

ASHEBORO CITY BOARD OF EDUCATION
February 14, 2013
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 – Marvin Ruiz-Rodriguez, Charles W. McCrary Elementary School
 - *D. Approval of Agenda

- II. **Special Recognition and Presentations**
 - A. Community Partner Spotlight – Habitat for Humanity
 - B. Board Spotlight – Charles W. McCrary Elementary School

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

- IV. ***Consent Agenda**
 - A. Approval of Minutes – January 10, 2013, and February 2, 2013
 - B. Budget Amendments – State (S-03) and Federal (F-02)
 - C. Budget Calendar
 - D. Personnel

- V. **Information, Reports and Recommendations**
 - A. Policies
 - Policy 1310/4002 – Parental Involvement
 - Policy 1320/3560 – Title I Parent Involvement
 - Policy 4153 – School Improvement Choice Transfer (Removal of Policy)
 - Policy 4700 – Student Records
 - B. Long Range Facility Needs Review

- VI. **Action Items**
 - *A. 2011-2012 Audit
 - *B. Project and Budget Bid for Lee J. Stone Stadium Concession Stand

- VII. **Superintendent’s Report/Calendar of Events**
 - A. Calendar of Events
 - B. Points of Pride
 - C. 2012-2013 Board Goals, February Update

- VIII. **Board Operations**
 - A. Important Dates to Remember:
 - All County Band Concert – February 22, 2013, Performing Arts Center

- Commissioners' Meeting – March 11, 2013, Historic Courthouse
- Budget Work Session – March 18, 2013, 7:00 p.m., Central Office Board Room
- Digital Learning Expo – March 22, 2013, Asheboro High School Gymnasium
- NSBA Annual Conference – April 13-15, 2013, San Diego, CA
- Budget Work Session – April 23, 2013, 7:00 p.m., Central Office Board Room

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
February 14, 2013
7:30 p.m.
Asheboro High School
Professional Development Center

Addendum

I. Opening

IV. *Consent Agenda

- B.** Budget Amendments – State (S-03), Federal (F-02), Current Expense (CE-01), and Capital Outlay (CO-02)
- D.** Personnel
- E.** North Asheboro Middle School Field Trip – Washington, DC
- F.** Signature Card – South Asheboro Middle School

V. Information, Reports and Recommendations

- B.** Long Range Facility Needs Review

VI. Action Items

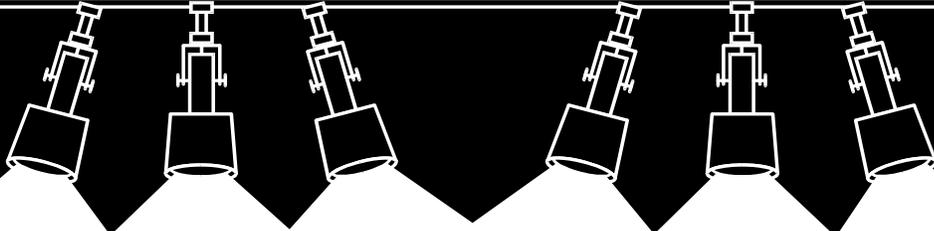
- *B.** Project and Budget Bid for Lee J. Stone Stadium Concession Stand

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 21st century global citizenship.

February 14, 2013



Community Partner Spotlight:

The Community Partner Spotlight is Habitat for Humanity of Randolph County for their work with McCrary Elementary School. Habitat volunteers and staff have been working with students and teachers at McCrary to build doghouses that will be donated to the Randolph County Animal Shelter.

Board Spotlight:

The Board Spotlight this evening comes from McCrary Elementary School. McCrary's Media Specialist Cassie Salabak started a book club for 3rd – 5th grade boys to increase male students' interest in reading. The McCrary team will share data and information about the book club's success.

Minutes of the Asheboro City Board of Education
January 10, 2013
7:30 p.m.

Policy Committee

The Policy Committee convened at 6:00 PM in the Professional Development Center with the following members present:

Chris Yow, Chairman
Phillip Cheek
Jane Redding

Gidget Kidd
Steve Jones

Committee member absent was Archie Priest, Jr.

Staff members present were: Dr. Diane Frost, Carla Freemyer, Jennifer Smith, and Dr. Drew Maerz.

The meeting was called to order at 6:00 PM and Dr. Maerz began review of the agenda.

