

**ASHEBORO CITY BOARD OF EDUCATION**

**March 10, 2016**

**7:30 p.m.**

**Asheboro High School**

**Professional Development Center**

**\*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 – Kyle Lamb
- \*D. Approval of Agenda

**II. Special Recognition and Presentations**

- A. Community Spotlight – Master Gardner, Jim Southern
- B. Board Spotlight – Early Childhood Development Center
- C. North Carolina Science and Engineering Fair Winners
- D. North Carolina Science Olympiad
- E. Asheboro City Schools Spelling Bee Winner
- F. North Carolina High School Athletic Association State Wrestlers
- G. Stephanie Austin – National School Psychologist of the Year

**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 – February 11, 2016, and Legislative Committee Meeting February 22, 2016
- B. Personnel

**V. Information, Reports and Recommendations**

- A. Creating Service-Based Learning Opportunities for Students at Asheboro High School

**VI. Action Items**

- \*A. Policies
  - Policy 1710/4021/7230 – Prohibition Against Discrimination, Harassment, and Bullying
  - Policy 1720/4015/7225 – Discrimination, Harassment, and Bullying Complaint Procedure
  - Policy 1750/7220 – Grievance Procedure for Employees
  - Policy 2125/7315 – Confidential Information
  - Policy 4040/7310 – Staff-Student Relations
  - Policy 7100 – Recruitment and Selection of Personnel
  - Policy 7110 – Information Provided by Applicant or Employee
  - Policy 7300 – Staff Responsibilities
  - Policy 7400 – Job Descriptions
  - Policy 7405 – Extracurricular and Non-Instructional Duties
  - Policy 7440 – Assignments/Reassignments/Transfers
  - Policy 7730 – Employee Conflict of Interest
  - Policy 7810 - Evaluation of Licensed Employees
  - Policy 7911 – Re-employment of Retired Personnel
  - Policy 7920 – Reduction in Force: Teachers and School Administrators

- \*B. Dual Language Immersion Program Approval
- \*C. 2014-2015 Audit Report
- \*D. Legislative Platform

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

- A. Calendar of Events
- B. Points of Pride
- C. 2015-2016 Board Goals, March Update
- D. 2016-2021 Strategic Plan Update

**VIII. Board Operations**

- A. Important Dates to Remember:
  - Friday, March 18, 8:00 a.m., Legislative Breakfast, Professional Development Center
  - Tuesday, March 22, 6:00 p.m., Budget Work Session, Central Office Board Room
  - Wednesday, March 23, Technology and Innovation Extravaganza
    - Elementary STEAM Innovation Challenge, Launch 12:30-2:30 p.m., Asheboro High School Gym – Judging 2:30 – 3:30 p.m.
    - Secondary STEAM Innovation Challenge, Judging 8:30-3:30 p.m., Asheboro High School Gym
    - Awards Ceremony for STEAM – 4:00 p.m., Asheboro High School Gym
    - Digital Learning Expo, 5:00-7:00 p.m., Professional Development Center
  - April 8-11, 2016, National School Board Conference, Boston, MA
  - Tuesday, April 19, 6:00 p.m., Budget Work Session, Central Office Board Room
  - Thursday, April 21, 12:00 noon, Retirement Luncheon for Gale Brewer and Patsy Nichols, Central Office Board Room
  - Thursday, April 21, Board of Education Meeting
  - May 2-6, 2016, Teacher Appreciation Week
  - Thursday, May 12, Board of Education Meeting
  - Monday, May 16, 7-9:00 p.m., Spring Sports Ceremony, Performing Arts Center
  - Wednesday, May 18, Teacher of the Year Banquet, 6:00 p.m., Pinewood Country Club
  - Wednesday, May 25, 7-9:00 p.m., Senior Awards Night, Performing Arts Center
  - Wednesday, June 8, Last Day of School for Students
  - Wednesday, June 8, 7:00 p.m., Graduation, Lee J. Stone Stadium
  - Thursday, June 9, Retirement Breakfast, 7:30 a.m., Performing Arts Center
  - Thursday, June 9, Board of Education Meeting

**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 BOARD OF EDUCATION  
March 10, 2016  
7:30 p.m.  
Asheboro High School  
Professional Development Center

**Addendum**

- I. **Opening**
  
- IV. **\*Consent Agenda**
  - B. Personnel
  
- VI. **Action Items**
  - \*E. Summer School Plan
  
- IX. **Adjournment**

**Mission Statement**

We are committed to providing quality learning opportunities for all students in a safe and inviting environment so that our students can become successful lifelong learners, prepared for 21<sup>st</sup> century global citizenship.

**March 10, 2016**

**Community Partner Spotlight:**

The Asheboro City Schools Community Partner Spotlight is Master Gardner Jim Southern. Mr. Southern has been working with our Early Childhood Development Center to plan and create the center's outdoor learning environment. To date, Mr. Southern has helped to build a vine tee pee and has plans to help with plantings for the pergola to provide shade for individuals who wish to use it. The ECDC staff and students are incredibly thankful to Mr. Southern and his efforts. Please help me in welcoming Mr. Jim Southern.

**Board Spotlight:**

The Board Spotlight focuses on Asheboro City Schools Early Childhood Development Center and their outdoor learning environment. Tonight we have Holly White, director of ECDC, to share more information about this project.

**Special Recognition:**

**North Carolina Science and Engineering Fair Winners:**

Tyler Malpass and Allyson Russell

**NC State Science Olympiad:**

**AHS Team** - Connor Criscoe, Amar Singh, Cooper Faile, Maggie Redding, Caitlin Lamb, Elizabeth Redding, Laura Gomez placing 2nd in Invasive Species. Connor Criscoe and Cooper Faile will take their Chem Lab project to the State Competition which will be held at North Carolina State University in April.

**SAMS Team** - Sarah Lynn Ficquette, Tatum Herrin, Freddy Kelley, Luke Hurley, Olivia Elliot, Maggie Allred, Julie Lewis, Hunter Trinkley, and Claudia Harrell. The SAMS team ranked 6th out of the 17 teams competing.

**ACS Spelling Bee Winner:** Makayla Santos

**NCHSAA State Wrestlers:** Nick Coe and Sawyer Davidson

**NASP School Psychologist of the Year:** Stephanie Austin, Ed. S. NCSP

## **Minutes of the Asheboro City Board of Education**

**February 11, 2016**

### **Board of Education**

A special joint meeting with The Randolph County Board of Commissioners and Asheboro City Schools Board of Education was held at 6:00 p.m. prior to the regularly scheduled Board of Education Meeting at 7:30 p.m. Chairman Lamb welcomed all in attendance and recognized Darrell Frye, Randolph County Board of Commissioners Chair, who called the meeting to order.

Mr. Mike Mize, Director of Facilities and Maintenance, presented an overview of Asheboro City Schools' facility upgrades and improvements that have been made during the school year.

The Asheboro City Schools' chapter of Future Farmers of America (FFA) officers presented information on the Agri-Science classes at the Asheboro High School Zoo School and how FFA has prepared them with leadership skills, personal growth, and career success. General discussion and questions followed the presentation.

There being no further business, Chairman Frye adjourned the meeting at 7:04 p.m.

### **Opening**

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

|                          |                    |
|--------------------------|--------------------|
| Kyle Lamb, Vice-Chairman | Gustavo Agudelo    |
| Phillip Cheek            | Linda Cranford     |
| Baxter Hammer            | Joyce Harrington   |
| Gidget Kidd              | Dr. Beth Knott     |
| Jeni Martin              | Archie Priest, Jr. |
| Michael Smith            |                    |

Wilson Alexander, Attorney

Staff members present were Dr. Terry Worrell, Jennifer Smith, Harold Blair, Carla Freemyer, Dr. Cayce McCamish, Mike Mize, Dr. Brad Rice, Dr. Drew Maerz, Wendy Rich, Dr. Julie Pack, Leigh Anna Marbert, and Andrew Hurley.

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

Following a moment of silence led by Chairman Lamb, Josiah McSwain-Hooker and Demarkus "DJ" Shelton, students at South Asheboro Middle School, led the Pledge of Allegiance.

Ms. Kidd made a motion to approve the agenda, seconded by Ms. Harrington, and the agenda was unanimously approved by the Board.

### **Special Recognition and Presentations**

The Community Partner Spotlight was the East Side Local Development Corporation. Mr. Lennit Bligen with the East Side Local Development Corporation has developed a career exposure program that has been completed by approximately 768 students in the Asheboro City Schools district. Mr. Bligen described future plans to expand the program with the help of community businesses to provide job shadowing and other experiences for our students.

The Board of Education's Spotlight featured South Asheboro Middle School. Administrators, staff, and students at South Asheboro Middle shared information about the exciting enrichment activities available to students. Students Freddy Kelley and Luke Hurley described and demonstrated their Science Olympiad project to board members.

Special recognition was given to Laura Holland, Media Coordinator at Asheboro High School, for obtaining National Board Certification. Phil Homiller, Band Teacher at Asheboro High School, and Betsy Hammond, Instructional Facilitator at South Asheboro Middle School, were also recognized for National Board Certification renewals. All current National Board Certified teachers for Asheboro City Schools were recognized as well.

**Public Comments**

Chairman Lamb opened the floor to public comments. Ms. Jane Gant addressed the Board with a request for a meeting with board members and community members to discuss questions about Board Policy 2115-Unexpired Term Fulfillment.

Upon motion by Mr. Agudelo, seconded by Mr. Priest, the Consent Agenda was unanimously approved by the Board.

**Consent Agenda**

The following Consent Agenda items were approved:

*\*Approval of Minutes – January 21, 2016, January 30, 2016, and February 10, 2016.*

*\*Asheboro High School Band Overnight Field Trip Request (A copy of the Band Field Trip Request will become a part of these minutes.)*

*\*Personnel*

**RESIGNATIONS/RETIREMENTS/SEPARATIONS**

| <u>NAME</u>          | <u>SCHOOL/SUBJECT</u> | <u>EFFECTIVE</u> |
|----------------------|-----------------------|------------------|
| Hollingsworth, Linda | NAMS/Science          | 6/30/16          |
| Stines, Dubraska     | CO/Lead ESL Teacher   | 2/26/16          |

**APPOINTMENTS**

| <u>NAME</u>             | <u>SCHOOL/SUBJECT</u>               | <u>EFFECTIVE</u> |
|-------------------------|-------------------------------------|------------------|
| Hunter, Elaina          | GBT/Instructional Assistant- EC     | 2/18/16          |
| Lucas, William (Ronald) | CO/Substitute Bus Driver            | 2/1/16           |
| Asbill, Preston         | AHS/Non-Faculty Coach (JV Baseball) | 2/15/16          |
| Byers, Brandy           | CO/Bus Driver                       | 2/10/16          |
| Campbell, Lori          | SAMS/Secretary                      | 2/22/16          |
| Clodfelter, Brian       | CO/Substitute (\$80/per day)        | 2/12/16          |
| Henley, Rhiannon        | CO/Substitute (\$80/per day)        | 2/12/16          |
| Hodgin, Julie           | CO/Substitute (\$80/per day)        | 2/12/16          |
| Maness, Kaitlin         | CO/Substitute (\$80/per day)        | 2/12/16          |
| Weston, Debra           | CO/Substitute (\$80/per day)        | 2/12/16          |

*\*Asheboro High School DECA Chapter Overnight Field Trip Request (A copy of the DECA Field Trip Request will become a part of these minutes.)*

*\*Asheboro High School Student Council Overnight Field Trip Request (A copy of the Student Council Field Trip Request will become a part of these minutes.)*

**Information, Reports and Recommendations**

Dr. Maerz presented, for 30-day review, the following policies:

- Policy 1710/4021/7230 – Prohibition Against Discrimination, Harassment, and Bullying
- Policy 1720/4015/7225 – Discrimination, Harassment, and Bullying Complaint Procedure
- Policy 1750/7220 – Grievance Procedure for Employees
- Policy 2125/7315 – Confidential Information
- Policy 4040/7310 – Staff-Student Relations

- Policy 7100 – Recruitment and Selection of Personnel
- Policy 7110 – Information Provided by Applicant or Employee
- Policy 7300 – Staff Responsibilities
- Policy 7400 – Job Descriptions
- Policy 7405 – Extracurricular and Non-Instructional Duties
- Policy 7440 – Assignments/Reassignments/Transfers
- Policy 7500 – Workday and Overtime
- Policy 7730 – Employee Conflict of Interest
- Policy 7810 - Evaluation of Licensed Employees
- Policy 7911 – Re-employment of Retired Personnel
- Policy 7920 – Reduction in Force: Teachers and School Administrators

### **Action Items**

Following a 30-day review, a motion was made by Ms. Cranford and seconded by Ms. Kidd to approve the following policies:

- Policy 1010 – Board Authority and Duties
- Policy 1100 – Governing Principles
- Policy 1200 – Governing Principle – Student Success
- Policy 2120 – Code of Ethics for School Board Members
- Policy 2121 – Board Member Conflict of Interest
- Policy 2123 – Board Member Opportunities for Development
- Policy 2341 – Quorum
- Policy 2400 – Board Policies
- Policy 3405 – Students at Risk of Academic Failure
- Policy 3430 – School Improvement Plan
- Policy 4000 – Focus on Students

The Board unanimously approved to accept the policies as presented. (A copy of the policies will become a part of these minutes.)

Dr. Julie Pack presented a recommendation to add English I to the middle school curriculum beginning with school year 2016-2017. Middle school students who take English I can advance into higher levels of English courses as well as other courses offered at Asheboro High School. Ms. Cranford motioned to approve English I to be added to the middle school curriculum for school year 2016-2017. Mr. Cheek seconded the motion and board members unanimously approved the addition of the new course to middle school course offerings. (The proposal for English I to be added to middle school curriculum will become a part of these minutes.)

### **Superintendent's Report/Calendar of Events**

Leigh Anna Marbert shared the Calendar of Events highlighting the following dates and events: February 12, retirement celebration for Jennifer Smith, Asst. Superintendent of Curriculum and Instruction; February 16, Asheboro City Schools District Spelling Bee, Professional Development Center; and Park Street Players Presentation of *12 Angry Jurors*, February 18-20, 7:00 p.m., in the Performing Arts Center.

Ms. Marbert reviewed the latest edition of Points of Pride highlighting several student and staff recognitions.

Superintendent Worrell presented an update on the 2015-2016 Asheboro City Schools' Strategic Plan goals highlighting the Superintendent's Reading Challenge which is at 70% of the goal of 100,000 books read; and Read Across America Day on March 2. Dr. Worrell will provide a sign-up sheet for board members to choose a time they can read with students at our schools.

Superintendent Worrell also presented an update on the development of the 2016-2021 Strategic Plan process. We will be using information from our AdvancED review to help formulate our plan and for continuous improvement.

## **Board Operations**

Chairman Lamb presented board members Linda Cranford, Gidget Kidd, Phillip Cheek, and Kyle Lamb with certificates for achievement level recognitions for school board training during the 2014-2015 North Carolina School Boards Association for School Boardsmanship. Former board member Jane Redding also received a certificate.

Chairman Lamb reminded members of the Board of the following important dates:

- Friday, February 12, Jennifer Smith Retirement Reception, 3:00-5:30 p.m., Professional Development Center
- Tuesday, February 16, 7:00-9:00 p.m., Asheboro City Schools District Spelling Bee, Professional Development Center
- Wednesday, March 2, Read Across America
- Thursday, March 10, Board of Education Meeting
- Friday, March 18, 8:00 a.m., Legislative Breakfast, Professional Development Center
- Wednesday, March 23, Digital Expo, Asheboro High School
- April 8-11, 2016, National School Board Conference, Boston, MA
- Thursday, April 21, Board of Education Meeting
- May 2-6, 2016, Teacher Appreciation Week
- Thursday, May 12, Board of Education Meeting
- Monday, May 16, 7-9:00 p.m., Spring Sports Ceremony, Performing Arts Center
- Wednesday, May 18, Teacher of the Year Banquet, 6:00 p.m., Pinewood Country Club
- Wednesday, May 25, Senior Awards Night, 7-9:00 p.m., Performing Arts Center
- Wednesday, June 8, Last Day of School for Students
- Wednesday, June 8, 7:00 p.m., Graduation, Lee J. Stone Stadium
- Thursday, June 9, Retirement Breakfast, 7:30 a.m., Performing Arts Center
- Thursday, June 9, Board of Education Meeting

A motion was made by Ms. Cranford, seconded by Mr. Agudelo, and unanimously approved by the Board, to adjourn from open session and enter executive session to discuss a personnel item.

## **Executive Session**

Upon motion by Ms. Cranford, seconded by Mr. Priest, and unanimously approved by the board, to close executive session, the Board adjourned from executive session.

A motion was made by Ms. Kidd, seconded by Ms. Cranford, to reconvene in open session and unanimously approved by the board.

## **Adjournment**

There being no further business, a motion was made by Mr. Agudelo, seconded by Mr. Hammer, and unanimously approved by the Board, to adjourn at 9:30 p.m.

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Chairman

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Secretary



**Minutes of the Asheboro City Board of Education  
Legislative Committee  
February 22, 2016  
5:00 p.m.**

The Asheboro City Board of Education Legislative Committee met on Monday, February 22, 2016, at 5:00 p.m. in the Administration Building Board Room with the following committee members present:

Gidget Kidd, Committee Chair  
Joyce Harrington

Linda Cranford  
Kyle Lamb

Committee member absent was Phillip Cheek

Staff members present were Dr. Terry Worrell, Carla Freemyer, and Leigh Anna Marbert.

Chairman Kidd called the meeting to order and recognized Dr. Worrell to lead the agenda.

Dr. Worrell began the meeting by briefly reviewing the North Carolina School Boards Association 2015-16 Legislative Agenda and the North Carolina Association of School Administrators' 2015 legislative priorities. Statistics for Asheboro City Schools per pupil expenditure ranking were also discussed. The Committee reviewed the 2015 Asheboro City Schools legislative platform as a starting point for development of the 2016 platform. The Committee participated in open discussion on issues and agreed to present a proposed legislative platform to the full Board of Education for approval at its March 10, 2016, meeting.

There being no further business, the meeting adjourned at 6:12 p.m.

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Chairman

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Secretary

**Asheboro City Schools  
Personnel Transactions  
March 10, 2016**

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

| <b>LAST</b> | <b>FIRST</b> | <b>SCHOOL</b> | <b>SUBJECT</b> | <b>EFFECTIVE</b> |
|-------------|--------------|---------------|----------------|------------------|
| Graves      | Corbin       | CWM           | Art            | 6/10/2016        |

**\*B. APPOINTMENTS**

| <b>LAST</b> | <b>FIRST</b> | <b>SCHOOL</b> | <b>SUBJECT</b>                           | <b>EFFECTIVE</b>   |
|-------------|--------------|---------------|--|--------------------|
| Arellano    | Analisa      | BAL           | Instructional Assistant - EC (temporary) | 3/3/2016-6/10/2016 |
| Rogers      | Katherine    | LP            | Principal (part-time; temporary)         | 3/1/2016-6/10/2016 |
| Williams    | Martha       | BAL           | Media Specialist (part-time; temporary)  | 3/2/2016-6/10/2016 |

**C. TRANSFERS**

|         |          |     |                         |     |
|---------|----------|-----|-------------------------|-----|
| Dillion | Jonathan | AHS | English to NOVA Academy | TBD |
|---------|----------|-----|-------------------------|-----|

**D. ADMINISTRATIVE TRANSFERS**

|        |       |          |   |          |
|--------|-------|----------|---|----------|
| Harris | Robin | LP to CO | Principal to<br>Director of Federal Programs/LEP Lead Teacher | 3/1/2016 |
|--------|-------|----------|---|----------|

**Asheboro City Schools  
Personnel Transactions - Addendum  
March 10, 2016**

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

| <b>LAST</b> | <b>FIRST</b> | <b>SCHOOL</b> | <b>SUBJECT</b>             | <b>EFFECTIVE</b> |
|-------------|--------------|---------------|----------------------------|------------------|
| Grant       | Cathie       | GBT           | 5th Grade                  | 6/30/2016        |
| Surratt     | Cheryl       | LP            | Instructional Assistant/EC | 2/26/2016        |

**\*B. APPOINTMENTS**

| <b>LAST</b> | <b>FIRST</b> | <b>SCHOOL</b> | <b>SUBJECT</b>             | <b>EFFECTIVE</b> |
|-------------|--------------|---------------|----------------------------|------------------|
| Cagle       | Lynn         | LP            | Instructional Assistant/EC | 4/5/2016         |
| Lowery      | Kyosha       | NAMS          | Non-Faculty Coach (Track)  | 3/9/2016         |
| Snipes      | Charles      | AHS           | Non-Faculty Coach (Track)  | 3/9/2016         |
| Boggan      | Beverly      | CO            | Substitute, \$80 per day   | 3/11/2016        |
| Collins     | Latonya      | CO            | Substitute, \$80 per day   | 3/11/2016        |
| Dotzel      | Janelle      | CO            | Substitute, \$80 per day   | 3/11/2016        |
| Durrant     | Krista       | CO            | Substitute, \$80 per day   | 3/11/2016        |
| Riffe       | Delores      | CO            | Substitute, \$80 per day   | 3/11/2016        |
| Shimfessel  | Kerry        | CO            | Substitute, \$103 per day  | 3/11/2016        |

**\*C. ADMINISTRATIVE CONTRACTS**

|       |       |    |                              |                       |
|-------|-------|----|------------------------------|-----------------------|
| Woody | Aaron | CO | Assistant Superintendent C&I | 4/18/2016 - 6/30/2019 |
|-------|-------|----|------------------------------|-----------------------|

**\*D. LEAVES OF ABSENCE**

|        |        |      |                            |                       |
|--------|--------|------|----------------------------|-----------------------|
| Miller | Tracii | SAMS | Instructional Assistant/EC | 4/22/2016 - 5/27/2016 |
|--------|--------|------|----------------------------|-----------------------|

**E. TRANSFERS**

|          |        |    |                              |          |
|----------|--------|----|------------------------------|----------|
| Byers    | Brandy | CO | Bus Driver to Sub Bus Driver | 3/4/2016 |
| Williams | Marie  | CO | Sub Bus Driver to Bus Driver | 3/4/2016 |

**Asheboro City Schools  
Administrative Contracts - Addendum  
March 10, 2016**

| <b><u>NAME</u></b> | <b><u>COLLEGE/DEGREE</u></b>  | <b><u>LICENSURE</u></b>                            |
|--------------------|---|--|
| Woody, Aaron       | B: Social Sciences, Teacher Licensure<br>Liberty University (VA)<br>M: Educational Leadership and Admin.<br>Ed.S Educational Specialist<br>Ed.D. Doctorate in Education<br>University of North Carolina at Greensboro | 6-12 Social Studies<br>Principal<br>Superintendent |

Dr. Aaron Woody is recommended as Assistant Superintendent for Curriculum and Instruction for Asheboro City Schools. Dr. Woody is a veteran educator who brings a strong curriculum background, along with twelve years of building level administrative experience. He currently serves as the Executive Director, Secondary Education and District Athletic Director for Orange County Schools. During his time as a principal, he was the 2010 Wachovia District Principal of the Year for the Piedmont-Triad/Central Region. In 2014 Dr. Woody was a finalist for Guilford County Schools Principal of the Year. For the past five years, Dr. Woody has served as an Adjunct Professor at UNC-G in the Department of Educational Leadership & Cultural Foundations. Dr. Woody has authored numerous articles and presented on a variety of topics at the local and national level. We are pleased to welcome Dr. Woody to the Asheboro City Schools team and look forward to his leadership and positive impact on our students, families and staff.

NORTH CAROLINA

RANDOLPH COUNTY      CONTRACT FOR ASSISTANT SUPERINTENDENT

IT IS HEREBY AGREED by and between the ASHEBORO CITY BOARD OF EDUCATION located in Randolph County in the State of North Carolina, (hereinafter called the Board), and Aaron M. Woody, (hereinafter called the Assistant Superintendent), that the said Board in accordance with its action as found in the minutes of the meeting held on the 10th day of March, 2016, has and does hereby continue to employ the said Aaron M. Woody as Assistant Superintendent, Curriculum and Instruction, commencing April 18, 2016. This contract is in effect through June 30, 2019. Both parties agree that said employee shall perform the duties of Assistant Superintendent in and for the public schools served by the Board as directed by the Superintendent of said school system and as prescribed by the laws of the State of North Carolina and pursuant to the rule and regulations hereunto by the Board.

WITNESSETH:

1. In consideration of the following compensation said Assistant Superintendent agrees to perform faithfully the duties of Assistant Superintendent as directed by the Superintendent, in accordance with the functions and responsibilities established by the Board and in accordance with the General Statutes of North Carolina. The annual salary of the Assistant Superintendent shall be as provided for by the State Salary Schedule for Assistant Superintendents adopted by the State Board of Education. In addition to the salary paid the Assistant Superintendent in accordance with the State Salary Schedule for Assistant Superintendents, the Assistant Superintendent shall receive annually from local funds as a supplement thereto an amount not less than \$15,000. The aggregate annual salary paid the Assistant Superintendent from State and local funds shall be paid in equal monthly installments in accordance with rules of the Board governing payment of other professional members in the school administrative unit.
2. The Board retains the right to increase the annual salary paid the Assistant Superintendent from local funds as a supplement at any time during the term of the contract. Said salary adjustment shall be in the form of an amendment to this contract and shall not reduce the aggregate annual salary set forth in section one (1) above.
3. Throughout the term of this contract the Assistant Superintendent shall be subject to discharge for good and just causes in accordance with G.S. 115C-278.

4. The Assistant Superintendent shall furnish throughout the term of his/her employment as Assistant Superintendent valid and appropriate credentials to act as Assistant Superintendent as prescribed by the laws of this State and by the regulations of the North Carolina State Board of Education.
5. Should the Assistant Superintendent be unable to perform any or all of his/her duties by reason of illness, accident or other cause beyond his/her control and should said disability exist for a period of more than thirty (30) days beyond that period of time which the Assistant Superintendent would have been entitled to take as sick leave or vacation leave, or both; or should said disability be permanent, irreparable, or of such nature as in the opinion of the Superintendent, will make the performance of Assistant Superintendent's duties impossible, the Board may, at its option, terminate this agreement, whereupon the respective duties, rights, and obligations hereof shall terminate.
6. Should the Assistant Superintendent desire to be released from the time remaining in this contract, the Assistant Superintendent shall provide the Superintendent with a written request for release, at least ninety (90) days prior to the date upon which the Assistant Superintendent desires to be released from his/her obligations to the Asheboro City Schools. Approval of such request shall not be unreasonably denied; provided, that the Assistant Superintendent agrees to faithfully perform the duties and responsibilities of his/her office, until such time as he/she is in fact released from this contract.
7. The Assistant Superintendent does hereby agree to have an annual medical examination at Board expense. It is further agreed that additional medical examination will be obtained by the Assistant Superintendent upon request of the Board at Board expense. Each statement certifying the physical competency of the Assistant Superintendent shall be filed with the Superintendent and treated as confidential information.
8. The Board shall provide the Assistant Superintendent with transportation required or reimbursement for mileage of required travel with a personal vehicle in the performance of his/her official duties during his/her employment under this contract.
9. The Board at the request of the Assistant Superintendent and in accordance with State law shall withhold and transfer an amount of salary annually or semi-annually or monthly, and said amount to be determined by the Assistant Superintendent, permitting the Assistant Superintendent to participate, if he/she so desires, in a tax deferred annuity program of his/her choosing.

10. The Assistant Superintendent shall attend appropriate professional meetings at the local, state, and national level, as directed by the Superintendent and the expenses of said attendance to be incurred by the Board. The Board expects the Assistant Superintendent to continue his/her professional development and expects him/her to participate in relevant learning experiences. The Assistant Superintendent shall file an itemized expense statement with the Superintendent following each such meeting attended by him/her.
11. The Assistant Superintendent shall receive life and health insurance coverage, terminal pay, and other personnel benefits accorded to other professional employees of the school administrative unit as provided by law.
12. The Assistant Superintendent shall receive vacation and sick leave annually as provided for by the laws of this State and by the regulations of the State Board of Education. Vacation shall be cumulative except that not more than 30 days of accumulated vacation days may be carried forward June 30 of one year to July 1 of the next year. Earned sick leave shall be cumulative.
13. The Assistant Superintendent shall fulfill all aspects of this contract, any exception thereto being by mutual written consent of the Assistant Superintendent, Superintendent, and Board. Failure to fulfill obligations agreed to in this contract may be sufficient and just cause for discharge of the Assistant Superintendent.

