro Middle School

North Asheboro Middle School

Balfour Elementary School  
C.W. McCrary Elementary School  
Donna Lee Loflin Elementary School  
Guy B. Teachey Elementary School  
Lindley Park Elementary School  
Early Childhood Development Center

All members  
Jeni Martin, Linda Cranford,  
Gustavo Agudelo, Gidget Kidd,  
Phillip Cheek  
Baxter Hammer, Archie Priest, Jr.,  
Joyce Harrington, Michael Smith  
Beth Knott, Linda Cranford  
Joyce Harrington, Gustavo Agudelo  
Michael Smith, Kyle Lamb  
Gidget Kidd, Archie Priest, Jr.  
Baxter Hammer, Phillip Cheek  
Kyle Lamb