- Policy 1310/4002 Parental Involvement
 - Recommended to replace the Asheboro City Schools version with the North Carolina School Boards Association version. Multiple changes based on updated North Carolina School Boards Association law, including a division of the current policy into two separate policies.
 - The new policy will house the Title I Parental Involvement topics separately. See below.
- Policy 1320/3560 – Title I Parent Involvement (New)
 - Created to summarize the federal legal requirements as required by the North Carolina School Boards Association and No Child Left Behind laws as they pertain to the Title 1 program.
 - Addition of notification requirements for parents of students in the LEP program. Some sections were removed that were solely based on No Child Left Behind.
- Policy 4700 – Student Records
 - North Carolina School Boards Association has provided a more detailed and updated version of this policy.
 - A definition of a parent and eligible student has been provided.
 - New sections covering classification and maintenance of records as well as records of students in the North Carolina Address Confidentiality program, missing children, and military children.
 - Release or disclosure of records to others is provided in detail.
 - New section added to include release of longitudinal data to the North Carolina Longitudinal Data System as long as they do not conflict with the requirements of the Family Educational Rights and Privacy Act.

All policies discussed tonight will go to full board in February for 30-day review.

With no further business, the meeting was adjourned at 6:30 PM.

Finance Committee

The Finance Committee convened at 7:00 p.m. in the Professional Development Center conference room with the following board members present:

Kelly Harris, Chairman
Linda Cranford
Joyce Harrington

Gus Agudelo
Kyle Lamb
Jane Redding

Committee member absent was Archie Priest, Jr.

Staff members present were: Dr. Diane Frost and Harold Blair.

Dr. Harris called the meeting to order and referred to Mr. Blair to begin the meeting.

Mr. Blair reviewed the following items:

- Audit Review for 2011-2012
- Fund Balance History

There being no further business, the meeting adjourned at 7:25 p.m.

Board of Education

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:

Jane Redding, Chairman	Gustavo Agudelo
Phillip Cheek	Linda Cranford
Joyce Harrington	Dr. Kelly Harris
Kyle Lamb	Archie Priest, Jr.
Chris Yow	Steve Jones
Archie Smith, Jr., Attorney	

Board member absent was Gidget Kidd.

Staff members present were: Dr. Diane Frost, Jennifer Smith, Carla Freemyer, Mike Mize, Pam Johnson, Harold Blair, Dr. Drew Maerz, Dr. Brad Rice, Julie Pack, and Wendy Rich.

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

Following a moment of silence led by Chairman Redding, Leah Reid, a fifth grade student at Lindley Park Elementary School, led the pledge of allegiance.

Mr. Lamb made a motion to approve the agenda, seconded by Mr. Cheek, and unanimously approved by the Board.

Special Recognition and Presentations

Lindley Park Elementary School's staff, students, and parents shared information and experiences from a fifth-grade field trip to Camp Hanes in November. This field trip reinforced and supported Common Core and North Carolina Essential Standards, which are the new statewide curriculum standards being implemented this year.

Public Comments

Chairman Redding opened the floor to public comments; no one signed up to address the Board.

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

Consent Agenda

The following Consent Agenda items were approved:

**Approval of Minutes – December 13, 2012, and December 18, 2012*

**Personnel*

RESIGNATIONS/RETIREMENTS/SEPARATIONS

<u>NAME</u>	<u>SCHOOL/SUBJECT</u>	<u>EFFECTIVE</u>
Moore, Selina	SAMS/Treasurer	12/17/12
Trogon, Quinton	CO/Bus Driver	12/20/12
Shriver, Lauren	SAMS/8 TH Grade Math	1/04/13