Dated this 10th day of March, 2016.

\_\_\_\_\_(SEAL)  
Chairman, Board of Education

\_\_\_\_\_(SEAL)  
Superintendent

\_\_\_\_\_(SEAL)  
Assistant Superintendent

## Proposal: Creating Service-Based Learning Opportunities for Students Asheboro High School

We are exploring methods to enhance our graduation projects. Research indicates that service-learning experiences may be particularly impactful with students who might not respond well to more traditional teaching methods because it connects school to real world issues and allows students to identify in their own community (Spring, Grimm, & Dietz, 2008). Students who typically do well in school have an opportunity to participate in passion-based learning, while building a résumé of leadership experiences that will benefit them in college and work life.

Traditionally, Asheboro High School students have been asked to engage with the community through one mentor and presentations through the graduation project. Moving forward, instead of students asking others **for assistance**, we want students to identify a need and **provide assistance** to the community. AHS seeks to begin a service-learning option for students, beginning in the 2016-2017 school year.

- Service-Learning Program Vision: Asheboro High School equips students to serve their community by connecting rigor and relevancy with responsibility.
- The key components of Asheboro High School-approved service-learning activities or projects:
  - Meet a real community need
  - Integrate and enhance school curriculum
  - Help foster civic responsibility
  - Provide a structure for reflection and sharing
- Service-Learning Student Steps:
  - Investigation
  - Preparation/Planning
  - Action
  - Reflection/Demonstration
- Students will be challenged to earn recognition on a tiered system
  - Tier I (Recognition)
  - Tier II (Advanced Recognition)
  - Tier III (Graduation Distinction)

Creating an optional, tiered service-learning project will create a feasible goal for students with a range of experiences and accessibility. This project will also span all four years of high school instead of being primarily the responsibility of Junior and Senior English teachers. Students involved in service work from Nova Academy, Key Club, or just on their own can process and reflect on the impact of their work on the community.



# Policies for Action

# **PROHIBITION AGAINST DISCRIMINATION, HARASSMENT, AND BULLYING**

*Policy Code:* **1710/4021/7230**

The board acknowledges the dignity and worth of all students and employees and strives to create a safe, orderly, caring, and inviting school environment to facilitate student learning and achievement. The board prohibits discrimination on the basis of race, color, national origin, sex, disability, or age and will provide equal access to the Boy Scouts and other designated youth groups as required by law. The board will not tolerate any form of unlawful discrimination, harassment, or bullying in any of its educational or employment activities or programs.

## **A. PROHIBITED BEHAVIORS AND CONSEQUENCES**

### **1. Discrimination, Harassment, and Bullying**

Students, school system employees, volunteers, and visitors are expected to behave in a civil and respectful manner. The board expressly prohibits unlawful discrimination, harassment, and bullying.

Students are expected to comply with the behavior standards established by board policy and the Code of Student Conduct. Employees are expected to comply with board policy and school system regulations. Volunteers and visitors on school property also are expected to comply with board policy and established school rules and procedures.

Any violation of this policy is serious and school officials shall promptly take appropriate action. Students will be disciplined in accordance with the school's student behavior management plan (see policy 4302, School Plan for Management of Student Behavior). Based on the nature and severity of the offense and the circumstances surrounding the incident, the student will be subject to appropriate consequences and remedial actions ranging from positive behavioral interventions up to, and including, expulsion.

Employees who violate this policy will be subject to disciplinary action, up to, and including, dismissal. Volunteers and visitors who violate this policy will be directed to leave school property and/or reported to law enforcement, as appropriate, in accordance with policy 5020, Visitors to the Schools.

When considering if a response beyond the individual level is appropriate, school administrators should consider the nature and severity of the misconduct to determine whether a classroom, school-wide, or school system-wide response is necessary. Such classroom, school-wide, or school system-wide responses may include staff training, harassment and bullying prevention programs, and other measures deemed appropriate by the superintendent to address the behavior.

### **2. Retaliation**

The board prohibits reprisal or retaliation against any person for reporting or intending to report violations of this policy, supporting someone for reporting or intending to report a violation of this policy, or participating in the investigation

of reported violations of this policy.

After consideration of the nature and circumstances of the reprisal or retaliation and in accordance with applicable federal, state or local laws, policies, and regulations, the superintendent or designee shall determine the consequences and remedial action for a person found to have engaged in reprisal or retaliation.

**B. APPLICATION OF POLICY**

This policy prohibits unlawful discrimination, harassment, and bullying by students, employees, volunteers, and visitors. “Visitors” includes persons, agencies, vendors, contractors, and organizations doing business with or performing services for the school system.

This policy applies to behavior that takes place:

1. in any school building or on any school premises before, during or after school hours;
2. on any bus or other vehicle as part of any school activity;
3. at any bus stop;
4. during any school-sponsored activity or extracurricular activity;
5. at any time or place when the individual is subject to the authority of school personnel; and
6. at any time or place when the behavior has a direct and immediate effect on maintaining order and discipline in the schools.

**C. DEFINITIONS**

For purposes of this policy, the following definitions apply:

1. Discrimination

Discrimination means any act or failure to act that unreasonably and unfavorably differentiates treatment of others based solely on their membership in a socially distinct group or category, such as race, ethnicity, sex, pregnancy, religion, age, or disability. Discrimination may be intentional or unintentional.

2. Harassment and Bullying

- a. Harassment or bullying behavior is any pattern of gestures or written, electronic, or verbal communications, or any physical act or any

threatening communication that:

- 1) places a student or school employee in actual and reasonable fear of harm to his or her person or damage to his or her property; or
- 2) creates or is certain to create a hostile environment by substantially interfering with or impairing a student's educational performance, opportunities, or benefits or by adversely altering the conditions of an employee's employment.

"Hostile environment" means that the victim subjectively views the conduct as harassment or bullying and that the conduct is objectively severe or pervasive enough that a reasonable person would agree that it is harassment or bullying. A hostile environment may be created through pervasive or persistent misbehavior or a single incident, if sufficiently severe.

Harassment and bullying include, but are not limited to, behavior described above that is reasonably perceived as being motivated by any actual or perceived differentiating characteristic or motivated by an individual's association with a person who has or is perceived to have a differentiating characteristic, such as race, color, religion, ancestry, national origin, gender, socioeconomic status, academic status, gender identity, physical appearance, sexual orientation, or mental, physical, developmental, or sensory disability. Examples of behavior that may constitute bullying or harassment include, but are not limited to, verbal taunts, name-calling and put-downs, epithets, derogatory comments or slurs, lewd propositions, exclusion from peer groups, extortion of money or possessions, implied or stated threats, assault, impeding or blocking movement, offensive touching, or any physical interference with normal work or movement, and visual insults, such as derogatory posters or cartoons. Legitimate age-appropriate pedagogical techniques are not considered harassment or bullying.

Harassment, including sexual or gender-based harassment, is not limited to specific situations or relationships. It may occur between fellow students or co-workers, between supervisors and subordinates, between employees and students, or between non-employees, including visitors, and employees or students. Harassment may occur between members of the opposite sex or the same sex.

- b. Sexual harassment is one type of harassment. Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:
  - 1) submission to the conduct is made, either explicitly or implicitly, a

term or condition of an individual's employment, academic progress, or completion of a school-related activity;

- 2) submission to or rejection of such conduct is used as the basis for employment decisions affecting the individual, or in the case of a student, submission to or rejection of such conduct is used in evaluating the student's performance within a course of study or other school-related activity; or
- 3) such conduct is sufficiently severe, persistent, or pervasive that it has the purpose or effect of unreasonably interfering with an employee's work or performance or a student's educational performance, limiting a student's ability to participate in or benefit from an educational program or environment, or creating an abusive, intimidating, hostile, or offensive work or educational environment.

Sexually harassing conduct includes, but is not limited to, deliberate, unwelcome touching that has sexual connotations or is of a sexual nature, suggestions or demands for sexual involvement accompanied by implied or overt promises of preferential treatment or threats, pressure for sexual activity, continued or repeated offensive sexual flirtations, advances or propositions, continued or repeated verbal remarks about an individual's body, sexually degrading words used toward an individual or to describe an individual, sexual assault, sexual violence, or the display of sexually suggestive drawings, objects, pictures or written materials. Acts of verbal, nonverbal, or physical aggression, intimidation, or hostility based on sex, but not involving sexual activity or language, may be combined with incidents of sexually harassing conduct to determine if the incidents of sexually harassing conduct are sufficiently serious to create a sexually hostile environment.

- c. Gender-based harassment is also a type of harassment. Gender-based harassment may include acts of verbal, nonverbal, or physical aggression, intimidation, or hostility based on sex or sex-stereotyping but not involving conduct of a sexual nature.

**D. REPORTING AND INVESTIGATING COMPLAINTS OF DISCRIMINATION, HARASSMENT, OR BULLYING**

Employees are required to report any actual or suspected violations of this policy. Students, parents, volunteers, visitors, or others are also strongly encouraged to report any actual or suspected incidents of discrimination, harassment, or bullying. All reports should be made in accordance with policy 1720/4015/7225, Discrimination, Harassment, and Bullying Complaint Procedure, and reported to one of the school officials identified in that policy. Reports may be made anonymously, and all reports shall be investigated

in accordance with that policy.

**E. TRAINING AND PROGRAMS**

The board directs the superintendent to establish training and other programs that are designed to help eliminate unlawful discrimination, harassment, and bullying and to foster an environment of understanding and respect for all members of the school community. Information about this policy and the related complaint procedure must be included in the training plan.

As funds are available, the board will provide additional training for students, employees, and volunteers who have significant contact with students regarding the board's efforts to address discrimination, harassment, and bullying and will create programs to address these issues. The training or programs should (1) provide examples of behavior that constitutes discrimination, harassment, or bullying; (2) teach employees to identify groups that may be the target of discrimination, harassment, or bullying; and (3) train school employees to be alert to locations where such behavior may occur, including locations within school buildings, at school bus stops, on cell phones, and on the Internet.

**F. NOTICE**

The superintendent is responsible for providing effective notice to students, parents, and employees of this policy and of the procedures for reporting and investigating complaints of discrimination, harassment, and bullying established in policy 1720/4015/7225, Discrimination, Harassment, and Bullying Complaint Procedure. The superintendent must ensure that each school principal provides a copy of this policy and policy 1720/4015/7225 to students, employees, and parents or other responsible care givers at the beginning of each school year. In addition, both policies must be posted on the school system website, and copies of the policies must be readily available in the principal's office, the media center at each school, and the superintendent's office. Notice of the policies must appear in all student and employee handbooks and in any school or school system publication that sets forth the comprehensive rules, procedures, and standards of conduct for students and employees.

**G. COORDINATORS**

The superintendent has appointed the following individuals to coordinate the school system's efforts to comply with and carry out its responsibilities under federal non-discrimination laws. These responsibilities include investigating any complaints communicated to school officials alleging noncompliance with Title VI or Title IX of the Civil Rights Act, Section 504 of the Rehabilitation Act, the Americans with Disabilities Act (ADA), the Age Discrimination Act, and/or the Boy Scouts Act, or alleging actions which would be prohibited by those laws.

1. Title IX Coordinator  
Assistant Superintendent for Support Services

1126 S. Park Street, Asheboro, NC 27203  
(336) 625-5104

2. Section 504 Coordinator  
Director of Exceptional Child Services  
1126 S. Park Street, Asheboro, NC 27203  
(336) 625-5104
3. ADA Coordinator  
Director of Exceptional Child Services  
1126 S. Park Street, Asheboro, NC 27203  
(336) 625-5104
4. Age Discrimination Coordinator  
Executive Director for Human Resources  
1126 S. Park Street, Asheboro, NC 27203  
(336) 625-5104
5. Coordinator for Other Non-discrimination Laws  
Executive Director for Human Resources  
1126 S. Park Street, Asheboro, NC 27203  
(336) 625-5104

#### **H. RECORDS AND REPORTING**

The superintendent or designee shall maintain confidential records of complaints or reports of discrimination, harassment, or bullying. The records must identify the names of all individuals accused of such offenses and the resolution of such complaints or reports. The superintendent also shall maintain records of training conducted and corrective action(s) or other steps taken by the school system to provide an environment free of discrimination, harassment, and bullying.

The superintendent shall report to the State Board of Education all verified cases of discrimination, harassment, or bullying. The report must be made through the Discipline Data Collection Report or through other means required by the State Board.

#### **I. EVALUATION**

The superintendent shall evaluate the effectiveness of efforts to correct or prevent discrimination, harassment, and bullying and shall share these evaluations periodically with the board.

Legal References: Age Discrimination in Employment Act of 1967, 29 U.S.C. 621 *et seq.*, 34 C.F.R. pt. 110; Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*, 28 C.F.R. pt. 35; Rehabilitation Act of 1973, 29 U.S.C. 705(20), 794, 34 C.F.R. pt. 104; Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d *et seq.*, 34 C.F.R. pt. 100; Title VII of the Civil Rights Act of

1964, 42 U.S.C. 2000e *et seq.*, 29 C.F.R. pt. 1604; Title IX of the Education Amendments of 1972, 20 U.S.C. 1681 *et seq.*, 34 C.F.R. pt. 106; Boy Scouts of America Equal Access Act, 20 U.S.C. 7905, 34 C.F.R. pt. 108; *Racial Incidents and Harassment Against Students at Educational Institutions; Investigative Guidance*, U.S. Department of Education, Office for Civil Rights (1994); *Revised Sexual Harassment Guidance: Harassment of Students by School Employees, Other Students, or Third Parties*, U.S. Department of Education, Office for Civil Rights (2001); *Notice of Non-Discrimination*, U.S. Department of Education, Office for Civil Rights (2010); *Dear Colleague Letter*, U.S. Department of Education, Office for Civil Rights, (October 26, 2010), available at <http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201010.pdf>; *Dear Colleague Letter*, U.S. Department of Education, Office for Civil Rights, (April 4, 2011) available at <http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201104.pdf>; *Oncale v. Sundowner Offshore Services*, 523 U.S. 75 (1998); G.S. 115C-335.5, -407.15 through -407.18; 126-16; State Board of Education Policy HRS-A-000

Cross References: Discrimination, Harassment, and Bullying Complaint Procedure (policy 1720/4015/7225), Nondiscrimination on the Basis of Disabilities (policy 1730/4022/7231), Prohibition Against Retaliation (policy 1760/7280), Equal Educational Opportunities (policy 4001), School Plan for Management of Student Behavior (policy 4302), Visitors to the Schools (policy 5020), Community Use of Facilities (policy 5030), Recruitment and Selection of Personnel (policy 7100), Professional Employees: Demotion and Dismissal (policy 7930), Classified Personnel: Suspension and Dismissal (policy 7940)

Adopted: February 18, 2010

Updated: May 10, 2012, April 10, 2014, May 14, 2015



# **DISCRIMINATION, HARASSMENT, AND BULLYING COMPLAINT PROCEDURE**

*Policy Code:* 1720/4015/7225

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The board takes seriously all complaints of unlawful discrimination, harassment, and bullying. The process provided in this policy is designed for those individuals who believe that they may have been discriminated against, bullied, or harassed in violation of policy 1710/4021/7230, Prohibition Against Discrimination, Harassment, and Bullying or policy 1730/4022/7231, Nondiscrimination on the Basis of Disabilities. Individuals who have witnessed or have reliable information that another person has been subject to unlawful discrimination, harassment, or bullying also should report such violations to one of the school system officials listed in subsection C.1. of this policy. Reports may be made anonymously.

## **A. DEFINITIONS**

### **1. Alleged Perpetrator**

The alleged perpetrator is the individual alleged to have discriminated against, harassed, or bullied the complainant.

### **2. Complaint**

A complaint is an oral or written notification made by a person who believes he or she is the victim of unlawful discrimination, harassment, or bullying.

### **3. Complainant**

The complainant is the individual complaining of being discriminated against, harassed, or bullied.

### **4. Days**

Days are the working days, exclusive of Saturdays, Sundays, vacation days, or holidays, as set forth in the school calendar. In counting days, the first day will be the first full working day following receipt of the complaint. When a complaint is submitted on or after May 1, time limits will consist of all weekdays (Monday–Friday) so that the matter may be resolved before the close of the school term or as soon thereafter as possible.

### **5. Investigative Report**

The investigative report is a written account of the findings of the investigation conducted in response to a complaint.

### **6. Investigator**

The investigator is the school official responsible for investigating and responding to the complaint.

7. Report

A report is an oral or written notification that an individual, other than the reporter, is a suspected perpetrator or victim of unlawful discrimination, harassment, or bullying.

**B. REPORTING BY EMPLOYEES OR OTHER THIRD PARTIES**

1. Mandatory Reporting by School Employees

Any employee who witnessed or who has reliable information or reason to believe that an individual may have been discriminated against, harassed, or bullied in violation of policy 1710/4021/7230 or policy 1730/4022/7231 must report the offense immediately to an appropriate individual designated in subsection C.1., below. An employee who does not promptly report possible discrimination, harassment, or bullying shall be subject to disciplinary action.

2. Reporting by Other Third Parties

All members of the school community including students, parents, volunteers, and visitors are also strongly encouraged to report any act that may constitute an incident of discrimination, harassment, or bullying.

3. Anonymous Reporting

Reports of discrimination, harassment, or bullying may be made anonymously but formal disciplinary action may not be taken solely on the basis of an anonymous report.

4. Investigation of Reports

Reports of discrimination, harassment, or bullying will be investigated sufficiently to determine whether further action under this policy or otherwise is necessary, and school officials shall take such action as appropriate under the circumstances, regardless of the alleged victim's willingness to cooperate. At the option of the alleged victim, the report may be treated as a complaint by the alleged victim under this policy.

**C. COMPLAINTS BROUGHT BY ALLEGED VICTIMS OF DISCRIMINATION, HARASSMENT, OR BULLYING**

1. Filing a Complaint

Any individual, who believes that he or she has been discriminated against, harassed, or bullied is strongly encouraged to file a complaint orally or in writing to any of the following individuals:

- a. the principal or assistant principal of the school at which either the alleged perpetrator or alleged victim attends or is employed;
- b. an immediate supervisor if the individual making the complaint is an employee;
- c. the executive director of human resources if the alleged perpetrator or alleged victim is an employee of the school system (or the superintendent if the executive director of human resources is the alleged perpetrator);
- d. the Title IX coordinator for claims of sex discrimination or sexual harassment (see policy 1710/4021/7230 for contact information);
- e. the Section 504 coordinator or the ADA coordinator for claims of discrimination on the basis of a disability (see policy 1710/4021/7230 for contact information); or
- f. for claims of other forms of prohibited discrimination, the applicable civil rights coordinator as established in policy 1710/4021/7230.
- g. In addition, complaints may be filed with:

Office for Civil Rights  
U.S. Department of Education  
4000 Maryland Ave, SW  
Washington, DC 20202-1475  
Telephone: 202-453-6020 TDD: 800-877-8339  
FAX: 202-453-6021 Email: OCR.DC@ed.gov

2. Time Period for Filing a Complaint

A complaint should be filed as soon as possible but no later than 30 days after disclosure or discovery of the facts giving rise to the complaint. Complaints submitted after the 30-day period may be investigated; however, individuals should recognize that delays in reporting may significantly impair the ability of school officials to investigate and respond to such complaints.

3. Informal Resolution

The board acknowledges that many complaints may be addressed informally through such methods as conferences or mediation. The board encourages the use of informal procedures such as mediation to the extent possible; however,

mediation or other informal procedures will not be used to resolve complaints alleging sexual assault or sexual violence complaints by a student of sexual harassment perpetrated by an employee, or when otherwise inappropriate. Informal procedures may be used only if the parties involved voluntarily agree.

If an informal process is used, the principal or other designated personnel must (1) notify the complainant that he or she has the option to end the informal process and begin formal procedures at any time and (2) make a copy of this policy and other relevant policies available to the complainant. Any informal process should be completed within a reasonable period of time, not to exceed 30 days unless special circumstances necessitate more time. If informal procedures fail to resolve the matter in a reasonable period of time or are inappropriate, or if the complainant requests formal procedures, the complaints will be investigated promptly, impartially, and thoroughly according to the procedures outlined in the remainder of this policy.

**D. PROCESS FOR ADDRESSING COMPLAINTS OF ALLEGED INCIDENTS OF DISCRIMINATION, HARASSMENT, OR BULLYING**

1. Initiating the Investigation

a. Whoever receives a complaint of discrimination, harassment, or bullying pursuant to subsection C.1. shall immediately notify the appropriate investigator who shall respond to the complaint and investigate. The investigator of a complaint is determined as follows.

- 1) If the alleged incident occurred under the jurisdiction of the principal, the investigator is the principal or designee, unless the alleged perpetrator is the principal, the executive director of human resources, the superintendent, or a member of the board. If the alleged perpetrator is any other employee, the principal or designee shall conduct the investigation in consultation with the executive director of human resources or designee.
- 2) If the alleged perpetrator is the principal, the executive director of human resources or designee is the investigator.
- 3) If the alleged incident occurred outside of the jurisdiction of a principal (for example, at the central office), the executive director of human resources or designee is the investigator unless the alleged perpetrator is the executive director of human resources, the superintendent, or a member of the board.
- 4) If the alleged perpetrator is the executive director of human resources, the superintendent or designee is the investigator.

- 5) If the alleged perpetrator is the superintendent, the board attorney is the investigator. (In such cases, whoever receives a complaint of discrimination, harassment, or bullying shall immediately notify the executive director of human resources who shall immediately notify the board chair. The board chair shall direct the board attorney to respond to the complaint and investigate.)
- 6) If the alleged perpetrator is a member of the board, the board attorney is the investigator. (In such cases, whoever receives a complaint of discrimination, harassment, or bullying shall immediately notify the superintendent who shall direct the board attorney to respond to the complaint and investigate. Unless the board chair is the alleged perpetrator, the superintendent shall also notify the board chair of the complaint.)

- b. As applicable, the investigator shall immediately notify the Title IX, Section 504, ADA, or other relevant coordinator of the complaint, and, as appropriate, may designate the coordinator to conduct the investigation.
- c. The investigator shall explain the process of the investigation to the complainant and inquire as to whether the complainant would like to suggest a course of corrective action.
- d. Written documentation of all reports and complaints, as well as the school system's response, must be maintained in accordance with policy 1710/4021/7230.
- e. Failure to investigate and/or address claims of discrimination, harassment, or bullying shall result in disciplinary action.

## 2. Conducting the Investigation

- a. The investigator is responsible for determining whether the alleged act(s) constitutes a violation of policy 1710/4021/7230 or policy 1730/4022/7231. In so doing, the investigator shall impartially, promptly, and thoroughly investigate the complaint. The investigator shall interview (1) the complainant; (2) the alleged perpetrator(s); (3) individuals identified as witnesses by the complainant or alleged perpetrator(s); and (4) any other individuals, including other possible victims, who may have relevant information. The investigation will include a review of all evidence presented by the complainant or alleged perpetrator.
- b. The complaint and investigation will be kept confidential to the extent possible. Information may be shared only with individuals who need the information in order to investigate and address the complaint appropriately. Any requests by the complainant for further confidentiality

will be evaluated within the context of the legal responsibilities of the school system. Any complaints withdrawn to protect confidentiality must be recorded in accordance with policy 1710/4021/7230.

- c. The investigator shall review the factual information gathered through the investigation to determine whether, based on a preponderance of the evidence, the alleged conduct constitutes discrimination, harassment, or bullying, giving consideration to all factual information, the context in which the alleged incidents occurred, the age, and maturity of the complainant and alleged perpetrator(s), and any other relevant circumstances.

### 3. Investigative Report

- a. The investigator shall submit a written investigative report to the superintendent and, as applicable, to the Title IX, Section 504, ADA, or other coordinator.
- b. The investigator shall provide written notification to the complainant of the results of the investigation within 15 days of receiving the complaint, unless additional time is necessary to conduct an impartial, thorough investigation. The investigator shall specify whether the complaint was substantiated and, if so, shall also specify:
  - 1) reasonable, timely, age-appropriate, corrective action intended to end the discrimination, harassment, or bullying, and prevent it from recurring;
  - 2) as needed, reasonable steps to address the effects of the discrimination, harassment, or bullying on the complainant; and
  - 3) as needed, reasonable steps to protect the complainant from retaliation as a result of communicating the complaint.
- c. Information regarding specific disciplinary action imposed on the alleged perpetrator(s) will not be given to the complainant unless the information relates directly to the complainant (e.g., an order requiring the perpetrator not to have contact with the complainant).
- d. If the investigator determines that the complaint was substantiated, the perpetrator(s) shall be subject to discipline or other corrective steps, as described in policy 1710/4021/7230. If the corrective steps involve actions outside the scope of the investigator's authority, the superintendent will be notified so that responsibility for taking the corrective steps may be delegated to the appropriate individual.

- e. Each alleged perpetrator will be provided with a written summary of the results of the investigation in regard to whether the complaint was substantiated, whether the alleged perpetrator violated relevant law or board policies by his or her actions, and what, if any, disciplinary actions or consequences will be imposed upon the perpetrator in accordance with board policy. The perpetrator may appeal any disciplinary action or consequence in accordance with board policy and law. However, an appeal by the perpetrator of disciplinary action does not preclude school officials from taking appropriate action to address the discrimination, harassment, or bullying.

4. Appeal of Investigative Report

- a. If the complainant is dissatisfied with the investigative report, he or she may appeal the decision to the superintendent (unless the alleged perpetrator is the executive director of human resources or the superintendent, in which cases the complainant may appeal directly to the board in accordance with the procedure described in subsection D.4.b below). The appeal must be submitted in writing within five days of receiving the investigative report. The superintendent may review the documents, conduct any further investigation necessary, or take any other steps the superintendent determines to be appropriate in order to respond to the complaint. The superintendent shall provide a written response within 10 days after receiving the appeal, unless further investigation is needed.
- b. If the complainant is dissatisfied with the superintendent's response, he or she may appeal the decision to the board within five days of receiving the superintendent's response. The board will review the documents, direct that further investigation be conducted if necessary, and take any other steps that the board determines to be appropriate in order to respond to the complaint. Upon request of the complainant, the board will hold a hearing pursuant to policy 2500, Hearings Before the Board. The board will provide a written response within 30 days after receiving the appeal, unless further investigation is necessary or the hearing necessitates that more time be taken to respond.

**E. TIMELINESS OF PROCESS**

The number of days indicated at each step of the process should be considered a maximum. Every effort should be made to expedite the process.

If any school official charged with investigating the complaint or reviewing the investigation fails at any step in the process to communicate a decision within the specified time limit, the complainant will be entitled to appeal the complaint to the next step unless the official has notified the complainant of the delay and the reason for the

delay, such as the complexity of the investigation, review, or report. The school official shall make reasonable efforts to keep the complainant apprised of progress being made during any period of delay. Delays that interfere with the exercise of any legal rights are not permitted.

Failure by the complainant at any step in the process to appeal a complaint to the next step within the specified time limit will be considered acceptance of the decision at that step, unless the complainant has notified the investigator of a delay and the reason for the delay and the investigator has consented in writing to the delay.

#### **F. GENERAL REQUIREMENTS**

1. No reprisals or retaliation of any kind will be taken by the board or by an employee of the school system against the complainant or other individual on account of his or her filing a complaint or report or participating in an investigation of a complaint or report filed and decided pursuant to this policy, unless the person knew or had reason to believe that the complaint or report was false or knowingly provided false information.
2. All meetings and hearings conducted pursuant to this policy will be private.
3. The board and school system officials will consider requests to hear complaints from a group, but the board and officials have the discretion to hear and respond to complainants individually.
4. The complainant may be represented by an advocate, such as an attorney, at any meeting with school system officials.
5. Should, in the judgment of the superintendent or designee, the investigation or processing of a complaint require that an employee be absent from regular work assignments, such absences shall be excused without loss of pay or benefits. This shall not prevent the superintendent or designee from suspending the alleged perpetrator without pay during the course of the investigation.

#### **G. RECORDS**

Records will be maintained as required by policy 1710/4021/7230.

Legal References: Age Discrimination in Employment Act of 1967, 29 U.S.C. 621 *et seq.*, 34 C.F.R. pt. 110; Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*, 28 C.F.R. pt. 35; Family Educational Rights and Privacy Act, 20 U.S.C. 1232g; Rehabilitation Act of 1973, 29 U.S.C. 705(20), 794, 34 C.F.R. pt. 104; Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d *et seq.*, 34 C.F.R. pt. 100; Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000e *et seq.*, 29 C.F.R. pt. 1604; Title IX of the Education Amendments of 1972, 20 U.S.C. 1681 *et seq.*, 34 C.F.R. pt. 106; Boy Scouts of America Equal Access Act, 20 U.S.C. 7905, 34 C.F.R. pt. 108; *Racial Incidents and Harassment Against Students at Educational Institutions; Investigative*



*Guidance*, U.S. Department of Education, Office for Civil Rights (1994); *Revised Sexual Harassment Guidance: Harassment of Students by School Employees, Other Students, or Third Parties*, U.S. Department of Education, Office for Civil Rights (2001); *Notice of Non-Discrimination*, U.S. Department of Education, Office for Civil Rights (2010); *Gebser v. Lago Vista Independent School District*, 524 U.S. 274 (1998); *Davis v. Monroe County Board of Education*, 526 U.S. 629 (1999); G.S. 115C-407.15 through -407.18

Cross References: Prohibition Against Discrimination, Harassment, and Bullying (policy 1710/4021/7230), Student and Parent Grievance Procedure (policy 1740/4010), Hearings Before the Board (policy 2500), Assaults, Threats, and Harassment (policy 4331)

Adopted: February 18, 2010

Updated: May 10, 2012, May 14, 2015

It is the policy of the board, in keeping with the ultimate goal of serving the educational welfare of children, to develop and practice reasonable and effective methods of resolving difficulties that may arise among employees. The intent is to reduce potential areas of grievances and to establish and maintain recognized channels of communications between staff and administration. The purpose of this procedure is to secure, at the lowest possible level, equitable solutions to the problems that arise from time to time and affect employees.

**A. INFORMAL RESOLUTION**

It is desirable for an employee and his or her immediate supervisor to resolve problems through free and informal communication. When informal procedures fail or are inappropriate or when the employee requests formal procedures, a grievance will be processed pursuant to the steps set forth in this policy.

**B. DEFINITIONS**

## 1. Days

Days are the working days, exclusive of Saturdays, Sundays, vacation days or holidays, as set forth in the aggrieved employee's employment calendar. In counting days, the first day will be the first full working day following receipt of the grievance. When a grievance is submitted on or after May 1, time limits will consist of all weekdays (Monday – Friday) so that the matter may be resolved before the close of the school term or as soon thereafter as possible.

## 2. Final Administrative Decision

A final administrative decision is a decision of a school employee from which no further appeal to a school administrator is available.

## 3. Grievance

A grievance is a formal written claim by an employee regarding specific decision(s) made by another employee and alleging that such decision(s) have adversely affected the person making the claim. A grievance may include, but is not limited to, the following allegations:

- a. that there has been a violation, misapplication or misinterpretation of state or federal law or regulations, school board policy or administrative procedure;
- b. that an employee's employment status or the terms or conditions of his or her employment have been adversely affected; or

- c. that there exists a physical condition that jeopardizes an employee's health or safety or that interferes with an employee's ability to discharge his or her responsibilities properly and effectively.

The term "grievance" does not apply to any matter for which the method of review is prescribed by law, for which there is a more specific board policy providing a process for addressing the concern, or upon which the board of education is without authority to act. Claims of discrimination, harassment or bullying must be processed under policy 1720/4015/7225, Discrimination, Harassment and Bullying Complaint Procedure.

4. Grievant

The grievant is the employee(s) making the claim.

5. Official

The official is the person hearing and responding to the grievant.

6. Parties in Interest

"Parties in interest" refers to the grievant and the person against whom the grievance is filed.

### **C. TIMELINESS OF PROCESS**

Failure by the official at any step to communicate a decision within the specified time limit will permit the grievant to appeal the grievance to the next step unless the official has notified the grievant of the delay and the reason for the delay, such as the complexity of the investigation or report. The official shall make reasonable efforts to keep the grievant apprised of progress being made during any period of delay. Delays may not impermissibly interfere with the exercise of the grievant's legal rights.

Failure by the grievant at any step to appeal a grievance to the next step within the specified time limit will be considered acceptance of the decision at that step, unless the grievant has notified the official of a delay and the reason for the delay and the official has consented in writing to the delay.

### **D. GENERAL REQUIREMENTS**

1. All parties in interest and their representatives in any grievance filed pursuant to this policy shall conduct themselves in a professional manner at all times during the investigation and hearing of the grievance.

2. The board or an employee of the school system will take no reprisals of any kind against any party in interest or other employee on account of his or her participation in a grievance filed and decided pursuant to this policy.
3. Each decision will be in writing, setting forth the decision and reasons therefore, and will be transmitted promptly to all parties in interest.
4. All meetings and hearings conducted pursuant to this policy will be private.
5. The board and school system will consider requests to hear grievances from a group of grievants, but the board and officials have the discretion to hear and respond to grievants individually.
6. The board and administration will cooperate with the employee and representative in the investigation of any grievance and will furnish the employee or representative information pertinent to the grievance without cost to the grievant employee or the employee against whom the grievance is filed.
7. The employee may have a representative, including an attorney, at any stage of the grievance. However, if the grievant intends to be represented by legal counsel, he or she must notify the appropriate school official in advance so that school personnel also will have the opportunity to be represented by legal counsel.
8. Should, in the judgment of the superintendent or designee, the investigation or processing of any grievance require the absence of the grievant and/or representative from regular work assignments, such absences will be excused without loss of pay or benefits.

**E. PROCESS FOR GRIEVANCE**

1. Filing a Grievance
  - a. A grievance must be filed as soon as possible but no longer than 30 days after disclosure or discovery of the facts giving rise to the grievance. For a grievance submitted after 30 days that claims a violation, misapplication or misinterpretation of state or federal law, the superintendent or designee shall determine whether the grievance will be investigated after considering factors such as the reason for the delay; the extent of the delay; the effect of the delay on the ability of the school system to investigate and respond to the complaint; and whether the investigation of the complaint is necessary to meet any legal obligations. However, employees should recognize that delays in filing a grievance may significantly impair the ability of the school system to investigate and respond effectively to such complaints.

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- b. All grievances must be in writing, and the written statement of grievance must remain the same throughout all steps of the grievance procedure. The written grievance must include the following information: (1) the name of the school system employee or other individual whose decision or action is at issue; (2) the specific decision(s), action(s) or physical condition at issue; (3) any local board policy, state or federal law, state or federal regulation or State Board of Education policy or procedure that the grievant believes has been misapplied, misinterpreted or violated; and (4) the specific resolution desired. If there is not a specific decision, action or physical condition at issue or no concern that federal or state law, federal or state regulation, State Board of Education policy or procedure, or board policy or procedure has been misapplied, misinterpreted or violated, then the procedure established in policy 1742/5060, Responding to Complaints, is appropriate, and the principal or immediate supervisor shall address the concern following that policy.
  - c. The employee(s) shall present the grievance in writing to his or her immediate supervisor or the supervisor's designee, unless the grievance alleges that a state or federal law has been misapplied, misinterpreted or violated, in which case the grievance may be presented instead to the assistant superintendent for human resources (or to the superintendent if the grievant's supervisor is the assistant superintendent for human resources). The person receiving the grievance hereinafter will be referred to as "official."

2. Response by Official

- a. The official shall arrange for a grievance file number to be assigned by the human resource office.
- b. In the event the official determines at the outset that review by the official is inappropriate, the official shall forward the formal grievance to the superintendent who will investigate and respond as provided below in subsection E.3.
- c. A meeting will take place at a mutually agreed-upon time within five days after receipt of the grievance.
- d. The official shall conduct any investigation of the facts necessary before rendering a decision.
- e. The official shall provide the aggrieved employee(s) with a written response to the grievance within 10 days after the meeting.

3. Response by Superintendent

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- a. If the grievant is dissatisfied with the official's response, the grievant may appeal in writing the decision to the superintendent for review by the superintendent or designee within five days of receipt of the official's response.
  - b. The superintendent or designee shall arrange for a meeting with the employee(s) to take place within five days of the receipt of the appeal.
  - c. The superintendent or designee shall conduct any investigation necessary before arriving at a decision. The superintendent or designee shall provide the aggrieved employee(s) with a written decision within 10 days after the meeting.

4. Appeal to the Board

If the grievant has alleged a violation of a specified federal or state law, federal or state regulation, State Board of Education policy or procedure, or board policy or procedure or has alleged that a specific decision of a school official adversely affects the grievant's employment status or the terms or conditions of his or her employment, the grievant shall have a right to appeal a final administrative decision to the board of education (see subsection E.4.a, Mandatory Appeals, below). If the grievant has not alleged such specific violations, he or she may request a board hearing, which the board may grant at its discretion (see subsection E.4.b, Discretionary Appeals, below).

a. Mandatory Appeals

- 1) If the grievant is not satisfied with the superintendent's response and has alleged a violation of a specified federal or state law, federal or state regulation, State Board of Education policy or procedure, or local board policy or procedure or has alleged that a specific decision of a school official adversely affects the grievant's employment status or the terms or conditions of his or her employment, the grievant may appeal in writing the decision to the board within 10 days of receiving the superintendent's response.
- 2) A hearing will be conducted pursuant to policy 2500, Hearings Before the Board.
- 3) The board will provide a final written decision within 30 days of receiving the appeal unless further investigation is necessary or the hearing necessitates that more time be taken to respond.

b. Discretionary Appeals

- 1) If the grievant is not satisfied with the superintendent's response but has not alleged a violation of a specified federal or state law, federal or state regulation, State Board of Education policy or procedure, or local board policy or procedure or has not alleged that a specific decision of a school official adversely affects the grievant's employment status or the terms or conditions of his or her employment, the grievant may submit to the superintendent a written request for a hearing before the board of education within 10 days of receiving the superintendent's response.
- 2) The board chairperson will appoint a three- person panel to review the request and determine whether to (1) deny the appeal; (2) review the superintendent's decision on the written record only; or (3) grant a hearing. The panel will report the decision to the board. The board may modify the decision of the panel upon majority vote at a board meeting.
- 3) If the board denies the appeal, the decision of the superintendent will be final and the grievant will be notified within five days of the board's decision.
- 4) If the board decides to grant a hearing, the hearing will be conducted pursuant to policy 2500.
- 5) The board will provide a final written decision within 30 days of the decision to grant an appeal, unless further investigation is necessary or the hearing necessitates that more time be taken to respond.

## **F. RECORDS**

Appropriate records shall be maintained in accordance with state and federal law.

Legal References: G.S. 115C-45(c); 126-16

Cross References: Prohibition Against Discrimination, Harassment and Bullying (policy 1710/4021/7230), Discrimination, Harassment and Bullying Complaint Procedure (policy 1720/4015/7225), Responding to Complaints (policy 1742/5060), Hearings Before the Board (policy 2500)

Revised: May 7, 2004; June 30, 2008; December 1, 2009; March 28, 2013, September 12, 2013

Employees and board members have an absolute duty to maintain the confidentiality of records as required by law. Employees and board members, by the nature of their occupation, are exposed to confidential information which should not be repeated or discussed except with those recognized by law as having a right to the information. Any employee or board member who is not sure whether particular information may be protected by state or federal confidentiality laws should seek clarification from his or her immediate supervisor or human resources (for employees) or from the superintendent or board attorney (for board members). Where violations occur, appropriate disciplinary action will be taken.

It is a criminal violation for an employee or board member to do either of the following:

- knowingly, willfully and with malice permit any unauthorized person to have access to information contained in a personnel file, or
- knowingly and willfully examine, remove or copy a personnel file that he/she is not specifically authorized to access pursuant to G.S. 115C-321.

Legal References: Family Educational Rights and Privacy Act, 20 U.S.C. §1232g; G.S. 115C-47(18), -321, -402

Cross References: Communicable Diseases (policy 4230), Student Records (policy 4700), Confidentiality of Personal Identifying Information (policy 4705/7825), Public Records – Retention, Release and Disposition (policy 5070/7350), Personnel Files (policy 7820)

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

Revised: May 11, 2006

Reviewed by Policy Committee on June 14, 2012



The board expects all employees to maintain the highest professional, moral, and ethical standards in their interactions with students. Employees are required to provide an atmosphere conducive to learning through consistently and fairly applied discipline and established and maintained professional boundaries. Employees are expected to motivate each student to perform to his or her capacity while modeling the behavior expected of students in staff-student relationships.

The interactions and relationships between staff and students must be based upon cooperation, mutual respect, and an understanding of the appropriate boundaries between adults and students inside and outside of the educational setting. Employees are expected to demonstrate good judgment and to avoid the appearance of impropriety in their interactions with students. Employees must consult their supervisor any time they suspect or are unsure whether conduct is inappropriate or otherwise constitutes a violation of this or other board policy.

For the purposes of this policy, the terms “staff” and “employees” include independent contractors and school safety officers, but do not include student employees

**A. ROMANTIC RELATIONSHIPS AND SEXUAL CONTACT PROHIBITED**

All employees are prohibited from dating, courting or entering into a romantic relationship or having sexual contact with any student enrolled in the school district regardless of the student's age. Employees engaging in such inappropriate conduct will be subject to disciplinary action, up to and including dismissal and may be subject to criminal action as provided in G.S. 14-202.4 and 14-27.32.

**B. RESTRICTIONS OF ELECTRONIC COMMUNICATIONS**

1. In accordance with policy 7335, Employee Use of Social Media, employees are prohibited from communicating with current students through non-school-controlled social media without parental permission except to the extent that the employee and student have an appropriate relationship which originated outside of the school setting. Any communication through social media authorized under policy 7335 must meet the professional standards established in this policy and must otherwise be consistent with law and all other board policy.
2. Instant messages will be treated as a form of communication through social media subject to the terms of policy 7335 and subsection B.1 above, regardless of whether the messaging service is actually provided through a social media service or otherwise.
3. Employees are prohibited from engaging in other forms of one-to-one electronic communications (e.g., voice, voice mail, email, texting, and photo or video transmission) with students without written prior approval of the employee's supervisor and the student's parent. This rule shall not apply, however, if one or more of the following circumstances exist:

- a. the communication (1) is for an educational purpose, (2) is conducted through a school system-provided platform which archives all such communications for a period of at least three years (this requirement does not apply to telephone or voice mail communications), and (3) occurs after the employee has given prior notice to his or her supervisor or designee that such communications will occur;
- b. the communication serves an educational purpose and is simultaneously copied or transmitted to the employee's supervisor or designee and, upon request, to the parent or guardian;
- c. the communication is necessary in a bona fide emergency, provided the communication is disclosed to the supervisor and parent or guardian as soon as reasonably possible; or
- d. the communication derives from a relationship or association outside of the school setting and occurs with the consent of the parent or guardian, provided such communication does not otherwise violate this or other board policy.

Any one-to-one electronic communication permitted by this subsection must meet the professional standards established in this policy and must otherwise be consistent with law and all other board policies.

4. It is the duty of every employee to notify his or her supervisor of any unsolicited one-to-one communication, in any form, electronic or otherwise, received from a student when the communication lacks a clear educational purpose. School counselors are excluded from this requirement only to the extent that it conflicts with their professional duties.
5. Violations of this section will be considered unprofessional behavior subject to discipline, up to and including dismissal. Factors that may be relevant to the determination of an appropriate disciplinary response to unauthorized communications with students include, but are not limited to:
  - a. the content, frequency, subject, and timing of the communication(s);
  - b. whether the communication(s) was appropriate to the student's age and maturity level;
  - c. whether the communication(s) could reasonably be viewed as a solicitation of sexual contact or the courting of a romantic relationship, including sexual grooming;

- d. whether there was an attempt to conceal the communication(s) from the employee's supervisor and/or the student's parent or guardian;
- e. whether the communication(s) created a disruption of the educational environment; and
- f. whether the communication(s) harmed the student in any manner.

**C. REPORTING INAPPROPRIATE CONDUCT**

1. Reporting by Employees

Any employee who has reason to believe any of the following shall immediately report that information to the superintendent or designee:

- a. that another employee is involved in a romantic or other inappropriate relationship or has had sexual contact with a student;
- b. that another employee has engaged in other behavior prohibited by this policy; ~~or~~
- c. that the employee has witnessed behavior by another employee that has the appearance of impropriety, whether or not the behavior may have a valid purpose.

An employee who fails to inform the superintendent or designee as provided in this section may be subject to disciplinary action, up to and including dismissal.

2. Reporting by Students

Any student who believes that he or she or another student has been subject to misconduct that violates this policy should immediately report the situation to the principal, school counselor, or the Title IX coordinator designated in policy 1720/4015/7225, Discrimination, Harassment, and Bullying Complaint Procedure.

3. Report of Criminal Misconduct

Any principal who has reason to believe that a student has been the victim of criminal conduct shall immediately report the incident in accordance with policy 4335, Criminal Behavior.

Legal References: Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681 et seq., 34 C.F.R. pt 106; G.S. 115C-47(18)

Cross References: Governing Principal - Removal of Barriers (policy 1700), Prohibition Against

Discrimination, ~~and~~ Harassment, and Bullying (policy 1710/4021/7230), Discrimination, Harassment, and Bullying Complaint Procedure (policy 1720/4015/7225), Student and Parent Grievance Procedure (policy 1740/4010), Criminal Behavior (policy 4335), Staff Responsibilities (policy 7300), Employee Use of Social Media (policy 7335)

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

Revised: December 11, 2008

Administrative Procedure: None

**A. GENERAL PRINCIPLES**

It is the policy of the board to provide all applicants for employment with equal employment opportunities and to provide current employees with training, compensation, promotion, and other benefits of employment without regard to race, color, religion, national origin, military affiliation, genetic information, sex, age, or disability, except when sex, age, or physical requirements are essential occupational qualifications. All candidates will be evaluated on their merits and qualifications for positions. All employment decisions will be consistent with the board's objective of providing students with the opportunity to receive a sound basic education, as required by state law.

The board also is committed to diversity throughout the programs and practices of the school system. To further this goal, the recruitment and employment program should be designed to encourage a diverse pool of qualified applicants.

**B. RECRUITMENT**

Recruitment for a specific vacancy will be undertaken only after the need and qualifications for the position are established and proper authorization is obtained.

All vacancies must be adequately publicized within the school system so that employees will be informed of opportunities for promotion or transfer to new jobs. Vacancies also may be publicized externally to attract qualified applicants.

**C. CRIMINAL HISTORY**

Applicants must notify the human resources department immediately if they are arrested, charged with, or convicted of a criminal offense (including entering a plea of guilty or *nolo contendere*) other than a minor traffic violation (i.e., speeding, parking, or a lesser violation). Notice must be in writing, must include all pertinent facts, and must be delivered to the human resources department no later than the next scheduled business day following the arrest, charge, or conviction, unless the applicant is hospitalized or incarcerated, in which case the applicant must report the alleged violation within 24 hours after his or her release. Upon judicial action in the matter, the applicant must report the disposition and pertinent facts in writing to human resources no later than the next business day following adjudication.

A criminal history check and a check of sex offender registries must be conducted on all final candidates for employment with the school system. Criminal history checks must be conducted in accordance with state law and any procedures established by the superintendent. School officials shall not require candidates to disclose expunged arrests, charges, or convictions and shall not ask candidates to voluntarily disclose such

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information without first advising that disclosure is not required. The superintendent or designee shall report to the State Board of Education any licensed individual who is found to have a criminal history, as required by State Board policy.

A final candidate for employment or for hiring as an independent contractor will be excluded from hiring on the basis of criminal conduct only when doing so is job-related and consistent with business necessity. If a final candidate is found to have been convicted of a criminal offense, other than a minor traffic violation, the superintendent shall determine whether the individual is qualified for employment despite the criminal history by considering, among other things, whether the individual poses a threat to the safety of students or personnel or has demonstrated that he or she does not have the integrity or honesty to fulfill the duties of the position. The following factors will be considered in making this determination: (1) the nature and gravity of the offense or conduct; (2) the time that has passed since the offense or conduct and/or completion of the sentence; and (3) the nature of the job sought. Before the superintendent may exclude a final candidate based on his or her past criminal convictions, the superintendent must give the candidate the opportunity to demonstrate that the exclusion does not properly apply to him or her.

The board has determined that every position with the school system, regardless of whether the position is located in a school or elsewhere, potentially entails contact with students, either on a regular, occasional, or emergency basis. For that reason, no individual who is a registered sex offender subject to the provisions of policy 5022, Registered Sex Offenders, will be hired for any position with the school system.

In addition, each contract executed by the board with an independent contractor or for services of independent contractors must require the contractor to check sex offender registries as specified in policy 5022, Registered Sex Offenders.

## **D. SELECTION**

### **1. Qualifications**

Candidates for employment must be selected based upon their likely ability to fulfill duties identified in the job description as well as performance standards established by the board. In making the determination, the following information must be considered:

- a. application;
- b. education and training;
- c. licensure and certification (when applicable);
- d. relevant experience;

- e. personal interviews; and
- f. references and/or background checks.

When several applicants for the same position are equally qualified and suitable for the position, employees within the school system will be given priority.

## 2. Nepotism

- a. For purposes of this subsection, the following definitions apply.
  - i. “Immediate family” means spouse, parent, child, brother, sister, grandparent, or grandchild. The term includes the step, half, and in-law relationships.
  - ii. “Central office staff administrator” includes principals, directors, supervisors, specialists, assistant superintendents, and superintendent.
- b. Before any immediate family of any board of education member or central office staff administrator is employed by the board or engaged in any capacity as an employee, independent contractor, or otherwise, (1) the board member or central office staff administrator must disclose the familial relationship to the board and (2) the prospective employment or engagement must be approved by the board in a duly called open session meeting.
  - i. An employee who knowingly fails to disclose a familial relationship to the board as required will be subject to disciplinary action up to and including dismissal.
  - ii. Notification by the employee to human resources will be deemed disclosure to the board. The human resources department is responsible for conveying the disclosure to the board before the board takes action on the prospective employment or engagement.
- c. When making recommendations for the selection and assignment of personnel, the superintendent shall attempt to avoid situations in which one employee occupies a position in which he or she has influence over the employment status, including hiring, salary, and promotion, of another employee who is a member of the first employee’s immediate family.
- d. No administrative or supervisory personnel may directly supervise a member of his or her immediate family.

## 3. Employment Procedures

All applicants selected for employment must be recommended by the superintendent and approved by the board. In situations in which the employee must be hired between board meetings, the superintendent is authorized to approve hiring such personnel, contingent upon approval by the board at its next scheduled board meeting.

State guidelines must be followed in selection and employment procedures. The superintendent shall develop any other procedures necessary to implement this policy.

The superintendent shall develop procedures for verifying new employees' legal status or authorization to work in the United States as required by law.

Legal References: Age Discrimination in Employment Act of 1967, 29 U.S.C. 621 *et seq.*; Americans with Disabilities Act of 1990, 42 U.S.C. 12101 *et seq.*; Equal Educational Opportunities Act of 1974, 20 U.S.C. 1703; Equal Pay Act of 1963, 29 U.S.C. 206; Fair Credit Reporting Act, 15 U.S.C. 1681 *et seq.*; Genetic Information Nondiscrimination Act of 2008, 42 U.S.C. 2000ff *et seq.*; Military Selective Service Act, 50 U.S.C. Appx. 453; Rehabilitation Act of 1973, 29 U.S.C. 794; Title VII of the Civil Rights Acts of 1964, 42 U.S.C. 2000e *et seq.*; Title IX of the Education Amendments of 1972, 20 U.S.C. 1681 *et seq.*; Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. 4301 *et seq.*; 8 U.S.C. 1101 *et seq.*; *Green v. Missouri Pacific Railroad* (8<sup>th</sup> Cir. 1975); *Enforcement Guidance on the Consideration of Arrest and Conviction Records in Employment Decisions Under Title VII of the Civil Rights Act of 1964*, U.S. Equal Employment Opportunity Commission (April 25, 2012) available at [http://www.eeoc.gov/laws/guidance/arrest\\_conviction.cfm](http://www.eeoc.gov/laws/guidance/arrest_conviction.cfm); G.S. 14-208.18; 15A-153; 114-19.2; 115C-36, -47, -276(j), -332; 126-7.1(i), -16; 127A-202.1; 127B-10, -12, -14; 143B-421.1; 16 N.C.A.C. 6C .0313; State Board of Education Policy TCP-C-017

Cross References: Registered Sex Offenders (policy 5022)

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

Administrative Procedure: Yes

Revised: April 8, 1998, August 14, 2008, June 14, 2012, February 13, 2015



**INFORMATION PROVIDED  
BY APPLICANT OR EMPLOYEE**

*Policy Code:* **7110**

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All information provided to the personnel office by an applicant for employment or by an employee must be true, accurate and complete to the best of that applicant's or employee's knowledge. Presenting information to the human resources department which is intended to defraud, falsify, materially misrepresent or conceal the truth will be considered just cause for terminating the application process or, as a violation of board policy, grounds for dismissing an employee.

Legal References: G.S. 115C-47(18), -325(e)(1)(o)

Cross References:

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

Updated: April 8, 1999

Administrative Procedure: None

For students to succeed, all staff members must approach their responsibilities conscientiously, always remembering that the ultimate responsibility of the school district is to create the opportunity and environment where students can learn.

Also essential to the success of ongoing school operations and the instructional program are the following specific responsibilities, which will be required of all personnel:

1. be familiar with, support and, where appropriate, enforce board policies, administrative procedures, school rules and applicable laws;
2. attend to the safety and welfare of students, including the need to ensure that students are supervised at all times;
3. demonstrate integrity, respect and commitment to the truth through attitudes, behavior and dress;
4. address or appropriately direct any complaints concerning the schools, the school program or school operation; and
5. support and encourage good school-community relations in all interactions with students, parents and members of the community.
6. faithfully and promptly attend work;
7. diligently and promptly submit required reports;
8. comply with the employee dress code
9. take care of and protect school property.

Employees shall notify the human resources office if they are arrested for, charged with or convicted of a criminal offense (including entering a plea of guilty or *nolo contendere*) other than a minor traffic violation (i.e., speeding, parking or a lesser violation). Notice shall be in writing, shall include all pertinent facts and shall be delivered to the human resources office no later than the next scheduled business day following the arrest, charge or conviction, unless the employee is hospitalized or incarcerated, in which case the employee shall report the alleged violation within 24 hours after his or her release. Upon judicial action in the matter, the employee must report the disposition and pertinent facts in writing to the assistant superintendent for human resources no later than the next business day following adjudication.

Legal References: G.S. 115C-47, -307, -308

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

Administrative Procedure: None

Revised: September 11, 2008

Job descriptions must be developed for all positions. A job description must identify the essential functions of the position and should stress expected working relationships with other employees and whatever duties are directly or indirectly related to student performance.

Job descriptions will be used as a criterion in screening applicants and evaluating employees. Job descriptions also will be used in organizational planning, budgeting and personnel administration.

Job descriptions will be on file and available to employees and applicants in the Human Resources office.

Legal References: G.S. 115C-47(18), -3087

Cross References:

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

Administrative Procedure: None

The board acknowledges that instructing students is the primary mission of the school system. Generally, in order to carry out the responsibilities of the school system, teachers and other employees may also be required to perform certain non-instructional and extracurricular duties. Assigned additional duties are considered part of all employees' responsibilities. However, assignment of additional duties to teachers should be minimized to allow time for teachers to plan, collaborate with colleagues, conduct conferences with parents, tutor students and perform any other activities that have a direct impact on student achievement. Beginning teachers also need adequate opportunities to develop their professional skills and need access to experienced teachers who will provide mentoring to them. In light of these goals, the principal of each school has the authority to assign extracurricular and non-instructional duties as necessary to conduct the business of the school, within the following guidelines.

**A. EXTRACURRICULAR DUTIES**

Initially licensed teachers may not be assigned extracurricular duties unless they request the assignments in writing.