APPOINTMENTS

<u>NAME</u>	<u>SCHOOL/SUBJECT</u>	<u>EFFECTIVE</u>
Brock, Tyler	SAMS/Custodian (PT)	12/17/12
Pugh, Elizabeth	CWM/Special Ed (Interim)	1/2/13 – 6/7/13
Cox, Tonya	Substitute Teacher (\$70)	12/18/12
Rutkowski, Jennifer	Substitute Teacher (\$70)	1/2/13
Hill, Lorie	DLL/Instructional Assistant	3/1/13
Lambert, Andrea	DLL/Instructional Assistant	1/2/13
Knight, Marchelle	AHS/ESL	1/14/13
Alexander, Christopher	Substitute Teacher (\$70)	1/7/13
Brigman, Julie	Substitute Teacher (\$70)	1/7/13
Cagle, Wanda	Substitute Teacher (\$70)	1/7/13
Carroll, Aileene	Substitute Teacher (\$91)	1/7/13
Copple, Ronnie	Substitute Teacher (\$70)	1/7/13
Daniels, Rebecca	Substitute Teacher (\$70)	1/7/13
Davis, Cassaundra	Substitute Teacher (\$70)	1/7/13
Husband, Mary Katherine	Substitute Teacher (\$70)	1/7/13
Husband, Sonya	Substitute Teacher (\$70)	1/7/13
Luther, Michelle	Substitute Teacher (\$70)	1/7/13
Madrid, Stephanie	Substitute Teacher (\$91)	1/7/13
Owens, Collin	Substitute Teacher (\$70)	1/7/13
Price, Jamie	Substitute Teacher (\$70)	1/7/13
Purnell, Donna	Substitute Teacher (\$70)	1/7/13
Trollinger, Sarah	Substitute Teacher (\$91)	1/4/13
Triplett, Melissa	DLL/Instructional Assistant	01/14/13
Cox, Nichole	LP/Data Manager-Treasurer	TBD
Brooks, Vanessa	NAMS/Lead Teacher for Instruction (Temp.)	1/17/13 – 06/07/13
Williams, April	Substitute Bus Driver	01/10/13
Murray, Brittany	GBT/1 st Grade Teacher	01/08/13

LEAVES OF ABSENCE

<u>NAME</u>	<u>SCHOOL/SUBJECT</u>	<u>EFFECTIVE</u>
Baxter, Crystal	LP/Instructional Assistant	1/7/13 – 4/26/13

TRANSFERS

<u>NAME</u>	<u>SCHOOL/SUBJECT</u>	<u>EFFECTIVE</u>
Mazur, Victoria	AHS/ESL to NAMS/ESL	1/29/13

**South Asheboro Middle School Spanish Field Trip* (A copy of the South Asheboro Middle School field trip will become a part of these minutes.)

**Signature Card – Lindley Park* (A copy of the signature card will become a part of these minutes.)

Information, Reports and Recommendations

Mike Mize shared a PowerPoint presentation on 2012 summer facility projects featuring the many improvements and upgrades completed by the Maintenance Department and subcontractors.

Action Items

Legislative Committee Chairman, Linda Cranford, reviewed the 2013 Legislative Platform highlighting the key priorities as proposed by the Legislative Committee: maintaining local control, adequate funding from the state,

and support for public schools. A motion was made by Mr. Yow and Dr. Harris seconded to approve the platform as presented. The Board unanimously approved the 2013 Legislative Platform. (A copy of the 2013 Legislative Platform will become a part of these minutes.)

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

- Policy 2300 – Board Meetings
- Policy 3200 – Instructional Materials
- Policy 3210 – Parental Objection
- Policy 6401 – Purchasing
- Policy 7730 – Employee Conflict of Interest
- Policy 8220 – Gifts and Bequest

The motion passed unanimously. (A copy of the policies will become a part of these minutes.)

Superintendent's Report/Calendar of Events

Carla Freemyer shared the Calendar of Events highlighting the following dates: Legislative Breakfast at Balfour Elementary, January 16; Middle School Science Fair, January 16; Board of Education Appreciation Luncheon, January 25; District Spelling Bee, February 19; and the ACS Digital Learning Expo, March 22.

Superintendent Frost thanked board members for their attendance and support at the Asheboro High School's Senior Board night on Wednesday, January 9. Dr. Frost also announced the Board Appreciation Luncheon on January 25, 2013, 12:00 noon, at North Asheboro Middle School.

Board members received an agenda for the Winter Board Retreat to be held on Saturday, February 2, 2013, in the Asheboro High School media center.

Superintendent Frost provided an update on the 2012-2013 Asheboro City Schools' Strategic Plan goals.

Board Operations

Chairman Redding reported Board Committees for 2013 are as follows:

Finance Committee: Kelly Harris, Chair; Joyce Harrington; Linda Cranford; Gustavo Agudelo; and Kyle Lamb.

Policy Committee: Chris Yow, Chair; Phillip Cheek; Gidget Kidd; and Steve Jones.