1. Extracurricular Duties Defined

Extracurricular duties include those duties performed by a teacher outside the regular school day that involve students and are not directly related to the instructional program. Examples of extracurricular activities for which consent is required include such things as coaching duties, taking tickets at sporting events and acting as a faculty sponsor for a student club. Extracurricular duties do not include such things as time spent in parent-teacher conferences or activities related to courses taught by the teacher, such as band concerts that are performed as a part of band class.

2. Exceptions Permitted for Compelling Reasons

In cases of compelling need, initially licensed teachers may be required to perform extracurricular duties if the procedures set forth in this paragraph are followed.

a. Compelling Need Defined

A compelling need arises when the principal of a school is not reasonably able to provide adequate supervision by qualified personnel at extracurricular activities without using initially licensed teachers and no initially licensed teachers have volunteered in writing to perform these activities. In determining whether a compelling need exists, it will be assumed that teaching assistants and other non-licensed employees may

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not be assigned to extracurricular duties unless the assignment is approved in advance by the superintendent or designee. Examples of compelling need include circumstances when:

- 1) an employee who is scheduled to perform an extracurricular duty is unexpectedly unavailable and the position must be filled quickly;
- 2) the school principal cannot adequately fill extracurricular duty positions without additional reliance on initially licensed teachers; or
- 3) an extracurricular duty must be supervised by individuals with certain experience, skills or qualifications and initially licensed teachers are the only qualified staff members who possess the required experience, skills or qualifications.

b. Process for Granting a Compelling Need Waiver

1) Board Waiver

In cases in which the need for a waiver is reasonably foreseeable and there is an opportunity to bring the matter before the board of education for approval prior to the extra duty, the superintendent shall bring the matter to the board for a decision on the waiver request. The recommendation for a waiver must be in writing and set forth the circumstances requiring the waiver. The board minutes or other documentation will reflect the reasons for granting the waiver.

2) Superintendent Waiver

If there is not a scheduled board meeting prior to the need to provide adequate supervision at the extracurricular activity, the superintendent may waive the requirement upon a finding of compelling need. The superintendent shall make a written record of all such waivers and the circumstances for requesting each waiver. At the next regular board meeting, the superintendent shall report to the board any past waivers made and the reasons therefore. If the waiver is for an ongoing activity, the superintendent must seek and obtain board approval to continue the initially licensed teacher in the extracurricular activity in accordance with the procedure in paragraph (1) above.

3) Principal Waiver

If there is an exigent need to waive the policy, such as the

unexpected illness or absence of an employee, then the school principal is authorized to waive the policy temporarily for up to five days. However, the principal must report the waiver to the superintendent in writing, setting forth the circumstances requiring the waiver. The superintendent must approve all waivers over five days, as provided in paragraph (2) above. The board must approve all continuing waivers at its next regular meeting, as provided in paragraph (1) above.

4) Teacher Access to Records

The teacher may request and is entitled to receive any documentation regarding waivers requested or granted under this policy.

**B. NON-INSTRUCTIONAL DUTIES**

Principals shall minimize the assignment of non-instructional duties to all teachers, including initially licensed teachers. Specifically, teachers should not be required to use their daily planning periods on an ongoing and regular basis to supervise students. Planning periods generally should be reserved for course planning and meetings with other professional staff regarding the instructional program.

1. Non-Instructional Duties Defined

Non-instructional duties refer to those duties that are not directly involved with the instructional program or the implementation of the current statewide instructional standards, but that all teachers are expected to do. These duties include such things as bus duty, carpool duty and regular and ongoing use of planning periods to monitor hallways and cafeterias. Nothing in this policy should be construed to relieve teachers of the responsibility to provide for the safety and supervision of students during regular school hours, as necessary to maintain order and discipline in the school.

2. Distribution of Non-Instructional Duties

Non-instructional duties should be distributed equitably among employees to the extent that it is reasonably possible to do so. In assigning non-instructional duties, consideration should be given to the need for initially licensed teachers to have adequate professional development, planning time and access to experienced teachers who can share their expertise. Principals are responsible for structuring these opportunities in a way that will be beneficial to the students and employees at their schools.

**C. EVALUATION**

The failure of an initially licensed teacher to volunteer to perform extracurricular duties is not appropriate grounds to lower the teacher's evaluation or just cause for a less than proficient evaluation rating of an initially licensed teacher, provided that the teacher has conducted himself or herself in a professional manner when declining to accept extracurricular duties. However, a teacher's failure to perform an assigned non-instructional or extracurricular duty in a competent and professional manner may be considered as a part of the teacher's evaluation.

Legal References: G.S. 115C-47(18a), -301.1; State Board of Education Policy TCP-A-004

Adopted: September 9, 1999

Updated: May 11, 2000, May 10, 2012, January 8, 2015



All assignments and transfers to schools are the responsibility of the superintendent. In-school transfers are the responsibility of the principal. The board must be promptly notified of all transfers authorized by the superintendent.

The superintendent may assign school employees in any manner that he or she deems appropriate, consistent with legal requirements.

Voluntary and involuntary transfers will be made in accordance with course requirements, fluctuating enrollments, allotment, efforts to improve student performance, and the general welfare of the school district. The interests and aspirations of employees will be considered in making assignments and transfer decisions; however, such interests must be weighed against what is in the best interest of the students, school or school district. Employees will be informed of transfer decisions as soon as reasonably feasible.

The superintendent will establish any necessary procedures for employee-initiated transfer requests.

An employee may appeal a transfer decision to the board. The board generally will uphold transfer decisions made in accordance with this policy that are not arbitrary, capricious, political or discriminatory.

Legal References: G.S. 115C-47, -276, -301

Cross References: Alternative Learning Programs/Schools (policy 3470/4305)

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

Updated: May 11, 2000

Administrative Procedure: None

Employees are expected to avoid engaging in any conduct that creates or gives the appearance to the public of creating a conflict of interest with their job responsibilities with the school system. Although there may be other conflicts of interests, employees must follow board directives in the following areas.

**A. FINANCIAL INTERESTS**

An employee shall not engage in or have a financial interest, directly or indirectly, in any activity that conflicts with duties and responsibilities in the school system.

**1. Contracts with the Board**

An employee shall not do any of the following:

- a. obtain a direct benefit from a contract that he or she is involved in making or administering on behalf of the board, unless an exception is allowed pursuant to G.S. 14-234 or other law;
- b. influence or attempt to influence anyone who is involved in making or administering a contract on behalf of the board; or
- c. solicit or receive any gift, favor, reward, service or promise of reward, including a promise of future employment, in exchange for recommending, influencing or attempting to influence the award of a contract by the board.

An employee is involved in administering a contract if he or she oversees the performance of the contract or has authority to interpret or make decisions regarding the contract. An employee is involved in making a contract if he or she participates in the development of specifications or terms of the contract or participates in the preparation or award of the contract. An employee derives a direct benefit from a contract if the employee or his or her spouse does any of the following: (1) has more than a 10 percent ownership or other interest in an entity that is a party to the contract; (2) derives any income or commission directly from the contract; or (3) acquires property under the contract.

**2. Non-School Employment**

The board recognizes that some employees may pursue additional compensation on their own time. Any such employee shall not engage in the following:

- a. non-school employment that adversely affects the employee's availability or effectiveness in fulfilling job responsibilities;

- 
- 
- b. work of any type in which the sources of information concerning customer, client or employer originate from any information obtained through the school system;
  - c. work of any type that materially and negatively affects the educational program of the school system;
  - d. any type of private business using system facilities, equipment or materials, unless prior approval is provided by the superintendent; or
  - e. any type of private business during school time or on school property.

The superintendent may grant prior approval for work performed under subsections d and e above if such work enhances the employee's professional ability or professional growth for school-related work. The superintendent may establish reporting procedures that require employees to notify the school system of any non-school employment.

#### **B. RECEIPT OF GIFTS**

No school employee may accept gifts from any person or group desiring to do or doing business with the school system, unless such gifts are instructional products or advertising items of nominal value that are widely distributed. No school employee may solicit or accept any gifts from any potential provider of E-rate services or products in violation of federal gifting rules.

Legal References: G.S. 14-234, -234.1; 115C-47(18); 133-32; 47 C.F.R. 54.503; FCC Sixth Report and Order 10-175

Cross References: Board Member Conflict of Interest (policy 2121)

Adopted: January 10, 2013

The board recognizes that an effective staff is critical to the smooth operation of the school system and to creating a learning environment in which students can succeed. The board further believes that students will not excel in performance unless those who most directly affect students, including school administrators, teachers, and other licensed professionals, excel in their performance. It is the intent of the board to employ only those licensed employees who continuously exhibit a pattern of behavior that exemplifies excellent performance.

The board places a high priority on securing the most competent personnel available and, once they are employed, in assisting them in their professional growth and development throughout their careers. An effective evaluation program that clearly describes an employee's performance is a critical aspect of professional growth and assistance. Further, performance evaluation data is an important factor for consideration in decisions regarding continued employment. The superintendent must be able to substantiate any recommendation for continued employment with evaluation data, among other factors.

The superintendent is directed to develop and implement an effective evaluation system for licensed personnel that is consistent with State Board of Education policies. School administrators who are responsible for conducting evaluations shall comply with all state requirements with regard to the type and frequency of evaluation. The school principal shall evaluate teachers and may incorporate any guidelines or strategies developed by the State Board to assist in the evaluations. The principal shall provide teachers' access to EVAAS data as required by law and shall notify teachers at least annually when the data is updated to reflect teacher performance from the previous school year. The superintendent or designee shall evaluate principals and assistant principals.

All licensed personnel must be evaluated at least annually using state-approved evaluation instruments in conformance with the processes established by the State Board in the North Carolina Educator Evaluation System for that class of personnel. Teachers with fewer than three consecutive years of experience shall be evaluated annually in accordance with the comprehensive evaluation cycle established in State Board Policy TVP-C-004. For teachers with three or more years of experience, the abbreviated evaluation process established in State Board Policy TCP-C-004 satisfies the annual evaluation requirement; however, a teacher receiving an abbreviated evaluation may request that the evaluator conduct a formal observation. In addition, in any given year, the principal may elect to use the comprehensive or standard evaluation processes set forth in State Board Policy TCP-C-004 or require additional formal or informal observations to evaluate a teacher with three or more years of experience. The principal also may supplement the State Board evaluation processes for other categories of licensed personnel by requiring additional observations or other evaluation measures. The annual evaluation of principals and assistant principals must include a mid-year review.

The evaluation system must incorporate the following directives.

1. Evaluators must clearly identify exemplary performance as well as deficiencies in

- performance.
2. Evaluators are encouraged to use supplementary means of assessing and documenting performance in addition to the state performance standards, assessment rubrics, and evaluation instruments, including, but not limited to, additional formal observations, informal observations, conferences, reviews of lesson plans and grade books, interactions with the employee, plans of growth or improvement, and any other accurate indicators of performance.
  3. Student performance and growth data will be considered as a part of the evaluation of licensed personnel, as provided in the assessment rubric for the class of employees under evaluation. For teachers, such data shall include analysis of student work for performance-based courses and student performance as measured by the statewide growth model for educator effectiveness or as otherwise authorized by the State Board of Education and approved by the local board. Multiple means of assessing student performance must be used whenever possible. If only one method is used to measure student performance, it must be a clearly valid tool for evaluating an employee's impact on student performance.
  4. Peer observations of teachers with fewer than three consecutive years of experience must be conducted as required by law using the evaluation instrument and process established by the State Board and must be considered by the school administrator in evaluating teacher performance.
  5. Supervisors and principals should facilitate open communication with employees about performance expectations.
  6. An employee who is unclear about how performance is being assessed or who desires additional evaluation opportunities should address these issues with his or her immediate supervisor.
  7. Evaluators will be held accountable for following the evaluation system and all applicable state guidelines on the evaluation of employees.
  8. Evaluation data will be submitted to the central office personnel file in accordance with state law and policy 7820, Personnel Files.
  9. Evaluation data will be used in making employment decisions, including decisions related to professional and staff development (see policy 1610/7800, Professional and Staff Development), and suspension, demotion, and dismissal of employees (see policy 7930, Professional Employees: Demotion and Dismissal and policy 7940, Classified Personnel: Suspension and Dismissal). Employment decisions may be made by the board and administrators regardless of whether evaluators have followed the evaluation system, so long as there is a legally sufficient basis for the decisions.
  10. The superintendent and all evaluators are encouraged to develop ways to recognize

distinguished performance and to capitalize on the abilities of such exemplary employees in helping other employees.

The superintendent shall develop any other necessary procedures and shall provide training, as necessary, to carry out the board's directives and to meet state requirements.

Legal References: G.S. 115C-47(18), -286.1, -325, -333, -333.1; State Board of Education Policies TCP-C-004, -005, -006, -022

Cross References: Professional and Staff Development (policy 1610/7800), School Administrator Contracts (policy 7425), Plans for Growth and Improvement of Licensed Employees (policy 7811), Personnel Files (policy 7820), Professional Employees: Demotion and Dismissal (policy 7930), Classified Personnel: Suspension and Dismissal (policy 7940)

Adopted: February 9, 2012

Revised: January 9, 2014

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~~Any former employee retired through the Teachers' and State Employees' Retirement System is eligible for consideration by Asheboro City Schools as a re-employed retiree. The employment of retired personnel is subject to the North Carolina General Statutes.~~

~~A retired employee, who wishes to be considered for employment as a re-employed retiree, should submit a written letter of interest for consideration along with other candidates who meet the eligibility criteria for the vacant position.~~

~~The re-employment of retired persons shall be:~~

~~Considered on an individual basis and based on the needs of the school and the district; and,~~

~~Considered on a year-to-year basis; No guarantee of re-employment from one school year to another is assured.~~

~~If re-employed, compensation for the retired employee is negotiable and is subject to guidelines established by the North Carolina General Statutes.~~

~~Legal Reference: G.S. 115C 302.1, G.S. 115C 316(d), G.S. 115C 325, G.S. 135 3(8)c and G.S. 128 24(5)c.~~

~~Adopted: August 11, 2005~~

~~Cross Reference: none~~

~~Administrative Procedure: none~~

**REDUCTION IN FORCE:  
TEACHERS AND SCHOOL ADMINISTRATORS**

*Policy Code:*

**7920**

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The purpose of this policy is to establish an orderly procedure for a reduction in force. This policy applies to (1) employees with career status and (2) all other teachers and school administrators, as defined in the relevant statutes, during the terms of their contracts. A reduction in force among any other employees will be accomplished in accordance with policy 7921, Classified Personnel Reduction, or, as applicable, in accordance with any conflicting terms of an individual employee's contract.

**A. GROUNDS FOR REDUCTION IN FORCE**

A reduction in force may be implemented when the board determines that any of the following circumstances have resulted in the need to decrease the number of positions held by employees to whom this policy applies.

1. System Reorganization

System reorganization is defined as (a) the closing, consolidation, or reorganization of schools, school buildings, or facilities; (b) the elimination, curtailment, or reorganization of a curriculum offering, program, or school operation; or (c) the merger of two or more school systems.

2. Declining Enrollment

Declining enrollment exists (a) when the enrollment or projected enrollment for the next succeeding school year causes a decrease in the number of teaching or administrative positions allocated by the State or any other funding source; or (b) when the enrollment or projected enrollment of a curriculum offering or program for the next succeeding school year is inadequate to justify continuation of the course or program.

3. Financial Exigency

Financial exigency means (a) any significant decline in the board's financial resources that compels a reduction in the school system's current operational budget; (b) any significant decrease or elimination in funding for a particular program; or (c) any insufficiency in funding that would render the board unable to continue existing programs at current levels.

**B. PRELIMINARY DETERMINATION**

1. The superintendent shall determine whether or not a reduction in force for employees subject to this policy is necessary, appropriate, or in the best interests of the school system.



2. If the superintendent decides to recommend to the board a reduction in force, he or she shall first determine which positions shall be subject to the reduction. In making that determination, the superintendent shall account for both:
  - a. structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (1) less essential, duplicative, or excess personnel; (2) job responsibility and/or position inefficiencies; (3) opportunities for combined work functions; and/or (4) decreased student or other demands for curriculum, programs, operations, or other services; and
  - b. organizational considerations, such as anticipated organizational needs of the school system and program/school enrollment.
3. The superintendent shall then present a recommendation to the board. The recommendation must include:
  - a. the grounds for a reduction in force;
  - b. the positions to be reduced, categorized by area(s) of licensure and/or program responsibility; and
  - c. the background information, data, and rationale for the recommendation.
4. The board will review the superintendent's recommendation and will determine whether to reduce the number of licensed employees or to reduce their terms of employment.
5. If the board, after exploring, considering, and discussing a variety of ways to avoid a reduction in force, determines that a reduction in force of employees subject to this policy is necessary, the superintendent shall recommend to the board which individuals are to be dismissed, demoted, or reduced to part-time employment, based on the criteria set forth below.

### C. CRITERIA

The primary consideration in any reduction in force will be the maintenance of a sound and balanced educational program that is consistent with the functions and responsibilities of the school system. The superintendent shall consider a variety of factors in determining which employees will be included in the reduction in force, including the following:

1. work performance and evaluation ratings;
2. areas of licensure;

3. highly qualified status;
4. program enrollment;
5. service in extra duty positions and ability to fill such positions;
6. length of service, with higher priority given to service in this school system; and
7. degree level.

The superintendent shall develop a system for using the above-mentioned factors to determine which employees will be recommended to the board for inclusion in the reduction in force.

**D. PROCEDURE FOR TERMINATION**

The board will consider the superintendent's recommendation and may, by resolution, order dismissal or demotion of an individual or reduce an individual to part-time employment. All requirements of G.S. 115C-325 (for teachers with career status) and 115C-325.6 (for non-career status teachers) will be met, including the time limits and procedures for notice and the opportunity for a hearing, when any teacher with career status (as defined in G.S. 115C-325) or teacher or administrator (as defined in G.S. 115C-325.1) is terminated, demoted, or reduced to part-time employment due to a reduction in force.

**E. TERMINATION/REEMPLOYMENT OF A TEACHER WITH CAREER STATUS**

When a teacher with career status is dismissed in accordance with this policy, his or her name will be placed on a list of available employees to be maintained by the board.

**F. NONRENEWAL OF AN EMPLOYEE**

The board, upon recommendation of the superintendent, may refuse to renew the contract of a non-career status teacher; to offer a new, renewed, or extended contract to a school administrator; or to reemploy any non-career status teacher who is not under contract for any cause it deems sufficient (see policy 7950, Non-Career Status Teachers: Nonrenewal). A decision (1) not to renew a non-career status teacher's contract, (2) not to renew, extend, or offer a new contract to a school administrator, or (3) to not reemploy any non-career status teacher who is not under contract is not considered a "termination" under this policy. In such circumstances the procedures set forth in this policy are not required to be followed before the board's decision.

Legal References: G.S. 115C-287.1, -325 (applicable to career status teachers), -325.4, -325.6 to -325.9 (applicable to non-career status teachers)

Cross References: Non-Career Status Teachers: Nonrenewal (policy 7950)

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

Updated: April 8, 1999, August 13, 2009, April 14, 2011, October 13, 2011, June 12, 2014



## DUAL LANGUAGE IMMERSION PROGRAM

### What is the goal of the Dual Language Immersion Program?

- Students will develop high levels of proficiency in their primary language and a second language.
- Academic performance will be at or above grade level in all content areas
- Students will demonstrate positive cross-cultural attitudes and behaviors.

The goal of the Dual Language Immersion Program is not only for students to become bilingual, but also bi-literate and bicultural.

### Key Features

- Both English learners and English proficient students are mixed in the same classroom to promote bilingualism, bi-literacy, and multiculturalism
- Students are held to the same high academic standards
- No mixing of languages - language of instruction is separated

The Asheboro City Schools' Dual Language Immersion Program (ACS DLIP) is elective and has a lottery process for admittance. Parents/guardians must complete either an online application or a paper application which must be turned in to the school or the district **office** to be considered for participation in the program. Please be mindful that **completing an application does not guarantee that your child will be admitted to the program.**

### Lottery:

#### **Kindergarten:**

After the application deadline, all applicants are entered into a lottery. Parents/guardians will be mailed a letter with the lottery results. If there are more applicants than seats available, wait lists will be formed. Once parents are notified of their selection to the Dual Language Immersion Program, they must complete the registration by July 15. If a student who is selected does not enroll by July 15, then the next person on the wait list will be offered the seat in the program.



## **Dual Language Immersion Program**

### **IMPORTANT INFORMATION**

#### **Information sessions**

| <b><u>Date</u></b> | <b><u>Event</u></b>                         | <b><u>Location</u></b> | <b><u>Time</u></b>         |
|--------------------|---|------------------------|----------------------------|
| March 1, 2016      | Rising Kindergarten Registration            | Balfour Elementary     | 4:00-7:00pm                |
| March 15, 2016     | Parent Information Session                  | ECDC                   | 5:30-6:30pm                |
| March 23, 2016     | Parent Information Session                  | Balfour Elementary     | 6:00-7:00pm                |
| April 27, 2016     | Kindergarten Screening Information Sessions | Balfour Elementary     | 12:00-6:00pm               |
| April 28, 2016     | Kindergarten Screening Information Sessions | Balfour Elementary     | 8:30-1:00pm<br>3:00-6:00pm |

#### **Application Timeline**

| <b><u>Date</u></b>              | <b><u>Step</u></b>                         |
|---------------------------------|--|
| April 4, 2016                   | Application window opens                   |
| May 30, 2016                    | Application window closes                  |
| June 10, 2016                   | Selection/Lottery of seats for DLI program |
| June 15, 2016                   | Parent Notification Letters go home        |
| June 20- July 15, 2016          | Enrollment in DLI program completed        |
| Rising Kindergarten Information | August 12st at Balfour Elementary          |



# DUAL LANGUAGE IMMERSION PROGRAM APPLICATION

2016-  
2017

Eligible Students: Rising Kindergarten students for 2016-2017

Application Window: April 4– May 30, 2016

Application Deadline: May 30, 2016

ONCE THE APPLICATION IS SUBMITTED, NO CHANGES MAY BE  
MADE PLEASE PRINT and COMPLETE ALL INFORMATION

## DEMOGRAPHIC INFORMATION

Student Name: \_\_\_\_\_

Last: \_\_\_\_\_ First: \_\_\_\_\_ Middle: \_\_\_\_\_

Date of Birth (D/M/Y): \_\_\_\_\_ Gender: Female \_\_\_ Male \_\_\_

Ethnicity: (Must select one):  Hispanic/Latino  Not Hispanic/Latino

Race: (Must select at least one):  Black or African American  Asian  White

Native Hawaiian or Pacific Islander  American Indian or Alaskan Native

Parent(s)/ Guardian(s) Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Home #: \_\_\_\_\_ Cell #: \_\_\_\_\_ Work#: \_\_\_\_\_

Student's Primary Language: English \_\_\_ Yes \_\_\_ No Spanish \_\_\_ Yes \_\_\_ No

Primary/Other Languages Spoken in the Home with Fluency: \_\_\_\_\_

Childcare/School attending 15-16: \_\_\_\_\_

KINDERGARTEN APPLICATIONS: Will your child be 5 years old on or before August 31, 2016? Yes No

I understand that the two-way immersion program model used in Asheboro City Schools is a 50/50 model. I understand that this application is part of the admission process and does not guarantee my child's admission.

Parent/Guardian Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Parent/Guardian Signature: \_\_\_\_\_

Date: \_\_\_\_\_



**PARENT COMMITMENT FORM**  
**Dual Language Immersion Program**

Parent/Guardian's Name: \_\_\_\_\_

Child's Name: \_\_\_\_\_

I am requesting that my child be enrolled in the Dual Language Immersion Program at Balfour Elementary. I understand that the success of my child is conditional on my understanding of and commitment to the following, along with space availability:

1. Children enrolled in the Spanish immersion program will remain together in Kindergarten through fifth grade.
2. I understand that parents need to read to their child at home 20-30 minutes daily in English.
3. Since success in an immersion program requires consistent instruction over time, I intend to support my child in the Spanish immersion program from now through fifth grade.
4. I understand that instruction will follow the 50/50 Model beginning in kindergarten.
5. I understand that students can opt into the program if any seats become available up to the first semester of the school year.
6. I will support the program by encouraging bi-literacy, biculturalism, and bilingualism.
7. I understand attendance is of key importance and commit to having my child arrive at school on time and attend school except for illnesses.
8. I will consult with teachers and administration for additional strategies to support my child to increase success in the Spanish immersion program.
9. Once enrolled in the Dual Language Immersion Program, any academic/behavior concerns will be addressed with the principal. Appropriate interventions will be implemented. If documented interventions are unsuccessful, a formal conference with the principal, parents, student, and teachers will take place.

**Parent/Guardian Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Parent/Guardian Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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

**BASIC FINANCIAL STATEMENTS AND  
SCHEDULES**

*As of and for the Year Ended June 30, 2015*

*And Report of Independent Auditor*



**Board Members**

**Jane Redding, Chairman**

**Kyle W. Lamb, Vice Chairman**

**Gustavo Agudelo**

**Phillip R. Cheek**

**Linda R. Cranford**

**Joyce P. Harrington**

**W. Kelly Harris**

**Gidget Kidd**

**Archie Priest, Jr.**

**Chris L. Yow**

**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, 2015, 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, 2015, 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.

### Emphasis of Matter

As discussed in Note V. to the basic financial statements, the Board adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. As a result, net position as of June 30, 2014 has been restated. Our opinion is not modified with respect to these matters.

**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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 November 23, 2015 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  
November 23, 2015

## 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, 2015. 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 were able to maintain relatively the same level of Current Expense and Capital Outlay funding from the prior year.
- Student enrollment remained relatively constant from the previous year.
- The Randolph County Board of Commissioners voted to increase the supplemental tax rate for the Board from 13.85% to 15.00% starting July 1, 2014. This resulted in an increase of nearly \$225,000 in supplemental taxes for the 2014-2015 fiscal year.
- The Board contracted with Smith Sinnett Architecture to complete a 10 year facilities plan during the 2014-2015 fiscal year. This plan helps to project facilities needs for the district over the next decade.

### 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 and outflows 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 deferred outflows of resources 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 \$33,647,125 as of June 30, 2015. The largest component of net position is net investment in capital assets, of \$36,641,490. It comprises 109% of the total net position due to negative unrestricted net position.

Following is a summary of the Statement of Net Position:

|                                | <b>Governmental Activities</b> |               | <b>Business-type Activities</b> |              | <b>Total Primary Government</b> |               |
|--------------------------------|--------------------------------|---------------|---------------------------------|--------------|---------------------------------|---------------|
|                                | 2015                           | 2014          | 2015                            | 2014         | 2015                            | 2014          |
| Current assets                 | \$ 6,392,424                   | \$ 6,064,741  | \$ 1,090,042                    | \$ 962,015   | \$ 7,482,466                    | \$ 7,026,756  |
| Capital assets                 | 36,454,287                     | 37,341,968    | 187,203                         | 203,027      | 36,641,490                      | 37,544,995    |
| Total assets                   | 42,846,711                     | 43,406,709    | 1,277,245                       | 1,165,042    | 44,123,956                      | 44,571,751    |
| Deferred Outflows of resources | 3,852,142                      | -             | 24,222                          | -            | 3,876,364                       | -             |
| Current liabilities            | 2,742,155                      | 2,152,693     | 181,801                         | 71,002       | 2,923,956                       | 2,223,695     |
| Long-term liabilities          | 2,561,273                      | 785,027       | 15,333                          | -            | 2,576,606                       | 785,027       |
| Total liabilities              | 5,303,428                      | 2,937,720     | 197,134                         | 71,002       | 5,500,562                       | 3,008,722     |
| Deferred inflows of resources  | 8,797,392                      | 64,800        | 55,241                          | -            | 8,852,633                       | 64,800        |
| Investment in capital assets   | 36,454,287                     | 37,341,968    | 187,203                         | 203,027      | 36,641,490                      | 37,544,995    |
| Restricted net position        | 2,055,772                      | 1,096,440     | -                               | -            | 2,055,772                       | 1,096,440     |
| Unrestricted net position      | (5,912,026)                    | 1,965,781     | 861,889                         | 891,013      | (5,050,137)                     | 2,856,794     |
| Total net position             | \$ 32,598,033                  | \$ 40,404,189 | \$ 1,049,092                    | \$ 1,094,040 | \$ 33,647,125                   | \$ 41,498,229 |

The Board's net position decreased due to the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pension* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, beginning July 1, 2014 which resulted in the inclusion of the pension liability for the Board in the financial statements.



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

|   | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                     | <b>Total Primary Government</b> |                      |
|---|--------------------------------|----------------------|---------------------------------|---------------------|---------------------------------|----------------------|
|   | <b>2015</b>                    | <b>2014</b>          | <b>2015</b>                     | <b>2014</b>         | <b>2015</b>                     | <b>2014</b>          |
| <b>Revenues:</b>                                    |                                |                      |                                 |                     |                                 |                      |
| <b>Program revenues:</b>                            |                                |                      |                                 |                     |                                 |                      |
| Charges for services                                | \$ 1,087,089                   | \$ 1,175,900         | \$ 474,285                      | \$ 564,701          | \$ 1,561,374                    | \$ 1,740,601         |
| Operating grants and contributions                  | 30,008,137                     | 29,091,213           | 2,510,205                       | 2,347,075           | 32,518,342                      | 31,438,288           |
| <b>General revenues:</b>                            |                                |                      |                                 |                     |                                 |                      |
| State of North Carolina                             | 1,761,703                      | 2,723,493            | -                               | -                   | 1,761,703                       | 2,723,493            |
| Randolph County                                     | 5,387,123                      | 5,650,658            | -                               | -                   | 5,387,123                       | 5,650,658            |
| Other revenues                                      | 3,648,022                      | 3,482,344            | 3,557                           | 2,203               | 3,651,579                       | 3,484,547            |
| <b>Total revenues</b>                               | <b>41,892,074</b>              | <b>42,123,608</b>    | <b>2,988,047</b>                | <b>2,913,979</b>    | <b>44,880,121</b>               | <b>45,037,587</b>    |
| <b>Expenses:</b>                                    |                                |                      |                                 |                     |                                 |                      |
| <b>Governmental activities:</b>                     |                                |                      |                                 |                     |                                 |                      |
| Instructional programs                              | 30,920,535                     | 34,838,576           | -                               | -                   | 30,920,535                      | 34,838,576           |
| Supporting services                                 | 6,959,268                      | 7,576,207            | -                               | -                   | 6,959,268                       | 7,576,207            |
| Non-programmed charges                              | 240,063                        | 216,358              | -                               | -                   | 240,063                         | 216,358              |
| Unallocated depreciation expense                    | 1,393,320                      | 1,258,544            | -                               | -                   | 1,393,320                       | 1,258,544            |
| <b>Business-type activities:</b>                    |                                |                      |                                 |                     |                                 |                      |
| School food service                                 | -                              | -                    | 3,005,533                       | 2,853,821           | 3,005,533                       | 2,853,821            |
| Child care  | -                              | -                    | 32,016                          | 32,392              | 32,016                          | 32,392               |
| <b>Total expenses</b>                               | <b>39,513,186</b>              | <b>43,889,685</b>    | <b>3,037,549</b>                | <b>2,886,213</b>    | <b>42,550,735</b>               | <b>46,775,898</b>    |
| Transfers in (out)                                  | (68,528)                       | (60,232)             | 68,528                          | 60,232              | -                               | -                    |
| <b>Change in net position</b>                       | <b>2,310,360</b>               | <b>(1,826,309)</b>   | <b>19,026</b>                   | <b>87,998</b>       | <b>2,329,386</b>                | <b>(1,738,311)</b>   |
| <b>Net position, beginning, previously reported</b> | 40,404,189                     | 42,230,498           | 1,094,040                       | 1,006,042           | 41,498,229                      | 43,236,540           |
| <b>Restatement</b>                                  | (10,116,516)                   | -                    | (63,974)                        | -                   | (10,180,490)                    | -                    |
| <b>Net position, beginning, restated</b>            | <b>30,287,673</b>              | <b>42,230,498</b>    | <b>1,030,066</b>                | <b>1,006,042</b>    | <b>31,317,739</b>               | <b>43,236,540</b>    |
| <b>Net position, ending</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> |

Total governmental activities generated revenues of \$41,892,074 while expenses in this category totaled \$39,513,186 for the year ended June 30, 2015. Comparatively, revenues were \$42,123,608 and expenses totaled \$43,889,685 for the year ended June 30, 2014. After transfers to the business-type activities, the decrease in net position stands at \$(7,806,156) after restatement at June 30, 2015, compared to a decrease of \$(1,826,309) in 2014. Instructional programs expenses comprised 78% of total governmental-type expenses while supporting services made up 18% of those expenses for 2015. County funding comprised 13% of total governmental revenue. In 2014, county funding was 13%. Much of the remaining 87% of total governmental revenue consists of restricted state and federal money. This revenue represented 87% of total revenue in 2014. Business-type activities generated revenue of \$2,988,047 and had expenses of \$3,037,549. Net position decreased in the business-type activities by \$(44,948) after restatement and net transfers in from the governmental activities of \$68,528.

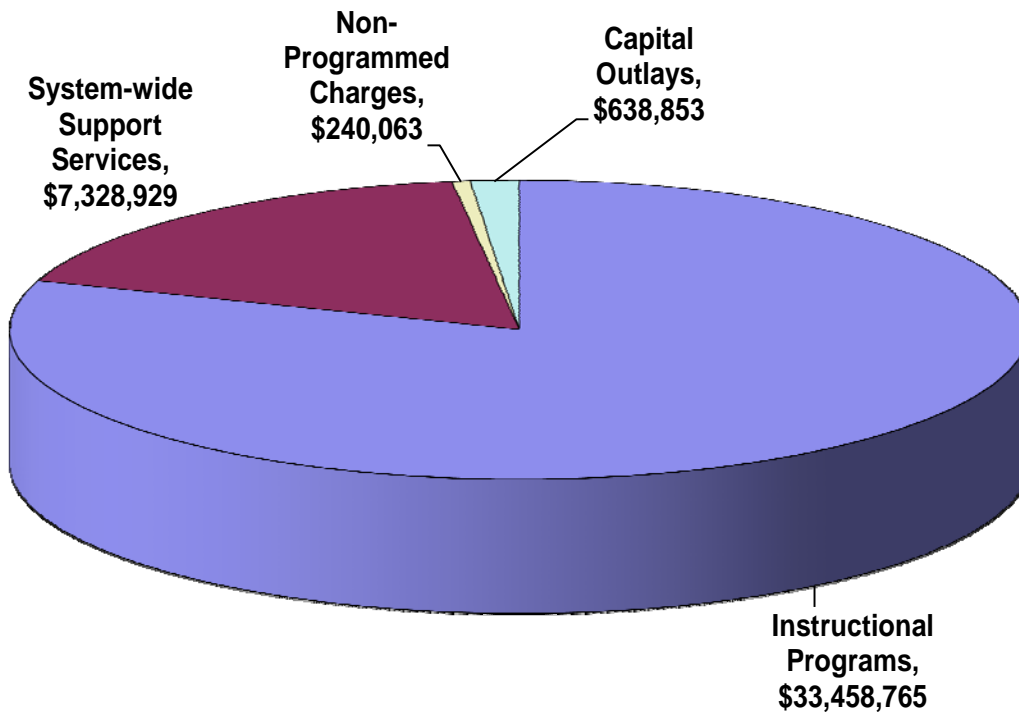
## Financial Analysis of the Board's Funds

*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 \$5,598,480, a \$172,049 increase from last year. In the General Fund expenditures exceeded revenues resulting in a decrease in fund balance. Changes in major sources of funding from the prior year were as follows: state funding increased by \$862,885, county funding decreased by \$(263,535), and federal grants decreased by \$(770,749). Expenditures decreased \$(1,576,294) and included \$638,853 in capital outlay expenditures.

*Proprietary Funds:* The Board's business type funds consist of the School Food Service Fund and the Child Care Fund. The Child Care Fund reflected no change in net position after restatements over last year, while the School Food Service Fund experienced a small operating loss due to the implementation of GASB 68/71. Nonoperating revenue experienced an increase in revenues due to increases in federal reimbursements, and operating revenues experienced a decrease. Total expenses increased from last year.

### 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.

## Capital Assets

Capital assets decreased by \$(903,505) or 2.41% from the previous year.

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

|  | Governmental Activities |                      | Business-type Activities |                   | Total Primary Government |                      |
|--|-------------------------|----------------------|--------------------------|-------------------|--------------------------|----------------------|
|  | 2015                    | 2014                 | 2015                     | 2014              | 2015                     | 2014                 |
|  | <b>Land</b>             | \$ 3,038,935         | \$ 3,038,935             | \$ -              | \$ -                     | \$ 3,038,935         |
| <b>Construction in progress</b>          | 159,264                 | 14,626               | -                        | -                 | 159,264                  | 14,626               |
| <b>Buildings</b>                         | 32,362,203              | 33,244,748           | -                        | -                 | 32,362,203               | 33,244,748           |
| <b>Land improvements</b>                 | 339,635                 | 317,828              | -                        | -                 | 339,635                  | 317,828              |
| <b>Furniture, equipment and vehicles</b> | 554,250                 | 725,831              | 187,203                  | 203,027           | 741,453                  | 928,858              |
| <b>Total</b>                             | <u>\$ 36,454,287</u>    | <u>\$ 37,341,968</u> | <u>\$ 187,203</u>        | <u>\$ 203,027</u> | <u>\$ 36,641,490</u>     | <u>\$ 37,544,995</u> |

## Debt Outstanding

During the year the Board's debt decreased by \$214,346 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 2015, the County's unemployment rate of 5.8% is slightly lower than the state average of 6.1%. Of the surrounding counties, only Chatham (5.2%) and Alamance (5.7%) had lower rates. Davidson (5.9%), Guilford (6.3%), Montgomery (6.2%), and Moore (6.1%) all had higher unemployment rates than Randolph County.

From July 2014 through June 2015, plant closures and layoffs resulted in a loss of 85 jobs in our County, while 853 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  
Director of Finance  
Asheboro City Board of Education  
1126 S. Park St.  
Asheboro, NC 27203

**Asheboro City Board of Education**  
**Statement of Net Position**  
**June 30, 2015**

|   | <b>Governmental<br/>Activities</b> | <b>Business<br/>Type<br/>Activities</b> | <b>Total</b>         |
|---|------------------------------------|---|----------------------|
| <b>Assets</b>                             |                                    |   |                      |
| Cash and cash equivalents                 | \$ 5,504,059                       | \$ 882,837                              | \$ 6,386,896         |
| Accounts receivable, net                  | 115,639                            | 330                                     | 115,969              |
| Due from other governments                | 689,426                            | 114,949                                 | 804,375              |
| Internal balances                         | 42,585                             | (42,585)                                | -                    |
| Inventories                               | 40,715                             | 134,511                                 | 175,226              |
| Capital assets                            |                                    |   |                      |
| Land and construction in progress         | 3,198,199                          | -                                       | 3,198,199            |
| Other capital assets, net of depreciation | 33,256,088                         | 187,203                                 | 33,443,291           |
| Total capital assets                      | <u>36,454,287</u>                  | <u>187,203</u>                          | <u>36,641,490</u>    |
| <b>Total assets</b>                       | <u>42,846,711</u>                  | <u>1,277,245</u>                        | <u>44,123,956</u>    |
| <b>Deferred Outflows of Resources</b>     | 3,852,142                          | 24,222                                  | 3,876,364            |
| <b>Liabilities</b>                        |                                    |   |                      |
| Accounts payable                          | 259,119                            | 160,382                                 | 419,501              |
| Unearned revenue                          | -                                  | 11,172                                  | 11,172               |
| Accrued salaries and benefits             | 357,075                            | -                                       | 357,075              |
| Long-term liabilities:                    |                                    |   |                      |
| Due within one year                       | 2,125,961                          | 10,247                                  | 2,136,208            |
| Due in more than one year                 | 2,561,273                          | 15,333                                  | 2,576,606            |
| <b>Total liabilities</b>                  | <u>5,303,428</u>                   | <u>197,134</u>                          | <u>5,500,562</u>     |
| <b>Deferred Inflows of Resources</b>      | 8,797,392                          | 55,241                                  | 8,852,633            |
| <b>Net position</b>                       |                                    |   |                      |
| Investment in capital assets              | 36,454,287                         | 187,203                                 | 36,641,490           |
| Restricted for                            |                                    |   |                      |
| Stabilization by State Statute            | 225,425                            | -                                       | 225,425              |
| Capital School Outlay                     | 1,509,867                          | -                                       | 1,509,867            |
| Individual Schools                        | 146,187                            | -                                       | 146,187              |
| Programs                                  | 174,293                            | -                                       | 174,293              |
| Unrestricted                              | (5,912,026)                        | 861,889                                 | (5,050,137)          |
| <b>Total net position</b>                 | <u>\$ 32,598,033</u>               | <u>\$ 1,049,092</u>                     | <u>\$ 33,647,125</u> |

See notes to financial statements.

**Asheboro City Board of Education**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

| Functions/Programs                                   | Program Revenues     |                         |  | Net (Expense) Revenue and<br>Changes in Net Position |                            |                             |                      |
|--|----------------------|-------------------------|--|--|----------------------------|-----------------------------|----------------------|
|  | Expenses             | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions               | Primary Government         |                             | Total                |
|  |                      |                         |  |  | Governmental<br>Activities | Business-type<br>Activities |                      |
| <b>Primary government</b>                            |                      |                         |  |  |                            |                             |                      |
| Governmental activities                              |                      |                         |  |  |                            |                             |                      |
| Instructional programs                               |                      |                         |  |  |                            |                             |                      |
| Regular  | \$ 17,803,415        | \$ 280,927              | \$ 15,970,726                            | \$ -   | \$ (1,551,762)             | \$ -                        | \$ (1,551,762)       |
| Special Populations                                  | 4,947,159            | -                       | 5,081,755                                | -  | 134,596                    | -                           | 134,596              |
| Alternative Programs                                 | 3,318,186            | -                       | 2,527,816                                | -  | (790,370)                  | -                           | (790,370)            |
| School Leadership                                    | 2,319,216            | -                       | 1,936,801                                | -  | (382,415)                  | -                           | (382,415)            |
| Co-curricular  | 186,548              | 806,162                 | -  | -  | 619,614                    | -                           | 619,614              |
| School-based Support                                 | 2,346,011            | -                       | 2,106,806                                | -  | (239,205)                  | -                           | (239,205)            |
| System-wide Support Services                         |                      |                         |  |  |                            |                             |                      |
| Support and Development                              | 255,647              | -                       | 4,499                                    | -  | (251,148)                  | -                           | (251,148)            |
| Special Population                                   | 378,586              | -                       | 342,223                                  | -  | (36,363)                   | -                           | (36,363)             |
| Alternative Programs                                 | 12,208               | -                       | 12,208                                   | -  | -                          | -                           | -                    |
| Technology Support                                   | 432,507              | -                       | 32,658                                   | -  | (399,849)                  | -                           | (399,849)            |
| Operational Support                                  | 3,888,550            | -                       | 1,558,293                                | -  | (2,330,257)                | -                           | (2,330,257)          |
| Financial and Human Resource                         | 853,823              | -                       | 8,470                                    | -  | (845,353)                  | -                           | (845,353)            |
| Accountability                                       | 163,294              | -                       | 9,188                                    | -  | (154,106)                  | -                           | (154,106)            |
| System-wide Pupil Support                            | 52,641               | -                       | -  | -  | (52,641)                   | -                           | (52,641)             |
| Policy, Leadership and Public Relations              | 922,012              | -                       | 343,438                                  | -  | (578,574)                  | -                           | (578,574)            |
| Non-programmed Charges                               | 240,063              | -                       | 73,256                                   | -  | (166,807)                  | -                           | (166,807)            |
| Unallocated depreciation expense                     | 1,393,320            | -                       | -  | -  | (1,393,320)                | -                           | (1,393,320)          |
| Total governmental activities                        | <u>39,513,186</u>    | <u>1,087,089</u>        | <u>30,008,137</u>                        | <u>-</u>   | <u>(8,417,960)</u>         | <u>-</u>                    | <u>(8,417,960)</u>   |
| Business-type activities                             |                      |                         |  |  |                            |                             |                      |
| School food service                                  | 3,005,533            | 446,770                 | 2,510,205                                | -  | -                          | (48,558)                    | (48,558)             |
| Child care   | 32,016               | 27,515                  | -  | -  | -                          | (4,501)                     | (4,501)              |
| Total business-type activities                       | <u>3,037,549</u>     | <u>474,285</u>          | <u>2,510,205</u>                         | <u>-</u>   | <u>-</u>                   | <u>(53,059)</u>             | <u>(53,059)</u>      |
| <b>Total primary government</b>                      | <u>\$ 42,550,735</u> | <u>\$ 1,561,374</u>     | <u>\$ 32,518,342</u>                     | <u>\$ -</u>  | <u>(8,417,960)</u>         | <u>(53,059)</u>             | <u>(8,471,019)</u>   |
| <b>General revenues</b>                              |                      |                         |  |  |                            |                             |                      |
| State of North Carolina                              |                      |                         |  |  | 1,761,703                  | -                           | 1,761,703            |
| Randolph County                                      |                      |                         |  |  | 5,387,123                  | -                           | 5,387,123            |
| Other  |                      |                         |  |  | 3,647,383                  | 2,605                       | 3,649,988            |
| Interest earned on investments                       |                      |                         |  |  | 639                        | 952                         | 1,591                |
| <b>Transfers</b>                                     |                      |                         |  |  | (68,528)                   | 68,528                      | -                    |
| <b>Total general revenues and transfers</b>          |                      |                         |  |  | <u>10,728,320</u>          | <u>72,085</u>               | <u>10,800,405</u>    |
| <b>Change in net position</b>                        |                      |                         |  |  | <u>2,310,360</u>           | <u>19,026</u>               | <u>2,329,386</u>     |
| <b>Net position - beginning, previously reported</b> |                      |                         |  |  | <u>40,404,189</u>          | <u>1,094,040</u>            | <u>41,498,229</u>    |
| <b>Restatement</b>                                   |                      |                         |  |  | <u>(10,116,516)</u>        | <u>(63,974)</u>             | <u>(10,180,490)</u>  |
| <b>Net position - beginning, restated</b>            |                      |                         |  |  | <u>30,287,673</u>          | <u>1,030,066</u>            | <u>31,317,739</u>    |
| <b>Net position - ending</b>                         |                      |                         |  |  | <u>\$ 32,598,033</u>       | <u>\$ 1,049,092</u>         | <u>\$ 33,647,125</u> |

See notes to financial statements.

**Asheboro City Board of Education**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

|  | Major Funds         |                                |                           |                             |                           |                               | Total<br>Governmental<br>Funds |
|--|---------------------|--------------------------------|---------------------------|-----------------------------|---------------------------|-------------------------------|--------------------------------|
|  | General             | State<br>Public<br>School Fund | Federal<br>Grants<br>Fund | Other<br>Restricted<br>Fund | Capital<br>Outlay<br>Fund | Individual<br>Schools<br>Fund |                                |
| <b>Assets</b>  |                     |                                |                           |                             |                           |                               |                                |
| Cash and cash equivalents  | \$ 3,590,972        | \$ -                           | \$ -                      | \$ 262,082                  | \$ 1,436,756              | \$ 214,249                    | \$ 5,504,059                   |
| Accounts receivable, net   | 16,649              | -                              | -                         | 98,990                      | -                         | -                             | 115,639                        |
| Due from other governments   | 134,832             | 191,104                        | 22,284                    | 79,966                      | 256,757                   | 4,483                         | 689,426                        |
| Due from other funds   | 68,433              | -                              | -                         | 50,174                      | -                         | 2,000                         | 120,607                        |
| Inventories  | 40,715              | -                              | -                         | -                           | -                         | -                             | 40,715                         |
| <b>Total Assets</b>  | <b>\$ 3,851,601</b> | <b>\$ 191,104</b>              | <b>\$ 22,284</b>          | <b>\$ 491,212</b>           | <b>\$ 1,693,513</b>       | <b>\$ 220,732</b>             | <b>\$ 6,470,446</b>            |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>       |                     |                                |                           |                             |                           |                               |                                |
| Liabilities:   |                     |                                |                           |                             |                           |                               |                                |
| Accounts payable and accrued liabilities                                   | \$ 132,098          | \$ -                           | \$ -                      | \$ 506                      | \$ 122,006                | \$ 4,509                      | \$ 259,119                     |
| Due to other funds   | 9,834               | -                              | -                         | 2,635                       | -                         | 65,553                        | 78,022                         |
| Accrued salaries wages and benefits  | 148,673             | 189,200                        | 19,202                    | -                           | -                         | -                             | 357,075                        |
| <b>Total Liabilities</b>   | <b>290,605</b>      | <b>189,200</b>                 | <b>19,202</b>             | <b>3,141</b>                | <b>122,006</b>            | <b>70,062</b>                 | <b>694,216</b>                 |
| Deferred inflows of resources  | 53,746              | 1,904                          | 3,082                     | 108,778                     | 5,757                     | 4,483                         | 177,750                        |
| Fund balances  |                     |                                |                           |                             |                           |                               |                                |
| Nonspendable   |                     |                                |                           |                             |                           |                               |                                |
| Inventories  | 40,715              | -                              | -                         | -                           | -                         | -                             | 40,715                         |
| Restricted   |                     |                                |                           |                             |                           |                               |                                |
| Stabilization by State Statute   | 225,425             | -                              | -                         | -                           | -                         | -                             | 225,425                        |
| School Capital Outlay  | -                   | -                              | -                         | -                           | 1,509,867                 | -                             | 1,509,867                      |
| Individual Schools Programs  | -                   | -                              | -                         | 174,293                     | -                         | 146,187                       | 146,187                        |
| Assigned   |                     |                                |                           |                             |                           |                               |                                |
| Designated for subsequent year's expenditures                              | 1,000,000           | -                              | -                         | 205,000                     | 55,883                    | -                             | 1,260,883                      |
| Unassigned   |                     |                                |                           |                             |                           |                               |                                |
| General fund   | 2,241,110           | -                              | -                         | -                           | -                         | -                             | 2,241,110                      |
| <b>Total Fund Balances</b>   | <b>3,507,250</b>    | <b>-</b>                       | <b>-</b>                  | <b>379,293</b>              | <b>1,565,750</b>          | <b>146,187</b>                | <b>5,598,480</b>               |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 3,851,601</b> | <b>\$ 191,104</b>              | <b>\$ 22,284</b>          | <b>\$ 491,212</b>           | <b>\$ 1,693,513</b>       | <b>\$ 220,732</b>             | <b>\$ 6,470,446</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, 2015**

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

|   |                      |
|---|----------------------|
| Ending fund balance - governmental funds  | \$ 5,598,480         |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                         | 36,454,287           |
| Deferred outflows of resources related to pensions  | 3,852,142            |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.                        | 137,890              |
| Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. | (2,262,524)          |
| Net pension liability   | (2,424,710)          |
| Deferred inflows of resources related to pensions   | <u>(8,757,532)</u>   |
| Net position of governmental activities   | <u>\$ 32,598,033</u> |



**Asheboro City Board of Education**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

|  | Major Funds         |                                |                           |                             |                           |                               | Total<br>Governmental<br>Funds |
|--|---------------------|--------------------------------|---------------------------|-----------------------------|---------------------------|-------------------------------|--------------------------------|
|  | General             | State<br>Public<br>School Fund | Federal<br>Grants<br>Fund | Other<br>Restricted<br>Fund | Capital<br>Outlay<br>Fund | Individual<br>Schools<br>Fund |                                |
| <b>Revenues</b>  |                     |                                |                           |                             |                           |                               |                                |
| State of North Carolina  | \$ -                | \$ 26,929,514                  | \$ -                      | \$ 677,089                  | \$ 9,273                  | \$ -                          | \$ 27,615,876                  |
| Randolph County  | 4,556,038           | -                              | -                         | -                           | 831,085                   | -                             | 5,387,123                      |
| U.S. Government  | -                   | -                              | 3,698,655                 | 361,729                     | -                         | -                             | 4,060,384                      |
| Other  | 3,598,286           | -                              | -                         | 421,306                     | 2,937                     | 806,162                       | 4,828,691                      |
| <b>Total Revenues</b>  | <u>8,154,324</u>    | <u>26,929,514</u>              | <u>3,698,655</u>          | <u>1,460,124</u>            | <u>843,295</u>            | <u>806,162</u>                | <u>41,892,074</u>              |
| <b>Expenditures</b>  |                     |                                |                           |                             |                           |                               |                                |
| <b>Current:</b>  |                     |                                |                           |                             |                           |                               |                                |
| Instructional Programs   |                     |                                |                           |                             |                           |                               |                                |
| Regular  | 1,853,971           | 16,289,480                     | 256,278                   | 104,883                     | -                         | 820,802                       | 19,325,414                     |
| Special Populations  | 169,256             | 3,914,389                      | 1,167,366                 | 88,690                      | -                         | -                             | 5,339,701                      |
| Alternative Programs   | 508,541             | 710,186                        | 1,817,630                 | 540,032                     | -                         | -                             | 3,576,389                      |
| School Leadership  | 575,775             | 1,935,467                      | 1,334                     | -                           | -                         | -                             | 2,512,576                      |
| Co-curricular  | 183,649             | -                              | -                         | -                           | -                         | -                             | 183,649                        |
| School-based Support   | 217,716             | 1,950,058                      | 156,748                   | 196,514                     | -                         | -                             | 2,521,036                      |
| System-wide Support Services   |                     |                                |                           |                             |                           |                               |                                |
| Support and Development  | 273,661             | 3,499                          | 1,000                     | -                           | -                         | -                             | 278,160                        |
| Special Population   | 67,911              | 201,187                        | 141,036                   | 3,076                       | -                         | -                             | 413,210                        |
| Alternative Programs   | -                   | -                              | 12,208                    | -                           | -                         | -                             | 12,208                         |
| Technology Support   | 434,037             | 32,658                         | -                         | -                           | -                         | -                             | 466,695                        |
| Operational Support  | 2,112,912           | 1,489,007                      | 69,286                    | 364,140                     | -                         | -                             | 4,035,345                      |
| Financial and Human Resource   | 902,380             | 8,470                          | -                         | -                           | -                         | -                             | 910,850                        |
| Accountability   | 168,786             | 9,188                          | -                         | -                           | -                         | -                             | 177,974                        |
| System-wide Pupil Support  | 56,936              | -                              | -                         | -                           | -                         | -                             | 56,936                         |
| Policy, Leadership and Public Relations                              | 634,113             | 343,438                        | -                         | -                           | -                         | -                             | 977,551                        |
| Non-programmed Charges   | 166,807             | (2,513)                        | 75,769                    | -                           | -                         | -                             | 240,063                        |
| <b>Capital Outlay</b>  |                     |                                |                           |                             |                           |                               |                                |
| Real property and buildings  | -                   | -                              | -                         | -                           | 507,918                   | -                             | 507,918                        |
| Furniture and equipment  | -                   | -                              | -                         | -                           | 101,474                   | -                             | 101,474                        |
| Buses and motor vehicles   | -                   | -                              | -                         | -                           | 29,461                    | -                             | 29,461                         |
| <b>Total expenditures</b>  | <u>8,326,451</u>    | <u>26,884,514</u>              | <u>3,698,655</u>          | <u>1,297,335</u>            | <u>638,853</u>            | <u>820,802</u>                | <u>41,666,610</u>              |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <u>(172,127)</u>    | <u>45,000</u>                  | <u>-</u>                  | <u>162,789</u>              | <u>204,442</u>            | <u>(14,640)</u>               | <u>225,464</u>                 |
| <b>Other financing sources (uses)</b>                                |                     |                                |                           |                             |                           |                               |                                |
| Transfers out  | (23,528)            | (45,000)                       | -                         | -                           | -                         | -                             | (68,528)                       |
| <b>Total other financing sources (uses)</b>                          | <u>(23,528)</u>     | <u>(45,000)</u>                | <u>-</u>                  | <u>-</u>                    | <u>-</u>                  | <u>-</u>                      | <u>(68,528)</u>                |
| <b>Net change in fund balances</b>                                   | (195,655)           | -                              | -                         | 162,789                     | 204,442                   | (14,640)                      | 156,936                        |
| <b>Fund balance - beginning</b>                                      | 3,687,792           | -                              | -                         | 216,504                     | 1,361,308                 | 160,827                       | 5,426,431                      |
| <b>Increase in reserve for inventory</b>                             | 15,113              | -                              | -                         | -                           | -                         | -                             | 15,113                         |
| <b>Fund balance - ending</b>   | <u>\$ 3,507,250</u> | <u>\$ -</u>                    | <u>\$ -</u>               | <u>\$ 379,293</u>           | <u>\$ 1,565,750</u>       | <u>\$ 146,187</u>             | <u>\$ 5,598,480</u>            |