Legislative Committee: Linda Cranford, Chair; Steve Jones; and Joyce Harrington.

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

- Legislative Breakfast—January 16, 2013, Balfour Elementary, 8:15 a.m.
- Board of Education Appreciation Luncheon—January 25, 2013, North Asheboro Middle School, 12:00 noon
- Winter Board Retreat – February 2, 2013, Asheboro High School Media Center
- NSBA Annual Conference – April 13-15, 2013, San Diego, CA

Adjournment

There being no further business, a motion was made by Mr. Lamb, seconded by Mr. Cheek, and unanimously approved by the Board to adjourn. The meeting adjourned at 8:16 p.m.

Chairman

Secretary

**Minutes of the Asheboro City Board of Education
February 2, 2013**

Winter Board Retreat

The Asheboro City Board of Education met in a work session on February 2, 2013, at 8:00 a.m., in the Media Center at Asheboro High School with the following present:

Jane Redding, Chairman	Archie Priest, Jr.
Gustavo Agudelo	Phillip Cheek
Linda Cranford	Dr. Kelly Harris
Steve Jones	Gidget Kidd
Kyle Lamb	Chris Yow

Steve Jones departed at 12:00 noon due to a prior appointment. Board member absent was Joyce Harrington.

Staff members present were Dr. Diane Frost, Jennifer Smith, Harold Blair, Dr. Drew Maerz, Carla Freemyer, Pam Johnson, Mike Mize, Julie Pack, Wendy Rich, Dr. Brad Rice, and Elizabeth Johnson.

Chairman Redding opened the meeting and recognized Dr. Frost who led the agenda.

Dr. Frost welcomed all in attendance and shared a PowerPoint presentation on how we can build support for our schools and the trends that are impacting public schools at this time. Changing demographics, negative media, the rise of special interests, and other factors affect how our schools are seen.

Elizabeth Johnson and Carla Freemyer conducted activities on what we can do to tell the story of Asheboro City Schools and why communication matters.

Jennifer Smith, Wendy Rich, and Julie Pack presented an update on the new Common Core standards and literacy initiatives. Ms. Rich shared the K-5 Literacy brochure and demonstrated Reading 3D. Ms. Pack directed participants to the "Assessment" tab on Livebinder on Asheboro City Schools' website and gave a sample assessment showing how testing is changing in our schools.

Ms. Smith also gave an update on professional development for Common Core/Essential Standards with dates and a description of each session.

Ms. Claudia Rodriguez and Ms. Natasha Milsaps, teachers at North Asheboro Middle School presented model lessons in math and language arts demonstrating instructional shifts under the new Common Core/Essential Standards.

Jennifer Smith reviewed the commendations and recommendations that resulted from the Report of the Quality Assurance Review Team visit February 13-16, 2011.

Julie Pack and Shea Setzer-Grosch reported on the progress made in establishing an Asheboro City Schools Health Science Academy. Health science-based careers are among the fastest growing occupations by percent change from 2008-2018 in North Carolina. This is a labor

demand that Asheboro City Schools will meet with a prepared workforce. Our Small Learning Communities Vision is:

- Create a small learning community focused on:
 - Broad range of Health Science careers
 - Health Science and/or Science curriculum
 - Diverse students (ability, race, gender)
- Cohort style
- Built into the current school environment – students will not be separated from peers or campus

Ms. Pack informed the Board of the steps that have been taken thus far and the projected launch date August 2013 for the academy.

Carla Freemyer presented an update on Future Planning for Excellence and the steps that have been completed to date in developing our next Strategic Plan. The newly developed 2013-2016 Future Plan draft will be presented to the Board on May 9, 2013, for review and adoption at the June 13, 2013, board meeting.

Dr. Frost reported on bills that have been introduced during the first three days of legislative session in Raleigh that would have an effect on education. Dr. Frost also gave information on the recommendations that the State Board of Education is submitting for A-F School Performance Grades.

Power School is a web-based student information system with a centralized database designed uniquely for Asheboro City Schools. Dr. Drew Maerz went over the powerful features of this system and how it will replace the current student information system, NC WISE. Power School is aligned with current technology and is the most widely used student information system in the United States. It creates a collaborative environment for accessing student, school, and LEA related information via the web. Implementation will be in all school districts and charter schools in North Carolina with the year-end transition of data in July 2013.

Asheboro City Schools adopted updated Policy 2300 – Board Meetings at its January 10, 2013, board meeting. The policy includes a new section on “Remote Participation in Meetings.” Dr. Drew Maerz, Harold Blair, and Mike Mize have collaborated to make sure equipment and technology needed for remote participation is available. Dr. Maerz gave a demonstration of how remote participation will work and went over the guidelines for board meetings when it is necessary for a board member to participate remotely.

Chairman Redding adjourned the meeting at 3:34 pm.

Chairman

Secretary

Budget Amendment
 Asheboro City Schools Administrative Unit
 State Public School Fund

The Asheboro City Board of Education at a regular meeting on the 14th day of February, 2013, passed the following resolution.

Be it resolved that the following amendment be made to the budget resolution for the fiscal year ending June 30, 2013.

REVENUE

1.3100.000	State Allocation	\$ <u>80,193.00</u>
		\$ <u><u>80,193.00</u></u>

EXPENDITURE

1.5400.003	School Leadership - Office Support	\$ (11,765.00)
1.5120.014	CTE - Career Technical Education	86,943.00
1.6400.015	Technology Support - School Technology Fund	424.00
1.5110.027	Regular Instruction - Teacher Assistants	8,279.00
1.5210.029	Special Instruction - Behavioral Support	(4,199.00)
1.6550.056	Transportation Services - Transportation of Pupils	15,735.00
1.5110.061	Regular Instruction - Classroom Materials	(9,282.00)
1.5230.063	Pre-K Children With Disabilities - Children With Special Needs	8,561.00
1.5310.069	Alternative Instruction - At-risk Student/Alternative Schools	(45,000.00)
1.6400.073	Technology Support - School Connectivity	897.00
1.5110.085	Regular Instruction - mClass Reading 3D	<u>29,600.00</u>
		\$ <u><u>80,193.00</u></u>

Total Appropriation in Current Budget	\$ 27,382,668.00
Total Increase/Decrease of above amendment	<u>80,193.00</u>
Total Appropriation in Current Amended Budget	\$ <u><u>27,462,861.00</u></u>

Passed by majority vote of the Board of Education of Asheboro City on the 14th day of February, 2013.

 Chairman, Board of Education

 Secretary

Budget Amendment
Asheboro City Schools Administrative Unit
Federal Funds

The Asheboro City Board of Education at a regular meeting on the 14th day of February, 2013, passed the following resolution.

Be it resolved that the following amendment be made to the budget resolution for the fiscal year ending June 30, 2013.

Revenue

3.3600.017	VOC ED Program Improvement	\$ 1,528.00
3.3600.049	IDEA Pre-School Handicapped	13,739.33
3.3600.050	Title I	1,219.63
3.3600.060	IDEA VI-B Handicapped	(11,468.74)
3.3600.082	IDEA-VI-B State Improvement	3,085.72
3.3600.103	Improving Teacher Quality	(33.00)
3.3600.104	Language Acquisition	(950.80)
3.3600.108	Educational Technology - IMPACT Grant	(36.84)
3.3600.118	IDEA-Part B Targeted Assistance	12,867.97
3.3600.119	IDEA-Preschool Part B Targeted Assistance	3,199.44
3.3600.156	ARRA - Race to the Top	95,326.16
		<u>\$ 118,476.87</u>

Expenditure

3.5120.017	CTE Curricular Services	\$ 1,528.00
3.5230.049	Pre-K Children w/ Disabilities Curricular Services	13,739.33
3.5330.050	Remedial and Supplemental K-12 Services	1,219.63
3.5210.060	Children w/ Disabilities Curricular Services	(11,468.74)
3.5210.082	Children w/ Disabilities Curricular Services	3,085.72
3.5110.103	Regular Curricular Services	(33.00)
3.5270.104	Limited English Proficiency Services	(950.80)
3.5860.108	Instructional Technology Services	(36.84)
3.5210.118	Children w/ Disabilities Curricular Services	12,867.97
3.5230.119	Pre-K Children w/ Disabilities Curricular Services	3,199.44
3.3600.156	ARRA - Race to the Top	95,326.16
		<u>\$ 118,476.87</u>

Total Appropriation in Current Budget	\$ 5,563,458.73
Total Increase/Decrease of above amendment	<u>118,476.87</u>
Total Appropriation in Current Amended Budget	<u>\$ 5,681,935.60</u>

Passed by majority vote of the Board of Education of Asheboro City on the 14th day of February, 2013.