**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, 2015**

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

|   |                     |
|---|---------------------|
| Net change in fund balances - total governmental funds  | \$ 156,936          |
| Change in fund balance due to change in reserve for inventory   | 15,113              |
| 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. | (887,681)           |
| Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities  | 3,830,096           |
| 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   | 25,190              |
| 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   | (1,043,680)         |
| Compensated absences  | 214,386             |
|   | <hr/>               |
| Total changes in net position of governmental activities  | <u>\$ 2,310,360</u> |

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, 2015**

| <b>General Fund</b>  |                    |                    |                     |  |
|--|--------------------|--------------------|---------------------|--|
|  | Original<br>Budget | Final<br>Budget    | Actual              | Variance<br>With Final<br>Positive<br>(Negative) |
| <b>Revenues</b>  |                    |                    |                     |  |
| Randolph County  | \$ 4,552,805       | \$ 4,552,805       | \$ 4,556,038        | \$ 3,233   |
| Other  | 3,339,195          | 3,479,195          | 3,598,286           | 119,091  |
| <b>Total Revenues</b>  | <b>7,892,000</b>   | <b>8,032,000</b>   | <b>8,154,324</b>    | <b>122,324</b>                                   |
| <b>Expenditures</b>  |                    |                    |                     |  |
| Instructional Programs   |                    |                    |                     |  |
| Regular  | 1,987,000          | 1,982,112          | 1,853,971           | 128,141  |
| Special Populations  | 200,000            | 187,400            | 169,256             | 18,144   |
| Alternative Programs   | 525,000            | 549,559            | 508,541             | 41,018   |
| School Leadership  | 750,000            | 729,600            | 575,775             | 153,825  |
| Co-curricular  | 200,000            | 220,000            | 183,649             | 36,351   |
| School-based Support   | 325,000            | 257,235            | 217,716             | 39,519   |
| System-wide Support Services   |                    |                    |                     |  |
| Support and Development  | 275,000            | 285,500            | 273,661             | 11,839   |
| Special Population   | 80,000             | 84,000             | 67,911              | 16,089   |
| Technology Support   | 450,000            | 530,000            | 434,037             | 95,963   |
| Operational Support  | 2,350,000          | 2,363,471          | 2,112,912           | 250,559  |
| Financial and Human Resource   | 820,000            | 908,010            | 902,380             | 5,630  |
| Accountability   | 175,000            | 170,500            | 168,786             | 1,714  |
| System-wide Pupil Support  | 50,000             | 64,400             | 56,936              | 7,464  |
| Policy, Leadership and Public Relations                              | 800,000            | 771,539            | 634,113             | 137,426  |
| Non-programmed Charges   | 135,000            | 177,000            | 166,807             | 10,193   |
| <b>Total expenditures</b>  | <b>9,122,000</b>   | <b>9,280,326</b>   | <b>8,326,451</b>    | <b>953,875</b>                                   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(1,230,000)</b> | <b>(1,248,326)</b> | <b>(172,127)</b>    | <b>1,076,199</b>                                 |
| <b>Other financing sources (uses)</b>                                |                    |                    |                     |  |
| Transfers out  | (20,000)           | (40,000)           | (23,528)            | 16,472   |
| Appropriated fund balance  | 1,250,000          | 1,288,326          | -                   | (1,288,326)                                      |
| Total other financing sources (uses)                                 | 1,230,000          | 1,248,326          | (23,528)            | (1,271,854)                                      |
| <b>Net change in fund balances</b>                                   | <b>\$ -</b>        | <b>\$ -</b>        | <b>(195,655)</b>    | <b>\$ (195,655)</b>                              |
| <b>Fund balance - beginning</b>                                      |                    |                    | 3,687,792           |  |
| <b>Decrease in reserve for inventory</b>                             |                    |                    | 15,113              |  |
| <b>Fund balance - ending</b>   |                    |                    | <b>\$ 3,507,250</b> |  |

See notes to financial statements.

**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, 2015**

|  | <b>State Public School Fund</b> |                   |                   | Variance<br>With Final<br>Positive<br>(Negative) |
|--|---------------------------------|-------------------|-------------------|--|
|  | Original<br>Budget              | Final<br>Budget   | Actual            |  |
| <b>Revenues</b>  |                                 |                   |                   |  |
| State of North Carolina  | \$ 27,500,000                   | \$ 27,701,707     | \$ 26,929,514     | \$ (772,193)                                     |
| <b>Total Revenues</b>  | <u>27,500,000</u>               | <u>27,701,707</u> | <u>26,929,514</u> | <u>(772,193)</u>                                 |
| <b>Expenditures</b>  |                                 |                   |                   |  |
| Instructional Programs   |                                 |                   |                   |  |
| Regular  | 17,000,000                      | 16,696,998        | 16,289,480        | 407,518  |
| Special Populations  | 3,800,000                       | 3,950,870         | 3,914,389         | 36,481   |
| Alternative Programs   | 750,000                         | 831,632           | 710,186           | 121,446  |
| School Leadership  | 1,800,000                       | 1,966,939         | 1,935,467         | 31,472   |
| School-based Support   | 1,900,000                       | 1,994,385         | 1,950,058         | 44,327   |
| System-wide Support Services   |                                 |                   |                   |  |
| Support and Development  | -                               | 4,003             | 3,499             | 504  |
| Special Population   | 225,000                         | 206,730           | 201,187           | 5,543  |
| Technology Support   | 130,000                         | 91,940            | 32,658            | 59,282   |
| Operational Support  | 1,450,000                       | 1,519,966         | 1,489,007         | 30,959   |
| Financial and Human Resource   | -                               | 8,470             | 8,470             | -  |
| Accountability   | -                               | 9,188             | 9,188             | -  |
| Policy, Leadership and Public Relations                              | 400,000                         | 378,099           | 343,438           | 34,661   |
| Non-programmed Charges   | -                               | (2,513)           | (2,513)           | -  |
| <b>Total expenditures</b>  | <u>27,455,000</u>               | <u>27,656,707</u> | <u>26,884,514</u> | <u>772,193</u>                                   |
| <b>Excess (deficiency) of revenues<br/>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, 2015**

|  | <b>Federal Grants Fund</b> |                  |                  | Variance<br>With Final<br>Positive<br>(Negative) |
|--|----------------------------|------------------|------------------|--|
|  | Original<br>Budget         | Final<br>Budget  | Actual           |  |
| <b>Revenues</b>  |                            |                  |                  |  |
| U.S. Government  | \$ 4,055,000               | \$ 4,435,041     | \$ 3,698,655     | \$ (736,386)                                     |
| <b>Total Revenues</b>  | <u>4,055,000</u>           | <u>4,435,041</u> | <u>3,698,655</u> | <u>(736,386)</u>                                 |
| <b>Expenditures</b>  |                            |                  |                  |  |
| Instructional Programs   |                            |                  |                  |  |
| Regular  | 185,000                    | 270,583          | 256,278          | 14,305   |
| Special Populations  | 1,310,000                  | 1,382,106        | 1,167,366        | 214,740  |
| Alternative Programs   | 2,010,000                  | 2,124,297        | 1,817,630        | 306,667  |
| School Leadership  | -                          | 1,334            | 1,334            | -  |
| School-based Support   | 215,000                    | 165,727          | 156,748          | 8,979  |
| System-wide Support Services   |                            |                  |                  |  |
| Support and Development  | -                          | 1,000            | 1,000            | -  |
| Special Population   | 100,000                    | 153,730          | 141,036          | 12,694   |
| Alternative Programs   | 15,000                     | 12,866           | 12,208           | 658  |
| Technology Support   | -                          | 62,803           | -                | 62,803   |
| Operational Support  | 75,000                     | 148,306          | 69,286           | 79,020   |
| Non-programmed Charges   | 145,000                    | 112,289          | 75,769           | 36,520   |
| <b>Total expenditures</b>  | <u>4,055,000</u>           | <u>4,435,041</u> | <u>3,698,655</u> | <u>736,386</u>                                   |
| <b>Excess (deficiency) of revenues<br/>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, 2015**

|  | <b>Other Restricted Fund</b> |                  |                   | Variance<br>With Final<br>Positive<br>(Negative) |
|--|------------------------------|------------------|-------------------|--|
|  | Original<br>Budget           | Final<br>Budget  | Actual            |  |
| <b>Revenues</b>  |                              |                  |                   |  |
| State of North Carolina  | \$ 696,000                   | \$ 665,200       | \$ 677,089        | \$ 11,889  |
| U.S. Government  | 125,000                      | 194,124          | 361,729           | 167,605  |
| Other  | 465,000                      | 426,676          | 421,306           | (5,370)  |
| <b>Total Revenues</b>  | <u>1,286,000</u>             | <u>1,286,000</u> | <u>1,460,124</u>  | <u>174,124</u>                                   |
| <b>Expenditures</b>  |                              |                  |                   |  |
| Instructional Programs   |                              |                  |                   |  |
| Regular  | 190,000                      | 119,549          | 104,883           | 14,666   |
| Special Populations  | 110,000                      | 110,328          | 88,690            | 21,638   |
| Alternative Programs   | 575,000                      | 545,200          | 540,032           | 5,168  |
| School-based Support   | 191,000                      | 221,124          | 196,514           | 24,610   |
| System-wide Support Services   |                              |                  |                   |  |
| Special Population   | -                            | 5,000            | 3,076             | 1,924  |
| Operational Support  | 320,000                      | 384,799          | 364,140           | 20,659   |
| <b>Total expenditures</b>  | <u>1,386,000</u>             | <u>1,386,000</u> | <u>1,297,335</u>  | <u>88,665</u>                                    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <u>(100,000)</u>             | <u>(100,000)</u> | <u>162,789</u>    | <u>262,789</u>                                   |
| <b>Other financing sources (uses)</b>                                |                              |                  |                   |  |
| Appropriated fund balance  | 100,000                      | 100,000          | -                 | (100,000)  |
| Total other financing sources (uses)                                 | <u>100,000</u>               | <u>100,000</u>   | <u>-</u>          | <u>(100,000)</u>                                 |
| <b>Net change in fund balances</b>                                   | <u>\$ -</u>                  | <u>\$ -</u>      | <u>162,789</u>    | <u>\$ 162,789</u>                                |
| <b>Fund balance - beginning</b>                                      |                              |                  | <u>216,504</u>    |  |
| <b>Fund balance - ending</b>   |                              |                  | <u>\$ 379,293</u> |  |

**Asheboro City Board of Education  
Statement of Net Position  
Proprietary Funds  
June 30, 2015**

|  | <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                | \$ 882,837          | \$ -            | \$ 882,837          |
| Accounts receivable, net                 | 330                 | -               | 330                 |
| Due from other governments               | 114,949             | -               | 114,949             |
| Due from other funds                     | 5,978               | 3,856           | 9,834               |
| Inventories                              | 134,511             | -               | 134,511             |
| <b>Total current assets</b>              | <b>1,138,605</b>    | <b>3,856</b>    | <b>1,142,461</b>    |
| <b>Noncurrent assets</b>                 |                     |                 |                     |
| Capital assets (net of depreciation)     | 187,203             | -               | 187,203             |
| <b>Total noncurrent assets</b>           | <b>187,203</b>      | <b>-</b>        | <b>187,203</b>      |
| <b>Total assets</b>                      | <b>1,325,808</b>    | <b>3,856</b>    | <b>1,329,664</b>    |
| Deferred outflows of resources           | 22,169              | 2,053           | 24,222              |
| <b>Liabilities</b>                       |                     |                 |                     |
| <b>Current liabilities</b>               |                     |                 |                     |
| Accounts payable and accrued liabilities | 160,382             | -               | 160,382             |
| Due to other funds                       | 52,419              | -               | 52,419              |
| Unearned revenue                         | 11,172              | -               | 11,172              |
| Compensated absences payable             | 10,247              | -               | 10,247              |
| Total current liabilities                | 234,220             | -               | 234,220             |
| Net pension liability                    | 14,106              | 1,227           | 15,333              |
| Deferred inflows of resources            | 50,559              | 4,682           | 55,241              |
| <b>Net position</b>                      |                     |                 |                     |
| Net investment in capital assets         | 187,203             | -               | 187,203             |
| Unrestricted                             | 861,889             | -               | 861,889             |
| <b>Total net position</b>                | <b>\$ 1,049,092</b> | <b>\$ -</b>     | <b>\$ 1,049,092</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, 2015**

|   | <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                                      | \$ 446,770          | \$ -            | \$ 446,770          |
| Child care fees                                 | -                   | 27,515          | 27,515              |
| <b>Total operating revenues</b>                 | <u>446,770</u>      | <u>27,515</u>   | <u>474,285</u>      |
| <b>Operating expenses</b>                       |                     |                 |                     |
| Food cost                                       | 1,285,316           | -               | 1,285,316           |
| Salaries and benefits                           | 1,144,085           | 30,283          | 1,174,368           |
| Indirect costs                                  | 150,891             | -               | 150,891             |
| Materials and supplies                          | 153,279             | 1,733           | 155,012             |
| Contracted services                             | 208,434             | -               | 208,434             |
| Depreciation                                    | 37,328              | -               | 37,328              |
| Other   | 26,200              | -               | 26,200              |
| <b>Total operating expenses</b>                 | <u>3,005,533</u>    | <u>32,016</u>   | <u>3,037,549</u>    |
| <b>Operating loss</b>                           | <u>(2,558,763)</u>  | <u>(4,501)</u>  | <u>(2,563,264)</u>  |
| <b>Nonoperating revenue</b>                     |                     |                 |                     |
| Federal reimbursements                          | 2,331,533           | -               | 2,331,533           |
| Federal commodities                             | 169,715             | -               | 169,715             |
| State reimbursements                            | 8,957               | -               | 8,957               |
| Interest earned                                 | 952                 | -               | 952                 |
| Miscellaneous local revenue                     | 2,605               | -               | 2,605               |
| <b>Total nonoperating revenue</b>               | <u>2,513,762</u>    | <u>-</u>        | <u>2,513,762</u>    |
| <b>Loss before transfers</b>                    | (45,001)            | (4,501)         | (49,502)            |
| <b>Transfers</b>                                |                     |                 |                     |
| Transfers in                                    | 58,677              | 9,851           | 68,528              |
| <b>Total transfers</b>                          | <u>58,677</u>       | <u>9,851</u>    | <u>68,528</u>       |
| <b>Change in net position</b>                   | 13,676              | 5,350           | 19,026              |
| <b>Total net position - beginning</b>           | 1,094,040           | -               | 1,094,040           |
| <b>Restatement</b>                              | (58,624)            | (5,350)         | (63,974)            |
| <b>Total net position - beginning, restated</b> | <u>1,035,416</u>    | <u>(5,350)</u>  | <u>1,030,066</u>    |
| <b>Total net position - ending</b>              | <u>\$ 1,049,092</u> | <u>\$ -</u>     | <u>\$ 1,049,092</u> |

See notes to financial statements.



## Asheboro City Board of Education

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

|  | <u>Major</u><br><u>School Food</u><br><u>Service</u><br><u>Fund</u> | <u>Nonmajor</u><br><u>Child</u><br><u>Care</u><br><u>Fund</u> | <u>Total</u>          |
|--|---|---|-----------------------|
| <b>Cash flows from operating activities</b>  |   |   |                       |
| Cash received from customers   | \$ 446,770  | \$ 27,515   | \$ 474,285            |
| Cash paid for goods and services   | (1,596,130)   | (1,733)   | (1,597,863)           |
| Cash paid to employees for services  | (1,160,173)   | (25,782)  | (1,185,955)           |
| <b>Net cash provided by (used in) operating activities</b>   | <u>(2,309,533)</u>  | <u>-</u>  | <u>(2,309,533)</u>    |
| <b>Cash flows from noncapital financing activities</b>   |   |   |                       |
| Federal reimbursements   | 2,331,533   | -   | 2,331,533             |
| State reimbursements   | 8,957   | -   | 8,957                 |
| Miscellaneous local revenue  | 2,605   | -   | 2,605                 |
| Transfers in   | 58,677  | -   | 58,677                |
| <b>Net cash provided by (used in) noncapital financing activities</b>  | <u>2,401,772</u>  | <u>-</u>  | <u>2,401,772</u>      |
| <b>Cash flows from capital and related financing activities</b>  |   |   |                       |
| Acquisition of capital assets  | (21,504)  | -   | (21,504)              |
| <b>Net cash used in capital and related financing activities</b>   | <u>(21,504)</u>   | <u>-</u>  | <u>(21,504)</u>       |
| <b>Cash flows from investing activities</b>  |   |   |                       |
| Interest on investments  | 952   | -   | 952                   |
| <b>Net cash provided by investing activities</b>   | <u>952</u>  | <u>-</u>  | <u>952</u>            |
| <b>Net increase in cash and cash equivalents</b>   | 71,687  | -   | 71,687                |
| <b>Cash and cash equivalents, July 1</b>   | 811,150   | -   | 811,150               |
| <b>Cash and cash equivalents, June 30</b>  | <u>\$ 882,837</u>   | <u>\$ -</u>   | <u>\$ 882,837</u>     |
| <b>Reconciliation of operating loss to net cash used in operating activities</b>                             |   |   |                       |
| Operating loss   | \$ (2,558,763)  | \$ (4,501)  | \$ (2,563,264)        |
| Adjustments to reconcile operating loss to net cash used in operating activities                             |   |   |                       |
| Depreciation   | 37,328  | -   | 37,328                |
| Pension expense  | 6,041   | 559   | 6,600                 |
| Donated federal commodities  | 169,715   | -   | 169,715               |
| Expenses paid by other funds (transfers in)  | -   | 9,851   | 9,851                 |
| Change in assets and liabilities   |   |   |                       |
| (Increase) in accounts receivable  | (33,729)  | (3,856)   | (37,585)              |
| Decrease in inventories  | 13,077  | -   | 13,077                |
| Increase in current liabilities  | 78,927  | -   | 78,927                |
| (Increase) decrease in deferred outflows of resources for pension plan contributions in current fiscal year. | (22,169)  | (2,053)   | (24,222)              |
| Increase in accrued salaries and benefits  | 40  | -   | 40                    |
| Total adjustments  | <u>249,230</u>  | <u>4,501</u>  | <u>253,731</u>        |
| <b>Net cash used in operating activities</b>   | <u>\$ (2,309,533)</u>   | <u>\$ -</u>   | <u>\$ (2,309,533)</u> |

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

The General Fund paid salaries and benefits of \$9,851 to personnel of the Child Care Fund during the fiscal year. The payments are reflected by transfers in and operating expenses on Exhibit G.

The School Food Service Fund received donated commodities with a value of \$169,715 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, 2015****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, 2015**

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 projects 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, 2015****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, 2015**

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).

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

2. Cash and Cash Equivalents

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

3. Inventories

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

The Board's capital assets are recorded at original cost. Donated assets are listed at their estimated fair value at the date of donation or forfeiture. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1970 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, 2015**

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” on the Statement of Activities.

5. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as revenue until then. The Board has two items that meet this criterion – a pension related deferral and contributions made to the pension plan in the current year. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has several items that meet this criterion – County supplemental taxes receivable in the General Fund, E-rate receivable in the Other Restricted Fund and 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, 2015**

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, 2015 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records, of the current portion of compensated absences.

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

8. Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements is classified as 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, 2015**

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.

Designated for 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, 2015**

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 \$26,999,553 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  | \$ 63,321,014 |
| Less Accumulated Depreciation   | (26,866,727)  |
| Net Capital Assets  | 36,454,287    |
| <br>Accounts receivable recorded in the government-wide statements as these funds are not available and therefore unavailable in the fund statements. | 137,890       |
| <br>Pension related deferred outflows of resources  |               |
| Differences between contributions and proportional share of contributions and changes in proportion   | 22,046        |
| Contributions made to the pension plan in current fiscal year   | 3,830,096     |
| <br>Liabilities for revenue unavailable but earned and therefore recorded in the fund statements but not the government-wide statements:              |               |
| Compensated Absences  | (2,262,524)   |
| Net pension liability   | (2,424,710)   |
| Deferred inflows of resources related to pensions   |               |
| Differences between expected and actual experience  | (565,196)     |
| Difference between projected and actual earnings on plan investments  | (8,192,336)   |
| <br>Total adjustment  | \$ 26,999,553 |

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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 \$2,153,424 as follows:

| <b>Description</b>  | <b>Amount</b>       |
|---|---------------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities  | \$ 527,660          |
| 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.     | (1,415,341)         |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities  | 3,830,096           |
| 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   | (1,043,680)         |
| Compensated absences  | 214,386             |
| 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   | 25,190              |
| Adjustment due to the use of the consumption method of recording inventory in the government-wide statements  | 15,113              |
| Total adjustment  | <u>\$ 2,153,424</u> |

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

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, 2015, the Board had deposits with banks and savings and loans with a carrying amount of \$6,386,896. The bank balances with the financial institutions and the State Treasurer were \$7,009,447 and \$1,204,168, respectively. Of these balances, \$500,000 was covered by federal depository insurance and \$7,713,615 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, 2015**

II. Detail Notes on all Funds (Continued)

A. Assets (Continued)

2. Accounts Receivable

Receivables at the government-wide level at June 30, 2015, were as follows:

|                               | Due from other funds<br>(Internal Balances) | Due from other<br>governments | Other             |
|-------------------------------|---|-------------------------------|-------------------|
| Governmental activities       |   |                               |                   |
| General Fund                  | \$ 58,599                                   | \$ 134,832                    | \$ 16,649         |
| Other governmental activities | (16,014)                                    | 554,594                       | 98,990            |
| <b>Total</b>                  | <u>\$ 42,585</u>                            | <u>\$ 689,426</u>             | <u>\$ 115,639</u> |
| Business-type activities      |   |                               |                   |
| School Food Service           | \$ (42,585)                                 | \$ 114,949                    | \$ 330            |
| <b>Total</b>                  | <u>\$ (42,585)</u>                          | <u>\$ 114,949</u>             | <u>\$ 330</u>     |

Due from other governments consists of the following:

**Governmental activities**

|                           |                   |   |
|---------------------------|-------------------|---|
| General Fund              | \$ 134,832        | Miscellaneous revenues from State, Federal and County   |
| State Public School Funds | 191,104           | Sales tax and operating revenue from State              |
| Federal Grant Funds       | 22,284            | Sales tax from State and operating revenue from Federal |
| Other Restricted Funds    | 79,966            | Miscellaneous revenues from State, Federal, and Grants  |
| Capital Outlay Fund       | 256,757           | Sales tax refund from State and Federal reimbursement   |
| Individual Schools Fund   | 4,483             | Sales tax refund from State                             |
| <b>Total</b>              | <u>\$ 689,426</u> |   |

**Business-type activities**

|                          |                   |   |
|--------------------------|-------------------|---|
| School Food Service Fund | <u>\$ 114,949</u> | Miscellaneous revenues from State and Federal |
|--------------------------|-------------------|---|

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

II. Detail Notes on all Funds (Continued)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

|  | Beginning<br>Balances | Increases           | Decreases          | Ending<br>Balances   |
|--|-----------------------|---------------------|--------------------|----------------------|
| <b>Governmental activities</b>                   |                       |                     |                    |                      |
| Capital assets not being depreciated             |                       |                     |                    |                      |
| Land   | \$ 3,038,935          | \$ -                | \$ -               | \$ 3,038,935         |
| Construction in progress                         | 14,626                | 159,264             | (14,626)           | 159,264              |
| Total capital assets not being depreciated       | <u>3,053,561</u>      | <u>159,264</u>      | <u>(14,626)</u>    | <u>3,198,199</u>     |
| Capital assets being depreciated                 |                       |                     |                    |                      |
| Buildings  | 54,128,632            | 235,678             | -                  | 54,364,310           |
| Land improvements                                | 1,320,386             | 49,832              | -                  | 1,370,218            |
| Furniture, equipment and vehicles                | 4,349,209             | 97,512              | (58,434)           | 4,388,287            |
| Total capital assets being depreciated           | <u>59,798,227</u>     | <u>383,022</u>      | <u>(58,434)</u>    | <u>60,122,815</u>    |
| Total capital assets                             | <u>62,851,788</u>     | <u>542,286</u>      | <u>(73,060)</u>    | <u>63,321,014</u>    |
| Less accumulated depreciation for                |                       |                     |                    |                      |
| Buildings  | 20,883,884            | 1,118,223           | -                  | 22,002,107           |
| Land improvements                                | 1,002,558             | 28,025              | -                  | 1,030,583            |
| Furniture, equipment and vehicles                | 3,623,378             | 269,093             | (58,434)           | 3,834,037            |
| Total accumulated depreciation                   | <u>25,509,820</u>     | <u>\$ 1,415,341</u> | <u>\$ (58,434)</u> | <u>26,866,727</u>    |
| Total capital assets being depreciated, net      | <u>34,288,407</u>     |                     |                    | <u>33,256,088</u>    |
| <b>Governmental activity capital assets, net</b> | <u>\$ 37,341,968</u>  |                     |                    | <u>\$ 36,454,287</u> |

Capital asset activity for the year ended June 30, 2015, was as follows:

Depreciation was charged to governmental functions as follows:

|                              |                     |
|------------------------------|---------------------|
| Unallocated depreciation     | \$ 1,393,320        |
| Co-curricular services       | 14,882              |
| Operational support services | 7,139               |
| Total                        | <u>\$ 1,415,341</u> |

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

II. Detail Notes on all Funds (Continued)

A. Assets (Continued)

3. Capital Assets (Continued)

|   | Beginning<br>Balances | Increases | Decreases | Ending<br>Balances |
|---|-----------------------|-----------|-----------|--------------------|
| <b>Business-type activities</b>                     |                       |           |           |                    |
| School Food Service Fund                            |                       |           |           |                    |
| Capital assets being depreciated                    |                       |           |           |                    |
| Equipment and vehicles                              | \$ 1,103,487          | \$ 21,504 | \$ -      | \$ 1,124,991       |
| Total capital assets being depreciated              | 1,103,487             | 21,504    | -         | 1,124,991          |
| Less accumulated depreciation for                   |                       |           |           |                    |
| Equipment and vehicles                              | 900,460               | 37,328    | -         | 937,788            |
| Total accumulated depreciation                      | 900,460               | \$ 37,328 | \$ -      | 937,788            |
| <b>Business-type activities capital assets, net</b> | <b>\$ 203,027</b>     |           |           | <b>\$ 187,203</b>  |

Construction Commitments

The Board has active construction projects as of June 30, 2015. The projects include the replacement of a roof and a fire alarm installation at North Asheboro Middle School and a HVAC renovation and the replacement of a roof at Asheboro High School. At year-end, the Board's commitments with contractors for school construction are as follows:

| Project  | Spent-to-date     | Remaining<br>Commitment |
|--|-------------------|-------------------------|
| North Asheboro Middle School - roof replacement        | \$ 63,109         | \$ 126,657              |
| North Asheboro Middle School - fire alarm installation | -                 | 71,784                  |
| Asheboro High School - HVAC renovation                 | 96,155            | 722,196                 |
| Asheboro High School - roof replacement                | -                 | 48,637                  |
| Total  | <b>\$ 159,264</b> | <b>\$ 969,274</b>       |

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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, 2015**

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, 2015, 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 \$2,318,673 for the year ended June 30, 2015.

*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, 2015, the Board reported a liability of \$2,440,043 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 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, 2014 and at June 30, 2013, the Board's proportion was .208%.