Chairman, Board of Education

Secretary

Budget Amendment
Asheboro City Schools Administrative Unit
Current Expense Fund

The Asheboro City Board of Education at a regular meeting on the 14th day of February, 2013, passed the following resolution.

Be it resolved that the following amendment be made to the budget resolution for the fiscal year ending June 30, 2013.

<u>REVENUE</u>		
2.4910.000	Fund Balance Appropriated	\$ <u>165,320.00</u>
		\$ <u><u>165,320.00</u></u>
 <u>EXPENDITURE</u>		
2.5110.061.411	Regular Instruction-Supplies	\$ 1,985.92
2.5210.681.319	Special Instruction-Contracted Services	2,418.00
2.5860.015.418	Instructional Technology	79,552.79
2.6580.802.311	Maintenance-Contracted Services	9,700.00
2.6580.802.327	Maintenance-Lease of Mobile Units	28,058.93
2.6580.802.411	Maintenance-Supplies	1,814.36
2.6932.801.311	External Audit-Contracted Services	29,250.00
2.6950.804.411	Public Relations-Supplies	12,540.00
		\$ <u><u>165,320.00</u></u>
 Total Appropriation in Current Budget		 \$ 8,011,000.00
Total Increase/Decrease of above amendment		<u>165,320.00</u>
Total Appropriation in Current Amended Budget		\$ <u><u>8,176,320.00</u></u>

Passed by majority vote of the Board of Education of Asheboro City on the 14th day of February, 2013.

Chairman, Board of Education

Secretary

Budget Amendment
Asheboro City Schools Administrative Unit
Capital Outlay Fund

The Asheboro City Board of Education at a regular meeting on the 14th day of February, 2013 passed the following resolution.

Be it resolved that the following amendment be made to the budget resolution for the fiscal year ending June 30, 2013.

REVENUE

4.4910.999	\$	123,179.83
		123,179.83
		123,179.83

EXPENDITURE

4.9101.999.529.304	AHS Compressors	\$	9,000.00
4.9101.999.532.304	AHS Concrete Pad		14,700.00
4.9101.999.532.321	DLL Water Line		11,000.00
4.9105.999.529.328	GBT Carpet		9,648.62
4.9118.999.529.304	AHS Restroom Concessions/Lightpoles		48,114.25
4.9231.999.461.328	GBT Furniture		11,621.27
4.9231.999.541.304	AHS Mat		9,608.77
4.9231.999.542.328	GBT Furniture		7,853.80
4.9233.999.461.321	DLL Desk		1,633.12
			1,633.12
		\$	123,179.83

Total Appropriation in Current Budget	\$	3,374,626.00
Total Increase/Decrease of above amendment		123,179.83
		123,179.83
Total Appropriation in Current Amended Budget	\$	3,497,805.83

Passed by majority vote of the Board of Education of Asheboro City on the 14th day of February, 2013.

Chairman, Board of Education

Secretary

ASHEBORO CITY SCHOOLS BUDGET CALENDAR

- I. February 18 – March 1: WORK PERIOD
Consult with principals and directors. Compile listing of budget requests.
- II. March 4 – March 18: EVALUATION PERIOD
Evaluate requests and assess priorities.
- III. **Monday, March 18 – 7:00 p.m.**: BUDGET WORK SESSION WITH BOARD OF EDUCATION (Central Office Board Room)
- IV. March 19 – April 22: COMPILATION AND REVIEW
Prepare preliminary budget.
- V. **Tuesday, April 23 – 7:00 p.m.**: SUBMIT BUDGET REQUEST AND BUDGET MESSAGE TO BOARD OF EDUCATION (Central Office Board Room)
- VI. April 24 – April 30: PREPARE BUDGET FOR COUNTY COMMISSIONERS
Make changes as requested by the Board.
- VII. May 1 - May 15: DELIVER TO COUNTY COMMISSIONERS