**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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, 2015, the Board recognized pension expense of \$1,050,280. At June 30, 2015, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual experience   | \$ -                                      | \$ 568,761                               |
| Net difference between projected and actual earnings on pension plan investments                           | -   | 8,244,012                                |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | 22,046                                    | -  |
| Board contributions subsequent to the measurement date   | 3,854,318                                 | -  |
| Total  | <u>\$ 3,876,364</u>                       | <u>\$ 8,812,773</u>                      |

\$3,854,318 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:**

|       |                       |
|-------|-----------------------|
| 2016  | \$ (2,205,255)        |
| 2017  | (2,205,255)           |
| 2018  | (2,205,255)           |
| 2019  | <u>(2,174,962)</u>    |
| Total | <u>\$ (8,790,727)</u> |

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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, 2013 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, 2013 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, 2014 are summarized in the following table:

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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<br/>Real Rate of Return</u> |
|----------------------|--------------------------|---|
| Fixed Income         | 36.0%                    | 2.5%  |
| Global Equity        | 40.5%                    | 6.1%  |
| Real Estate          | 8.0%                     | 5.7%  |
| Alternatives         | 6.5%                     | 10.5%   |
| Credit               | 4.5%                     | 6.8%  |
| Inflation Protection | 4.5%                     | 3.7%  |
| Total                | <u>100%</u>              |   |

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 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.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

*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, 2015**

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:

|   | 1%<br>Decrease<br>(6.25%) | Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|---|---------------------------|--------------------------|------------------------|
| Board's proportionate share of the<br>net pension liability | \$17,516,319              | \$ 2,440,043             | \$(10,289,676)         |

*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, 2015**

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, 2015, 2014, and 2013, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of \$1,391,204, \$1,359,195, and \$1,335,911 respectively. These contributions represented 5.49%, 5.40%, and 5.30% of covered payroll, respectively.

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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, 2015**

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, 2015, 2014, and 2013, the Board paid all annual required contributions to the DIPNC for disability benefits of \$103,897, \$110,749, and \$110,906 respectively. These contributions represented .41%, .44%, and .44% of covered payroll, respectively.

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

II. Detail Notes on all Funds (Continued)

B. Liabilities (Continued)

2. Accounts Payable

Accounts payable and accrued salaries and wages at June 30, 2015 are as follows:

|                                       | Accounts<br>Payable | Accrued<br>Salaries and<br>Benefits |
|---------------------------------------|---------------------|-------------------------------------|
| <b>Governmental activities</b>        |                     |                                     |
| General                               | \$ 132,098          | \$ 148,673                          |
| Other governmental                    | 127,021             | 208,402                             |
| <b>Total-governmental activities</b>  | <u>\$ 259,119</u>   | <u>\$ 357,075</u>                   |
| <b>Business-type activities</b>       |                     |                                     |
| School Food Service                   | \$ 160,382          | \$ -                                |
| <b>Total business-type activities</b> | <u>\$ 160,382</u>   | <u>\$ -</u>                         |

3. Deferred Inflows and Outflows of Resources

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

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| <b>Governmental Activities</b>   |                                      |                                     |
| Sales tax refunds receivable (Other Restricted Fund)   | \$ -                                 | \$ 24,634                           |
| Sales tax refunds receivable (State Public School Fund)  | -                                    | 1,904                               |
| Sales tax refunds receivable (Federal Grant Fund)  | -                                    | 3,082                               |
| Sales tax refunds receivable (Capital Outlay Fund)   | -                                    | 5,757                               |
| Sales tax refunds receivable (Individual Schools Fund)   | -                                    | 4,483                               |
| Change in proportion and difference between employer<br>contributions and proportionate share of contributions | 22,046                               | -                                   |
| Difference between projected and actual earnings on<br>plan investments  | 3,854,318                            | 8,244,012                           |
| Difference between expected and actual experience  | -                                    | 568,761                             |
| <b>Total governmental activities</b>   | <u>\$ 3,876,364</u>                  | <u>\$ 8,852,633</u>                 |



**Asheboro City Board of Education****NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended June 30, 2015**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, 2015**

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, 2015, 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, 2015:

|                                  | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u>       | <u>Ending<br/>Balance</u> | <u>Current<br/>Portion</u> |
|----------------------------------|------------------------------|---------------------|------------------------|---------------------------|----------------------------|
| <b>Governmental activities:</b>  |                              |                     |                        |                           |                            |
| Compensated absences             | \$ 2,476,910                 | \$ 1,911,575        | \$ (2,125,961)         | \$ 2,262,524              | \$ 2,125,961               |
| Net pension liability            | 12,289,003                   | -                   | (9,864,293)            | 2,424,710                 | -                          |
|                                  | <u>\$ 14,765,913</u>         | <u>\$ 1,911,575</u> | <u>\$ (11,990,254)</u> | <u>\$ 4,687,234</u>       | <u>\$ 2,125,961</u>        |
| <b>Business-type activities:</b> |                              |                     |                        |                           |                            |
| Compensated absences             | \$ 10,207                    | \$ 9,240            | \$ (9,200)             | \$ 10,247                 | \$ 10,247                  |
| Net pension liability            | 77,663                       | -                   | (62,330)               | 15,333                    | -                          |
|                                  | <u>\$ 87,870</u>             | <u>\$ 9,240</u>     | <u>\$ (71,530)</u>     | <u>\$ 25,580</u>          | <u>\$ 10,247</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, 2015**

II. Detail Notes on all Funds (Continued)

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2015, consist of the following:

| Description   | Amount    |
|---|-----------|
| From the General Fund to the Child Care Fund for salary costs.                              | \$ 9,851  |
| From the General Fund to the School Food Service Fund for meal charges and price adjustment | \$ 13,677 |
| 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> | \$ 3,507,250        |
| <b>Less:</b>                             |                     |
| Inventories                              | 40,715              |
| Stabilization by State Statute           | 225,425             |
| Appropriated Fund Balance in 2015 budget | 1,000,000           |
| <b>Remaining Fund Balance</b>            | <b>\$ 2,241,110</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 |
|--------------|--------------|---------------------|
|              | \$59,257     | \$860,413           |

**Asheboro City Board of Education**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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 November 23, 2015, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

V. Change in Accounting Principles/Restatement

The Board implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. This Statement established a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due.

The Board also implemented GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* in November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement 68. The provisions of Statement 71 are required to be applied simultaneously with the provisions of Statement 68.

The implementation of these statements required the Board to record beginning net pension liability and the effects on net position of contributions made by the Board during the measurement period (fiscal year 2014). As a result, net position for the governmental and business-type activities decreased by \$10,116,516 and \$63,974, respectively.

## 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 Two Fiscal Years \***  
**June 30, 2015**

|  | <u>2015</u>   | <u>2014</u>   |
|--|---------------|---------------|
| Board's proportion of the net pension liability (%)  | 0.208%        | 0.204%        |
| Board's proportionate share of the net pension liability   | \$ 2,440,043  | \$ 12,366,666 |
| Board's covered-employee payroll (1)   | \$ 25,170,272 | \$ 25,205,875 |
| Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 9.69%         | 49.06%        |
| Plan fiduciary net position as a percentage of the total pension liability                               | 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 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 Two Fiscal Years  
June 30, 2015**

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

|   | 2015             |                  | Variance<br>Positive<br>(Negative) |
|---|------------------|------------------|------------------------------------|
|   | Budget           | Actual           |                                    |
| <b>Revenues</b>                         |                  |                  |                                    |
| Randolph County                         |                  |                  |                                    |
| Appropriation                           | \$ 4,552,805     | \$ 4,552,805     | \$ -                               |
| Timber receipts                         | -                | 3,233            | 3,233                              |
| Total Randolph County                   | <u>4,552,805</u> | <u>4,556,038</u> | <u>3,233</u>                       |
| Other revenue                           |                  |                  |                                    |
| Supplemental taxes - school district    | 3,279,000        | 3,298,950        | 19,950                             |
| Fines and forfeitures                   | 145,000          | 207,357          | 62,357                             |
| Interest earned on investments          | -                | 534              | 534                                |
| Other                                   | 55,195           | 91,445           | 36,250                             |
| Total other revenue                     | <u>3,479,195</u> | <u>3,598,286</u> | <u>119,091</u>                     |
| <b>Total revenues</b>                   | <u>8,032,000</u> | <u>8,154,324</u> | <u>122,324</u>                     |
| <b>Expenditures</b>                     |                  |                  |                                    |
| Instructional Programs                  |                  |                  |                                    |
| Regular                                 | 1,982,112        | 1,853,971        | 128,141                            |
| Special Populations                     | 187,400          | 169,256          | 18,144                             |
| Alternative Programs                    | 549,559          | 508,541          | 41,018                             |
| School Leadership                       | 729,600          | 575,775          | 153,825                            |
| Co-curricular                           | 220,000          | 183,649          | 36,351                             |
| School-based Support                    | 257,235          | 217,716          | 39,519                             |
| Total instructional programs            | <u>3,925,906</u> | <u>3,508,908</u> | <u>416,998</u>                     |
| System-wide support services            |                  |                  |                                    |
| Support and Development                 | 285,500          | 273,661          | 11,839                             |
| Special Population                      | 84,000           | 67,911           | 16,089                             |
| Technology Support                      | 530,000          | 434,037          | 95,963                             |
| Operational Support                     | 2,363,471        | 2,112,912        | 250,559                            |
| Financial and Human Resource            | 908,010          | 902,380          | 5,630                              |
| Accountability                          | 170,500          | 168,786          | 1,714                              |
| System-wide Pupil Support               | 64,400           | 56,936           | 7,464                              |
| Policy, Leadership and Public Relations | 771,539          | 634,113          | 137,426                            |
| Total support services                  | <u>5,177,420</u> | <u>4,650,736</u> | <u>526,684</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, 2015**

|   | <b>2015</b>        |                     | <b>Variance<br/>Positive<br/>(Negative)</b> |
|---|--------------------|---------------------|---|
|   | <b>Budget</b>      | <b>Actual</b>       |   |
| <b>Expenditures, continued</b>  |                    |                     |   |
| Non-programmed charges  |                    |                     |   |
| Payments to Other Governmental Units  | \$ 177,000         | \$ 166,807          | \$ 10,193                                   |
| Total non-programmed charges  | <u>177,000</u>     | <u>166,807</u>      | <u>10,193</u>                               |
| <b>Total expenditures</b>   | <u>9,280,326</u>   | <u>8,326,451</u>    | <u>953,875</u>                              |
| <b>Revenue over (under)<br/>expenditures</b>                                  | <u>(1,248,326)</u> | <u>(172,127)</u>    | <u>1,076,199</u>                            |
| <b>Other financing sources</b>  |                    |                     |   |
| Transfers to Other Funds  | (40,000)           | (23,528)            | 16,472                                      |
| Appropriated fund balance   | <u>1,288,326</u>   | <u>-</u>            | <u>1,288,326</u>                            |
| <b>Excess of revenues and other<br/>sources over (under)<br/>expenditures</b> | <u>\$ -</u>        | <u>(195,655)</u>    | <u>\$ (195,655)</u>                         |
| <b>Fund balance at beginning of year, July 1</b>                              |                    | 3,687,792           |   |
| <b>Increase in reserve for inventory</b>                                      |                    | <u>15,113</u>       |   |
| <b>Fund balance at end of year, June 30</b>                                   |                    | <u>\$ 3,507,250</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, 2015**

|                               | 2015           |                | Variance<br>Positive<br>(Negative) |
|-------------------------------|----------------|----------------|------------------------------------|
|                               | Budget         | Actual         |                                    |
| <b>Revenues</b>               |                |                |                                    |
| State of North Carolina       |                |                |                                    |
| Sales & Use Tax               | \$ -           | \$ 9,273       | \$ 9,273                           |
| Total State of North Carolina | -              | 9,273          | 9,273                              |
| Randolph County               |                |                |                                    |
| Appropriation                 | 831,085        | 831,085        | -                                  |
| Total Randolph County         | 831,085        | 831,085        | -                                  |
| Other revenue                 |                |                |                                    |
| Interest                      | -              | 105            | 105                                |
| Insurance Settlement          | -              | 200            | 200                                |
| Other                         | 2,129          | 2,632          | 503                                |
| Total Other                   | 2,129          | 2,937          | 808                                |
| <b>Total revenues</b>         | <b>833,214</b> | <b>843,295</b> | <b>10,081</b>                      |
| <b>Expenditures</b>           |                |                |                                    |
| Capital outlay                |                |                |                                    |
| Real property and buildings   |                |                |                                    |
| Central office                |                | 19,952         |                                    |
| Asheboro High School          |                | 209,211        |                                    |
| South Asheboro Middle School  |                | 136,244        |                                    |
| Balfour                       |                | 20,324         |                                    |
| Donna Lee Loflin              |                | 14,026         |                                    |
| Guy B. Teachey                |                | 1,109          |                                    |
| Lindley Park                  |                | 1,058          |                                    |
| North Asheboro Middle School  |                | 105,994        |                                    |
| Total land and buildings      | 1,377,772      | 507,918        | 869,854                            |

## 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, 2015**

|  | <b>2015</b>       |                     | <b>Variance<br/>Positive<br/>(Negative)</b> |
|--|-------------------|---------------------|---|
|  | <b>Budget</b>     | <b>Actual</b>       |   |
| <b>Expenditures, continued</b>   |                   |                     |   |
| Capital outlay, continued  |                   |                     |   |
| Furniture and equipment  |                   |                     |   |
| Central office   |                   | \$ 17,348           |   |
| Asheboro High School   |                   | 18,884              |   |
| South Asheboro Middle School   |                   | 10,051              |   |
| Balfour  |                   | 3,735               |   |
| Charles W. McCrary   |                   | 2,504               |   |
| Donna Lee Loflin   |                   | 2,972               |   |
| Guy B. Teachey   |                   | 14,040              |   |
| Lindley Park   |                   | 3,048               |   |
| North Asheboro Middle School   |                   | 28,892              |   |
| Total equipment  | <u>\$ 245,728</u> | <u>101,474</u>      | <u>\$ 144,254</u>                           |
| Buses and motor vehicles   |                   |                     |   |
| Central office   | <u>40,000</u>     | <u>29,461</u>       | <u>10,539</u>                               |
| <b>Total expenditures</b>  | <u>1,663,500</u>  | <u>638,853</u>      | <u>1,024,647</u>                            |
| <b>Revenue over (under)<br/>        expenditures</b>                                     | (830,286)         | 204,442             | 1,034,728                                   |
| <b>Other financing sources (uses)</b>  |                   |                     |   |
| Appropriated fund balance  | <u>830,286</u>    | -                   | <u>830,286</u>                              |
| <b>Excess of revenues and other sources over<br/>(under) expenditures and other uses</b> | <u>\$ -</u>       | 204,442             | <u>\$ 204,442</u>                           |
| <b>Fund balance at beginning of year, July 1</b>   |                   | <u>1,361,308</u>    |   |
| <b>Fund balance at end of year, June 30</b>  |                   | <u>\$ 1,565,750</u> |   |

## 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, 2015**

|  | 2015         |              | Variance<br>Positive<br>(Negative) |
|--|--------------|--------------|------------------------------------|
|  | Budget       | Actual       |                                    |
| <b>Revenues</b>  |              |              |                                    |
| U.S. Government  | \$ 4,435,041 | \$ 3,698,655 | \$ (736,386)                       |
| <b>Expenditures</b>  |              |              |                                    |
| Instructional Programs   |              |              |                                    |
| Regular  | 270,583      | 256,278      | 14,305                             |
| Special Populations  | 1,382,106    | 1,167,366    | 214,740                            |
| Alternative Programs   | 2,124,297    | 1,817,630    | 306,667                            |
| School Leadership  | 1,334        | 1,334        | -                                  |
| School-based Support   | 165,727      | 156,748      | 8,979                              |
| Total instructional programs   | 3,944,047    | 3,399,356    | 544,691                            |
| System-wide Support Services   |              |              |                                    |
| Support and Development  | 1,000        | 1,000        | -                                  |
| Special Population   | 153,730      | 141,036      | 12,694                             |
| Alternative Programs   | 12,866       | 12,208       | 658                                |
| Technology Support   | 62,803       | -            | 62,803                             |
| Operational Support  | 148,306      | 69,286       | 79,020                             |
| Total support services   | 378,705      | 223,530      | 155,175                            |
| Non-programmed charges   | 112,289      | 75,769       | 36,520                             |
| <b>Total expenditures</b>  | 4,435,041    | 3,698,655    | 736,386                            |
| <b>Revenue over expenditures</b>   | -            | -            | -                                  |
| <b>Excess of revenues and other sources over<br/>(under) expenditures and other uses</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, 2015**

|                              | <b>2015</b>      |                  | <b>Variance<br/>Positive<br/>(Negative)</b> |
|------------------------------|------------------|------------------|---|
|                              | <b>Budget</b>    | <b>Actual</b>    |   |
| <b>Revenues</b>              |                  |                  |   |
| State of North Carolina      | \$ 665,200       | \$ 677,089       | \$ 11,889                                   |
| U.S. Government              | 194,124          | 361,729          | 167,605                                     |
| Other revenue                |                  |                  |   |
| Indirect cost                | 235,799          | 228,930          | (6,869)                                     |
| Tuition and fees             | 30,024           | 30,024           | -   |
| Rental of school property    | 10,000           | 21,973           | 11,973                                      |
| Other                        | 150,853          | 140,379          | (10,474)                                    |
| Total other revenue          | 426,676          | 421,306          | (5,370)                                     |
| <b>Total revenues</b>        | <b>1,286,000</b> | <b>1,460,124</b> | <b>174,124</b>                              |
| <b>Expenditures</b>          |                  |                  |   |
| Instructional Programs       |                  |                  |   |
| Regular                      | 119,549          | 104,883          | 14,666                                      |
| Special Populations          | 110,328          | 88,690           | 21,638                                      |
| Alternative Programs         | 545,200          | 540,032          | 5,168                                       |
| School-based Support         | 221,124          | 196,514          | 24,610                                      |
| Total instructional programs | 996,201          | 930,119          | 66,082                                      |
| System-wide support services |                  |                  |   |
| Special Population           | 5,000            | 3,076            | 1,924                                       |
| Operational Support          | 384,799          | 364,140          | 20,659                                      |
| Total support services       | 389,799          | 367,216          | 22,583                                      |

## 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, 2015**

|   | <u>2015</u>         |                     | <b>Variance<br/>Positive<br/>(Negative)</b> |
|---|---------------------|---------------------|---|
|   | <u>Budget</u>       | <u>Actual</u>       |   |
| <b>Expenditures, continued</b>  |                     |                     |   |
| <b>Total expenditures</b>   | <u>\$ 1,386,000</u> | <u>\$ 1,297,335</u> | <u>\$ 88,665</u>                            |
| <b>Revenue over (under)<br/>expenditures</b>                                  | <u>(100,000)</u>    | <u>162,789</u>      | <u>262,789</u>                              |
| <b>Other financing sources</b>  |                     |                     |   |
| Appropriated fund balance   | <u>100,000</u>      | <u>-</u>            | <u>(100,000)</u>                            |
| <b>Total other financing sources</b>  | <u>100,000</u>      | <u>-</u>            | <u>(100,000)</u>                            |
| <b>Excess of revenues and other<br/>sources over (under)<br/>expenditures</b> | <u>\$ -</u>         | <u>162,789</u>      | <u>\$ 162,789</u>                           |
| <b>Fund balance at beginning of year, July 1</b>                              |                     | <u>216,504</u>      |   |
| <b>Fund balance at end of year, June 30</b>                                   |                     | <u>\$ 379,293</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, 2015**

|  | <b>2015</b>        |                    | <b>Variance<br/>Positive<br/>(Negative)</b> |
|--|--------------------|--------------------|---|
|  | <b>Budget</b>      | <b>Actual</b>      |   |
| <b>Operating revenues, food sales</b>  | \$ 535,000         | \$ 435,598         | \$ (99,402)                                 |
| <b>Operating expenditures</b>  |                    |                    |   |
| Business support services  |                    |                    |   |
| Food cost  |                    | 1,272,239          |   |
| Salaries and benefits  |                    | 1,160,173          |   |
| Indirect costs   |                    | 150,891            |   |
| Materials and supplies   |                    | 153,279            |   |
| Contracted services  |                    | 208,434            |   |
| Other  |                    | 26,200             |   |
| Capital Outlay   |                    | 21,504             |   |
| <b>Total operating expenditures</b>  | <u>3,200,000</u>   | <u>2,992,720</u>   | <u>207,280</u>                              |
| <b>Operating income (loss)</b>   | <u>(2,665,000)</u> | <u>(2,557,122)</u> | <u>107,878</u>                              |
| <b>Nonoperating revenues</b>   |                    |                    |   |
| Federal reimbursements   | 2,405,000          | 2,331,533          | (73,467)                                    |
| Federal commodities  | 210,000            | 169,715            | (40,285)                                    |
| State reimbursements   | -                  | 8,957              | 8,957                                       |
| Interest earned  | -                  | 952                | 952   |
| Miscellaneous local revenue  | 5,000              | 2,605              | (2,395)                                     |
| <b>Total nonoperating revenues</b>   | <u>2,620,000</u>   | <u>2,513,762</u>   | <u>(106,238)</u>                            |
| <b>Excess of revenues over (under) expenditures<br/>before other financing sources</b> | <u>(45,000)</u>    | <u>(43,360)</u>    | <u>1,640</u>                                |
| <b>Other financing sources</b>   |                    |                    |   |
| Transfers in   | 45,000             | 58,677             | 13,677                                      |
| <b>Excess of revenues and other sources over<br/>expenditures</b>                      | <u>\$ -</u>        | <u>15,317</u>      | <u>\$ 15,317</u>                            |
| <b>Reconciliation of modified accrual to full accrual basis</b>                        |                    |                    |   |
| Excess of revenues and other sources over expenditures                                 |                    |                    |   |
| Reconciling items  |                    |                    |   |
| Depreciation   |                    | (37,328)           |   |
| Contributions to the pension plan  |                    | 22,169             |   |
| Equipment purchases  |                    | 21,504             |   |
| Increase in accrued vacation pay   |                    | (40)               |   |
| Unearned revenue   |                    | 11,172             |   |
| Decrease in inventory  |                    | (13,077)           |   |
| Pension expense  |                    | (6,041)            |   |
| <b>Change in net position (full accrual)</b>   |                    | <u>\$ 13,676</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, 2015

|  | 2015           |                 | Variance<br>Positive<br>(Negative) |
|--|----------------|-----------------|------------------------------------|
|  | Budget         | Actual          |                                    |
| <b>Revenues</b>  |                |                 |                                    |
| Child care fees  | \$ 30,000      | \$ 27,515       | \$ (2,485)                         |
| <b>Expenditures</b>  |                |                 |                                    |
| Current  |                |                 |                                    |
| Salaries and benefits  |                | 31,777          |                                    |
| Materials and supplies   |                | 1,733           |                                    |
| <b>Total expenditures</b>  | <u>35,000</u>  | <u>33,510</u>   | <u>1,490</u>                       |
| <b>Excess of revenues over expenditures before<br/>other financing sources</b> | <u>(5,000)</u> | <u>(5,995)</u>  | <u>(995)</u>                       |
| <b>Other financing sources</b>   |                |                 |                                    |
| Transfer - In  | <u>5,000</u>   | <u>9,851</u>    | <u>4,851</u>                       |
| <b>Excess of revenues and other sources over expenditures</b>                  | <u>\$ -</u>    | <u>3,856</u>    | <u>\$ 3,856</u>                    |
| Reconciliation from budgetary basis<br>(modified accrual) to full accrual:     |                |                 |                                    |
| Reconciling items:   |                |                 |                                    |
| Contributions to the pension plan in current fiscal year                       |                | 2,053           |                                    |
| Pension expense  |                | (559)           |                                    |
| Change in net position   |                | <u>\$ 5,350</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, 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 23, 2015.

**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 2015-001 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.

Channing R. Ricketts LLP

Asheboro, North Carolina  
November 23, 2015

**Report of Independent Auditor on Compliance for Each Major Federal Program  
and Internal Control over Compliance in Accordance With OMB Circular A-133  
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 *Circular A-133 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, 2015. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, 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, 2015.

**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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Channing R. Ricketts* LLP

Asheboro, North Carolina  
November 23, 2015

**Report of Independent Auditor on Compliance for Each Major State Program and  
Internal Control Over Compliance in Accordance With OMB Circular A-133  
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, 2015. 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; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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, 2015.

**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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Channing R. Ricketts* LLP

Asheboro, North Carolina  
November 23, 2015

**ASHEBORO CITY BOARD OF EDUCATION**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2015**

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Section I - Summary of Auditor's Results

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**Financial Statements**

Type of auditor's report issued: 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 Section 510(a) of Circular A-133?  yes  no

Identification of major federal programs:

| <u>CFDA #</u> | <u>Name of Federal Program or Cluster</u>           |
|---------------|---|
|               | Child Nutrition Cluster                             |
| 10.553        | School Breakfast Program                            |
| 10.555        | National School Lunch Program (Non-cash Assistance) |
| 10.555        | National School Lunch Program (Cash Assistance)     |
| 10.559        | Summer Food Service Program for Children            |

**ASHEBORO CITY BOARD OF EDUCATION****Schedule of Findings and Questioned Costs****Year Ended June 30, 2015**

Dollar threshold used to distinguish  
between Type A and Type B Programs: \$ 300,000

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  
Vocation Education  
State Months of Employment  
Program Support Funds

**ASHEBORO CITY BOARD OF EDUCATION****Schedule of Findings and Questioned Costs****Year Ended June 30, 2015**

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**Section II – Financial Statement Findings**

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**Finding 2015-001****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.

**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, 2015**

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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, 2015**

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**Section II – Financial Statement Findings**

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**Finding 2015-001**

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, 2015**

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Section II – Financial Statement Findings

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**Finding 2014-001**

Status: See current year finding 2015-001

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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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**Finding 2014-002**

Status: Corrected

**Asheboro City Board of Education**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2015**

| <u>Grantor/Pass-through<br/>Grantor/Program Title</u>                  | <u>Federal<br/>CFDA<br/>Number</u> | <u>State/<br/>Pass-through<br/>Grantor's<br/>Number</u> | <u>Expenditures</u> |
|--|------------------------------------|---|---------------------|
| <b>Federal Grants:</b>   |                                    |   |                     |
| <u>U. S. Department of Agriculture</u>                                 |                                    |   |                     |
| <u>Child Nutrition Cluster:</u>  |                                    |   |                     |
| Non-Cash Assistance (Commodities):                                     |                                    |   |                     |
| Passed-through N.C. Department of Agriculture:                         |                                    |   |                     |
| National School Lunch Program  | 10.555                             | PRC 035   | \$ <u>169,715</u>   |
| <i>Total Non-cash Assistance</i>                                       |                                    |   | <u>169,715</u>      |
| Cash Assistance:   |                                    |   |                     |
| Passed-through the N.C. Department of Public Instruction:              |                                    |   |                     |
| School Breakfast Program   | 10.553                             | PRC 035   | 643,699             |
| National School Lunch Program  | 10.555                             | PRC 035   | 1,648,088           |
| 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   | <u>39,746</u>       |
| <i>Total Cash Assistance</i>   |                                    |   | <u>2,331,533</u>    |
| Total Child Nutrition Cluster  |                                    |   | <u>2,501,248</u>    |
| Total U. S. Department of Agriculture                                  |                                    |   | <u>2,501,248</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   | 1,770,923           |
| 21st Century Community Learning Centers                                | 84.287C                            | PRC 110   | 230,010             |
| Improving Teacher Quality, Title II, Part A                            | 84.367A                            | PRC 103   | 153,402             |
| ARRA - Race to the Top   | 84.395                             | PRC 154   | 68,187              |
| <u>Office of English Language Acquisition</u>                          |                                    |   |                     |
| Passed-through the N.C. Department of Public Instruction:              |                                    |   |                     |
| Comprehensive School Reform Demonstration                              | 84.365                             | PRC 104   | 103,486             |
| <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   | 1,210,451           |
| - Risk Pool  | 84.027                             | PRC 114   | 24,378              |
| - Special Needs Targeted Assistance                                    | 84.027A                            | PRC 118   | 16,987              |
| - Preschool Targeted Assistance  | 84.173A                            | PRC 119   | 13,619              |
| - Preschool Handicapped  | 84.173                             | PRC 049   | <u>35,833</u>       |
| Total Special Education Cluster  |                                    |   | <u>1,301,268</u>    |

**Asheboro City Board of Education**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2015**

| <u>Grantor/Pass-through</u><br><u>Grantor/Program Title</u> | <u>Federal</u><br><u>CFDA</u><br><u>Number</u> | <u>State/</u><br><u>Pass-through</u><br><u>Grantor's</u><br><u>Number</u> | <u>Expenditures</u>  |
|---|--|---|----------------------|
| IDEA VI B - Special Education State Improvement             | 84.323A  | PRC 082   | \$ 11,332            |
| <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                            |  |   |                      |
| Basic Grants to States - Program Development                | 84.048A  | PRC 017   | 60,047               |
| Total U. S. Department of Education                         |  |   | <u>3,698,655</u>     |
| <u>U.S. Department of Defense</u>                           |  |   |                      |
| Direct Program:   |  |   |                      |
| ROTC  | NONE   | PRC 301   | <u>55,747</u>        |
| <b>Total federal assistance</b>                             |  |   | <u>6,255,650</u>     |
| <b>State Grants:</b>  |  |   |                      |
| <b>Cash Assistance:</b>                                     |  |   |                      |
| <u>N.C. Department of Public Instruction:</u>               |  |   |                      |
| State Public School Fund                                    |  |   | 25,257,444           |
| Driver Training - SPSF                                      |  | PRC 012   | 82,112               |
| School Technology Fund - SPSF                               |  | PRC 015   | 82,216               |
| Vocational Education  |  |   |                      |
| - State Months of Employment                                |  | PRC 013   | 1,186,680            |
| - Program Support Funds                                     |  | PRC 014   | 321,062              |
| Reduced-Price Breakfast                                     |  | PRC 035   | 8,957                |
| Total N.C. Department of Public Instruction                 |  |   | <u>26,938,471</u>    |
| <u>N.C. Department of Health and Human Services:</u>        |  |   |                      |
| Division of Child Development:                              |  |   |                      |
| Smart Start   |  | PRC 401   | 57,200               |
| More at Four  |  | PRC 413   | 482,832              |
| Total Division of Child Development:                        |  |   | <u>540,032</u>       |
| Division of Public Health                                   |  |   |                      |
| School Nurse Funding Initiative                             |  | PRC 615   | 100,000              |
| Total N.C. Department of Health and Human Services          |  |   | <u>640,032</u>       |
| Total State assistance                                      |  |   | <u>27,578,503</u>    |
| Total federal and State assistance                          |  |   | <u>\$ 33,834,153</u> |

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

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Asheboro City Board of Education and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

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, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, OMB Circular A-133 and the State Single Audit Implementation Act, 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 January 27, 2015. 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. The Board adopted and implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, both effective July 1, 2014. We have included an emphasis of matter paragraph in our report of independent auditor concerning these matters. 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**

#### **Page 2**

#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated November 23, 2015.

#### **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.

#### **Child Nutrition Recommendation**

An effective system of internal control contemplates that management properly review and assess the eligibility of individuals to ensure the accuracy of the benefits provided. We noted that the Child Nutrition program did not have the proper second party review controls in place to ensure that proper eligibility determinations were being met. We recommend that management implement proper review procedures over the program eligibility determinations to ensure that records contain current, reliable and appropriate documentation in each file. It is noted that procedures regarding this recommendation have been put into place at the beginning of the fiscal year ending 2016.

#### **State Public School Fund Recommendation**

During single audit testing of State Public School Fund it was noted that one individual was underpaid by \$11 due to an improper salary base being used in the longevity calculation. We recommend that payroll personnel carefully review the calculations for special pay types to ensure that the proper pay base and other factors are being used in the calculations.

#### **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.

#### Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the other Required Supplementary Information, which is 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 and 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.



Asheboro, North Carolina  
November 23, 2015





# Asheboro City Schools

*...110 years of excellence!*

Chartered 1905

*Office of the Superintendent*

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

### **2016 LEGISLATIVE PLATFORM**

#### **VISION STATEMENT**

Asheboro City Schools will be a community of excellence where each student graduates globally competitive for careers, college, and citizenship.

#### **MISSION STATEMENT**

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

#### **PURPOSE OF LEGISLATIVE COMMITTEE**

- To educate, inform, and communicate the needs of the Asheboro City Schools with key legislative leaders at the local, state, and federal levels on a regular basis;
- To develop positive relationships with key legislative leaders; and
- To stay abreast of current legislative issues and develop awareness among key legislative leaders of their potential impact on the Asheboro City Schools.

#### **GUIDING PRINCIPLES**

1. **Local Control**—We believe that a system of excellent schools is governed by a local board of education representative of the community and vested in the interests of its students and citizens.
2. **Adequate funding**—We believe that a system of excellent schools provides quality learning opportunities for all students, and the state should provide sufficient funding and resources to meet the requirement of providing all children with the opportunity for a sound, basic education.
3. **Support for public schools**—We believe that public education in North Carolina means a free education for all students; the promise of equal educational opportunities no matter race, religion, or ability; high standards; public accountability; and a benefit to society by teaching democratic principles and common values.

## 2016 LEGISLATIVE PRIORITIES

### Local Control

1. **Number of LEAs per county**—Maintain local control on the number of LEAs per county.
2. **Calendar flexibility**— Amend the calendar law to provide more flexibility in the start and end dates. Better yet, repeal the entire law and restore local flexibility in setting school calendars. Students need an instructional calendar that optimizes retention, minimizes disruption, and allows concepts and ideas to be fully developed and absorbed. The world is rapidly changing, and our students are being negatively impacted by already low seat time and summer learning loss as compared to students from other industrialized nations. School board members are greatly concerned that North Carolina’s school calendar law is educationally unsound and places unnecessary burdens on school districts.

### Adequate Resources

3. **Provide competitive compensation for state educators**—Although we appreciate the General Assembly for the meaningful pay increases to certain groups of teachers, North Carolina’s pay has continually slid in comparison with the region and country. The new pay scale creates five-year plateaus that are a great disincentive for teachers to be attracted to and retained in the profession. Master’s and Advanced Degree and National Board Certification supplements are of utmost importance and should be continually funded.
4. **Improve per pupil funding**—State funding per ADM has declined from \$5,773 in 2008-09 to \$5,732 in 2014-2015. Reductions in funding for teacher assistants, classroom teachers, textbooks, and classroom supplies are limiting our ability to adequately prepare our students for 21<sup>st</sup> century careers, college, and citizenship.
5. **Protection of Retirees**— We are grateful for the option for retirees to maintain their health insurance. However, the process is extremely complex and retirees are fearful about entering into positions that will cause their insurance to fluctuate between two systems.

### Support for Public Schools

6. **Eliminate the A-F grading system for schools**—Move to an accountability system that supports academic improvement and aligns with the increased rigor of the new standards and assessments. The 2015 school grades are based upon a split of 80% performance/20% growth and a 15-point scale. School leaders feel that the current grading formula does not accurately reflect the learning in many of their schools. The current grading scale will lead to decreased economic activity, including home sales, in many communities across North Carolina. Several factors that should be considered in rewriting the grading structure are a 50-50 split between performance and growth and making permanent the 15-point scale.
7. **NC Pre-K**—Increase funding to serve additional 3 and 4-year olds in five star pre-kindergarten programs. For over a decade the State-funded NC Pre-K program, formerly known as More at Four, has been providing high-quality early educational opportunities to North Carolina’s at-risk children. This program should be returned to be part of the Department of Public Instruction, not Health and Human Services.

**Asheboro City Schools**  
**2016 10-Day Summer School Plan**

**Dates:**

June 13 - 24, 2016

**Locations:**

Grades 3-5 - Guy B. Teachey Elementary  
Grades 6-12 - Asheboro High School

**Times:**

8:15 AM - 11:30 AM  
8:30 AM - 11:45 AM

**Transportation:**

Transportation provided

**Meals:**

Daily breakfast and lunch provided

**Subjects:**

EOG English Language Arts Grades 4-8  
EOG Math Grades 3-8  
EOG Science Grades 5 & 8

EOC Biology  
EOC Math I  
EOC English II

**Attendees:**

Students scoring Achievement Level 2 will be invited. Requests for students scoring at Achievement Level 1 will be honored.

| <b>Date</b>               | <b>Event</b>   | <b>Time</b>      | <b>Location</b>       |
|---------------------------|--|------------------|-----------------------|
| Thursday, March 10, 2016  | Board Committee Meetings & Regular Meeting               | 6 - 9 p.m.       | PDC                   |
| Friday, March 18, 2016    | Legislative Breakfast                                    | 8 - 9:30 a.m.    | PDC                   |
| Tuesday, March 22, 2016   | Board Budget Work Session                                | 6:00 p.m.        | CO Board Room         |
| Wednesday, March 23, 2016 | Technology and Innovation Extravaganza                   |                  |                       |
|                           | Elementary STEAM Innovation Challenge                    | 12:30-2:30 p.m.  | AHS Gym               |
|                           | Elementary STEAM Innovation Judging                      | 2:30 - 3:30 p.m. | AHS Gym               |
|                           | Secondary STEAM Innovation Challenge Judging             | 8:30 - 3:30 p.m. | AHS Gym               |
|                           | STEAM Awards Ceremony                                    | 4:00 p.m.        | AHS Gym               |
|                           | Digital Learning Expo                                    | 5:00 - 7:00 p.m. | PDC                   |
| April 8 - April 11, 2016  | NSBA Annual Conference                                   | N/A              |                       |
| Tuesday, April 19, 2016   | Board Budget Work Session                                | 6:00 p.m.        | CO Board Room         |
| Thursday, April 21, 2016  | Retirement Celebration for Gale Brewer and Patsy Nichols | 12:00 noon       | CO Board Room         |
| Thursday, April 21, 2016  | Board Committee Meetings & Regular Meeting               | 6 - 9 p.m.       | PDC                   |
| May 2- 6, 2016            | Teacher Appreciation Week                                | All Day          | All                   |
| Tuesday, May 03, 2016     | AHS Band Chamber Concert                                 | 7:30 p.m.        | AHS PAC               |
| Thursday, May 05, 2016    | AHS Percussion Concert                                   | 7:30 p.m.        | AHS PAC               |
| Tuesday, May 10, 2016     | NAMS Band Spring Concert                                 | 7:30 p.m.        | AHS PAC               |
| Thursday, May 12, 2016    | Board Committee Meetings & Regular Meeting               | 6 - 9 p.m.       | PDC                   |
| Thursday, May 12, 2016    | SAMS Band Spring Concert                                 | 7:30 p.m.        | AHS PAC               |
| Tuesday, May 17, 2016     | SAMS Chorus Concert                                      | 7:30 p.m.        | AHS PAC               |
| Monday, May 16, 2016      | Spring Sports Ceremony                                   | 7 - 9 p.m.       | PAC                   |
| Wednesday, May 18, 2016   | Teacher of the Year Banquet                              | 6 p.m.           | Pinewood Country Club |
| Thursday, May 19, 2016    | AHS Chorus Spring Concert                                | 7:30 p.m.        | AHS PAC               |
| Tuesday, May 24, 2016     | AHS Jazz Concert   | 7:30 p.m.        | AHS PAC               |
| Wednesday, May 25, 2016   | Senior Awards Night                                      | 7 - 9 p.m.       | PAC                   |
| Thursday, May 26, 2016    | AHS Band Spring Concert                                  | 7 - 9 p.m.       | PAC                   |
| Tuesday, May 31, 2016     | AHS Arts Class Final Performance                         | TBA              | AHS PAC               |
| Wednesday, June 08, 2016  | Last Day of School/Graduation                            | 7:00 p.m.        | Lee J. Stone Stadium  |
| Thursday, June 9, 2016    | Retirement Breakfast                                     | 7:30 a.m.        | AHS PAC               |
| Thursday, June 09, 2016   | Board Committee Meetings & Regular Meeting               | 6 - 9 p.m.       | PDC                   |



# Points of Pride

March 10, 2016

## Student achievements:

- **North Carolina Science and Engineering Fair Winners:** Tyler Malpass and Allyson Russell
- **NC State Science Olympiad:**  
**AHS Team** - Connor Criscoe, Amar Singh, Cooper Faile, Maggie Redding, Caitlin Lamb, Elizabeth Redding, Laura Gomez placing 2nd in Invasive Species. Connor Criscoe and Cooper Faile will take their Chem Lab project to the State Competition which will be held at North Carolina State University in April.  
**SAMS Team** - Sarah Lynn Ficquette, Tatum Herrin, Freddy Kelley, Luke Hurley, Olivia Elliot, Maggie Allred, Julie Lewis, Hunter Trinkley, and Claudia Harrell. The SAMS team ranked 6th out of the 17 teams competing.
- **ACS Spelling Bee Winner:** Makayla Santos
- **NCHSAA State Wrestlers:** Nick Coe and Sawyer Davidson

## Staff recognition:

- **NASP School Psychologist of the Year:** Stephanie Austin, Ed. S. NCSP

## Parent involvement

- Families from Balfour Elementary participated in Math Night in February. Students shared new strategies such as multiplication using the box method and number talks to show their proficiency in math to their families.

## Events bringing community into our schools:

- Lindley Park hosted a Black History Month program with renowned performer, Logie Meachum. This interactive assembly featured poetry, storytelling, dance, music, and call and response segments that created a delightful learning experience for all in attendance.
- The Asheboro Zoo FFA Chapter celebrated FFA Week with a fundraiser for the "Grants for Growing" program which Tractor Supply sponsors in partnership with the National FFA Organization. They raised over \$300 and continued the celebration by volunteering at the Boys and Girls Club.
- Meteorologist Matthew East from TWC News 14 visited fifth graders in Mrs. King's class to discuss meteorology and answer questions about his career as a meteorologist.
- Read Across America brought community members into all five of our elementary schools to read to students in honor of Dr. Seuss' birthday.

# BOARD OF EDUCATION GOALS 2015-16

## STRATEGIC GOAL:

By 2016, **90 percent** or more of Asheboro City Schools' students will graduate with the skills needed as 21<sup>st</sup> century learners, workers, and citizens.

## STRATEGIC OBJECTIVES:

### 1. Engage each student

- A. Teach the standards through the lens of the **4 C's (Critical Thinking, Collaboration, Communication, and Creativity)** using innovative teaching practices with community partner engagement.
  - Eighteen teachers from the three secondary schools are participating in the Literacy Design Collaborative and Math Design Collaborative with the Southern Regional Education Board (SREB). SREB is also training IFs and 2 district coaches to support the teachers in implementing the rigorous and innovative teaching practices.
  - Schools are using the ELEOT tool to discuss increasing rigor through collaboration, creativity and critical thinking. There is a concerted effort to help classrooms become more student-centric! Much progress is being made in this area.
  
- B. Implement **global awareness** recommendations.
  - A recommendation has been made to Dr. Worrell to begin the first dual-language immersion programs at an identified school in 2016-17. The Board of Education learned detailed information during the ACS Winter BOE Retreat on January 30, 2016.
  - A team from Visiting International Faculty and Jusmar Maness, Balfour principal, shared Information/plan for dual language immersion beginning at Balfour next year during the Winter BOE Retreat on January 30, 2016.
  
- C. Evaluate and engage in strategic problem solving and coaching support to strengthen **Positive Behavior Instructional Support** implementation at each school.
  - A survey will be conducted to assess current training needs. This data will be used in conjunction with 2014-15 implementation data to determine a training plan for the current year.
  - Schools that have earned PBIS recognition for the 2014-2015 school year were announced by Dr. McCamish. Seven of our schools earned recognition:
    - Exemplar (highest recognition)-Guy B. Teachey Elementary and South Asheboro Middle School
    - Model-Balfour Elementary, McCrary Elementary, Loflin Elementary, and North Asheboro Middle School
    - Green Ribbon-Lindley Park Elementary
  - Two representatives from each school attended the PBIS Recognition Celebration on November 17, 2015, at the Koury Convention Center.
  - Two assessment support meetings are scheduled to review new assessment requirements from NCDPI with the school teams and offer support for using the data to support improved implementation.
  - Three PBIS Coach Meetings are scheduled to provide ongoing support for school teams to maintain and improve PBIS implementation. A meeting was held on 2/3/16 to

support the teams with completing PBIS assessments in the spring. A PBIS Coach Meeting was held on 2/23/16 to provide support for Supplemental Intervention Implementation.

- Three sessions of new team member PBIS refresher training are being offered to school team members to help ensure team members are knowledgeable about PBIS implementation. The first session of PBIS team member training will be held on 2/29/16 to provide an intensive overview of Universal Supports.

D. Implement district-wide program to prevent **bullying**.

- Staff trainings have occurred at all schools.

E. Implement updated lockdown and **crisis plan procedures**.

- Asheboro Police Department conducted Crisis response drills at Asheboro High School in August.
- Staff trainings have occurred in each school.
- The first lockdown drill has been completed.
- Dr. Rice & Dr. Worrell collaborated with the Emergency Services, Randolph County Government, Sheriff's Department and the Asheboro Police Department about current procedures for Law Enforcement Response to Lockdown Situations in Government and School Buildings.
- Participated in Strategic National Stockpile Exercise on 12/3/15.
- Collaborating with Randolph County in the development of the Hazard Mitigation Plan.
- Multi-Agency All-Hazards Drill conducted at AHS on 1/18/16.

F. Provide professional development on **digital teaching and learning** as directed from the Asheboro City Schools Professional Development Needs Survey.

- Digital teaching and learning professional development for the Instructional Facilitators two days each month to increase their knowledge and skills so that they can train teachers at their respective schools.
- A team of Instructional Facilitators along with the Directors of Elementary and Secondary Education will attend the NCTIES (NC Technology in Education Society) Conference March 3 and 4 to learn Instructional Technology strategies to share with the district.

G. Implement support for the new **learning management system**, Canvas, in Grades 4-12 for students and for all staff.

- All Instructional Facilitators have attended a webinar and face-to-face professional development to support teachers in implementing the Canvas LMS.
- Nathan Craver provided professional development to Lindley Park 4th and 5th Grade teachers on August 20th
- Technical Support Staff and Nathan Craver attended Webinars to on 8/12 and 8/26 to support the back-end user support of Canvas LMS
- 65 Teachers at AHS have completed the Canvas Challenge Online Professional Development Course
- Staff Development has been offered at AHS, SAMS, NAMS, CWM, LPES, and GBT
- All staff members at SAMS are entering lesson plans for feedback and review by instructional facilitators and administrators
- Administrative Leadership Team Meetings have gone virtual through the Canvas Web-Conference Tool, allowing assistant principals to remain in their buildings and still

- attend the meeting.
- CWM Staff are participating in the blended PD course on Student-Centered Math Instruction

## 2. Assess for learning

- A. **Align the core curriculum** with state testing specifications and **implement systematic progress monitoring system** (Benchmark Analysis, PEP process, Data Discussions, EVAAS, etc.)
- District pacing guides have been modified to identify power standards that are aligned to state testing specifications.
  - The first round of benchmarks have occurred, teachers have analyzed the data, and students that have not mastered the standards are receiving interventions.
  - Dr. McCamish, Ms. Rich, and Dr. Pack are working with IFs, Administrators, and teachers to refine the PEP process to reflect the changes in the MTSS process and current legislation. The goal is for the new process to be piloted in several classes during the spring. The document and process will be revised based on feedback and input from teachers and administrators. Training and support will be provided to implement the revised process district-wide in the fall 2016.
  - The first round of benchmarks for semester and yearlong courses was completed in October. Performance Data has been analyzed by teachers, administrators, and Instructional Facilitators to inform instruction and support student learning. Teachers were able to areas of strength and opportunities for improvement for students.
  - The second round of cumulative benchmark assessments for yearlong courses were conducted students in grade 3-8 in mid December.
  - Comprehensive benchmark assessments for Biology, English 2, and Math 1 were completed in December 2015. A cumulative benchmark has been scheduled for students in the Foundation of Math 1 course. Data from these benchmark assessments will guide the review and re-teaching before the administration of the End-of-Course Assessments.
  - Select K-8 teachers are piloting the ISP (Instructional Success Plan) which will document instructional success for our students. Teachers will provide input to refine the ISP for the MTSS process in ACS.
- B. Encourage and support school based **data driven strategies** to inform instruction and intervention.
- Preliminary data from 2014-2015 was shared with schools at the Administrative Leadership Retreat on July 20, 2015, with a focus on continuous improvement goal setting and data analysis.
  - The North Carolina Department of Public Instruction released the 2014-2015 READY Assessment Data and results on the Federal Annual Measurable Objectives on September 2.
  - School Leadership Teams have analyzed data and developed annual goals on their Continuous Improvement Plans. Each school has presented their Continuous Improvement Plan before the Board of Education at the October (elementary) and November (secondary and ECDC) meetings. These plans have been approved by the Board of Education.
  - Subject and individual teacher growth reports have been shared with administrators and teachers through the Educational Value Added Assessment System (EVAAS). This



data will populate Standard 6 for teachers and Standard 8 for administrators on individual summative evaluations.

- Asheboro High School completed the Roster Verification process for first semester courses.
- Continuous Improvement Plan progress monitoring visits have occurred with Dr. Worrell and members of the cabinet visiting with each school. Representatives from each school's leadership team shared current data to support progress toward achieving annual goals and supporting student learning.
- Students in Asheboro High School EOC courses completed a comprehensive benchmark at the beginning of the second semester. Pared with a comprehensive benchmark in May, this will allow for a pre-/post-test analysis of student knowledge and learning.

### 3. Improve achievement

- A. Utilize the Asheboro City Schools' Literacy Plan as a road map to **improve writing K-12**.
  - Instructional Facilitators have reviewed the ACS Literacy Plan expectations with teachers and are planning writing instruction with teachers.
  - Progress monitoring at the elementary level includes analysis of written responses for comprehension questions to improve TRC reading levels and enhance reading achievement.
  - Secondary teams participating in the Literacy Design Collaborative (LDC) have completed two modules in their classes requiring students to write products using rich texts. Teachers will be creating their third module for implementation during the March work session with the SREB and local trainers.
- B. Expand implementation of **Letterland** as a **consistent phonics instructional approach** in pre-kindergarten and kindergarten classrooms at each school site.
  - Letterland has been expanded into ALL kindergarten classrooms in the district for the 15-16 school year and into half of the pre-kindergarten classrooms.
- C. Expand **Reading Foundations professional development** to secondary level teachers to increase reading content knowledge and enhance instructional skills as funding is available.
  - Reading Foundations is being offered to a cohort of secondary teachers during the 2015-16 school year. First session was August 18, 2015. The second session was held Oct. 7, 2015.
  - Three Elementary Instructional Facilitators will be completing their training to become state-level and district-level trainers. They will be assisting with the secondary PD this year to fulfill their training requirements.
- D. Develop and expand opportunities for students to **recover and enrich learning** beyond regular school hours.
  - Asheboro City Schools' STEAM Camp was held in July at NC Zoo.
  - Health Science Academy Orientation Week began on August 10, 2015.
  - Asheboro City Schools held an Hour of Code event on Monday, December 7, 2015 for students and their families to participate in computer science activities. During the week of December 7, all schools in ACS will host Hour of Code activities in their buildings.

- E. Increase opportunities for students to **earn college credits and industry credentials**.
- We have added a **Workplace Readiness** credential for our students to earn through our Career Management course at Asheboro High School beginning with the 2015-16 school year. This credential indicates students' level of competence in soft skills that are critical for success in today's workplace.
- F. Develop district-wide implementation plan for **Multi-Tiered System of Supports [MTSS]** by assessing current implementation, readiness, developing timelines, coaching supports, professional development plans, and other district supports in order to ensure schools can implement with fidelity.
- District coach/coordinators have been identified and coordinate planning efforts with the district instructional team. Current efforts are focused on assessing district capacity and readiness.
  - The new draft of the MTSS plan was shared with selected teachers on December 10 for feedback. Principals will provide additional feedback at the December ALT meeting.
  - District has identified a district coordinator of MTSS.
  - District MTSS team members have been identified, and through core team membership and flexible grouping, the team met on 2/25/16 to complete the NC DPI MTSS Readiness Instrument and will submit it to NC DPI by March 6, 2016.
  - Additional meeting dates for the District MTSS team and the MTSS Implementation team will take place throughout the spring.
  - The March 2nd MTSS District Problem Solving meeting focused on establishing protocol for communication, meeting norms, methods to organize future/current problem solving efforts, determining consensus for decision making, and focus for team activities and actions.

#### 4. Create opportunities

- A. Increase opportunities for **parental involvement** through resources and events.
- We are developing a partnership with A&T University to create parent education modules with the Instructional Facilitators that will be delivered to parents throughout the year at the elementary schools.
- B. Provide opportunities for **stakeholder engagement and improved communication** through social media, digital communications, and community partner events.
- Two strategic planning meetings have been held with over 70 community partners in attendance.
  - We continue to promote district events and news via our social media outlets and our number of likes and followers reflects an increase.
  - Use of Peachjar (electronic flyer) to generate interest and participation in our Hour of Code event.
  - Ongoing use at the school and district level of our Blackboard Connect telephone messaging system to promote events and increase communication with families.
  - The 2014-2015 North Carolina School Report Cards were released on December 1. Copies of each school's report card were printed and shared with parents/guardians.
  - Two events are tentatively planned to gather feedback and provide professional development for families of students identified as having a disability.
- C. Actively seek **partnerships with the community, industry, and institutions of higher education**

to create opportunities for students.

- The AIG Parent Advisory Team met on November 17, 2015 to begin the process of gathering feedback on the District AIG plan. The next scheduled meeting is February 2, 2015.
- In November, the Pathways to Prosperity leadership team met to initiate the pathway process for Asheboro City Schools, Randolph County School System, and Randolph Community College in the area of Health Sciences.
- The Pathways to Prosperity Strategic Planning Team for Health Sciences held their first meeting on February 16, 2016. The remaining meetings are March 24, April 26, and May 24.

## 5. Build capacity

A. **Develop and promote professional development** options through Canvas learning management system and North Carolina Educator Effectiveness System.

- Asheboro City Schools' Administrative Leadership Team was introduced and had the opportunity to utilize the Canvas LMS system during the annual retreat in July.
- Instructional Facilitators have been given professional development on Canvas to support teachers in their buildings in learning to implement the learning management system in their classroom. The IFs are developing a plan to provide staff development to their teachers through a self-paced online course offered in Canvas LMS.
- Over 70 staff members have participated in the Canvas Challenge Online Professional Development Course
- Dubraska Stines is developing a course on SIOP Training to be offered in a blended learning environment through the Canvas LMS beginning November 20th.
- At the November Administrative Leadership Team meeting, administrators learned how to utilize the North Carolina Educator Effectiveness System (NCEES) to individualize professional development to meet teacher developmental needs.

B. Implement **Teacher Leadership Academy 2.0**.

- TLA 2.0 met on July 21-22, 2015 - The focus was on Strategic Planning, AdvancED preparations.
- TLA 2.0 members had the opportunity to meet with Dr. Horatio Sanchez, Convocation keynote speaker, following Convocation.
- Plans are in the making for Cohort 6 TLA 2016-17.
- The application process for TLA Cohort 6 for 2016-17 opened in February. The next cohort participants will be notified in March.
- The application and selection process for TLA Cohort 6 began in February. Information was shared at the February ALT meeting.

C. Maximize programs and initiatives to **recruit and retain high quality teachers and administrators**.

- New Teacher Orientations held August 10, 11, 13, 2015 - Orientation held for first-year teachers.
- Lead Mentors assigned to all schools through Title II High Quality Teachers federal funding.
- New Employees Reception - Monday, August 31, 2015.
- All Beginning Teachers and several Lead Mentors had the opportunity to meet with Dr.

Horatio Sanchez, Convocation keynote speaker, following Convocation.

- BT-1s met on Thursday, October 29 at the PDC. Delta Nu (Asheboro City/Randolph County educators) provided refreshments. BT-1s continued their professional development on “growth vs fixed mindsets” with the district BT Support Team and DRIVE Educational Consultants.
- Beginning stages of implementing the TeacherMatch online application process through the state HRMS database.
- Attended fall career fairs at ASU and UNC-Charlotte to identify December graduates to fill potential mid-year vacancies.
- Attended the Speech Pathologist Recruitment Fair at UNCG on 2/19/16.
- BT-1s met on Wednesday, January 20 at the PDC. Teachers received .5 days of continued professional development provided by DRIVE Educational consultants.