Special Meetings

Monday 3/18 7:00 p.m. Central Office Board Room - Budget Work Session

Tuesday 4/23 7:00 p.m. Central Office Board Room - Submit Budget to Board

**Asheboro City Schools
Personnel Transactions
2/14/2013**

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

<u>NAME</u>	<u>SCHOOL</u>	<u>SUBJECT</u>	<u>EFFECTIVE</u>
Allred, Kathy	LP	Instructional Assistant	1/18/2013
Brown, Ashley	LP	1st Grade	2/28/2013
Kingston, Chris	SAMS	EC Functional Skills	2/8/2013
Lennon, Barbara	SAMS	Mathematics	1/18/2013
Martin, Jessica	GBT	Instructional Assistant	1/17/2013
McInnis, Jennifer	AHS	Spanish	1/22/2013
Mize, Melanie	CWM	SW/Parent Involvement Specialist	6/30/2013
Richburg, Jane	CO	Attendance Social Worker	6/28/2013

***B. APPOINTMENTS**

<u>NAME</u>	<u>SCHOOL</u>	<u>SUBJECT</u>	<u>EFFECTIVE</u>
Baltes, Sammie Joe	GBT	Instructional Assistant	1/18/2013
Buckner, Lynn		Substitute (\$91 per day)	1/22/2013
Church, MaryAnne	AHS	CTE (Interim)	1/22/2013 - 6/11/2013
Hildreth, Misty	AHS	Science	1/28/2013
McElroy, David	SAMS	Mathematics	1/22/2013
McLelland, Angela	SAMS	Data Manager/Treasurer	2/11/2013
Robbins, Jennifer	AHS	CTE	1/28/2013
Setzer, Tim	AHS	CTE (Interim)	1/22/2013 - 6/11/2013
Smith, Charlene	SAMS	Math Coach (Interim)	1/29/2013 - 5/31/2013

***C. ADMINISTRATIVE CONTRACTS**

<u>NAME</u>	<u>SCHOOL</u>	<u>SUBJECT</u>	<u>EFFECTIVE</u>
Mock, Cecil	AHS	Assistant Principal, BCA	TBD

***D. LEAVES OF ABSENCE**

<u>NAME</u>	<u>SCHOOL</u>	<u>SUBJECT</u>	<u>EFFECTIVE</u>
Davis, Janet	AHS	Science	12/17/2012 - 6/14/2013
Teague, Vickie	DLL	Custodian	12/12/2012 - 9/14/2013

***E. TRANSFERS**

<u>NAME</u>	<u>SCHOOL</u>	<u>SUBJECT</u>	<u>EFFECTIVE</u>
Davidson, Mandy	NAMS to AHS	Spanish	1/22/2013
Roman, Josie	DLL to NAMS	Instructional Assistant to Spanish	1/28/2013
Saunders, Vivian	ECDC	Parent Educator, FT to PT	1/14/2013

Asheboro City Schools
Personnel Transactions - Addendum
2/14/2013

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

<u>NAME</u>	<u>SCHOOL</u>	<u>SUBJECT</u>	<u>EFFECTIVE</u>
Rice, Larry	AHS	Science	6/30/2013
Washington, Rhonda	AHS	Science	3/1/2013

***B. APPOINTMENTS**

<u>NAME</u>	<u>SCHOOL</u>	<u>SUBJECT</u>	<u>EFFECTIVE</u>
Brown, Laura	CO	Receptionist	3/1/2013
Byrd, Catherine	SAMS	EC Functional Skills	3/7/2013
Hill, Lori	DLL	Instructional Assistant	2/1/2013
Partin, Melissa	AHS	Science	8/19/2013
Rutkowski, Jennifer	LP	Instructional Assistant	2/4/2013
Antonia, Dana		Substitute (\$70/day)	2/18/2013
Duplantis, Randi		Substitute (\$70/day)	2/18/2013
Faglier, Kim		Substitute (\$70/day)	2/18/2013
Hunt, Ronda		Substitute (\$70/day)	2/18/2013
Jones, Mary		Substitute (\$70/day)	2/18/2013
Jordan, Rebecca		Substitute (\$70/day)	2/18/2013
Markham, Sonia		Substitute (\$70/day)	2/18/2013
Moore, Larry		Substitute (\$70/day)	2/18/2013
Moore, Virginia		Substitute (\$70/day)	2/18/2013
Morton, Elizabeth		Substitute (\$70/day)	2/18/2013
Phillips, Jennifer		Substitute (\$70/day)	2/18/2013
Saunders, Cynthia		Substitute (\$70/day)	2/18/2013
Sloyan, Joan		Substitute (\$70/day)	2/18/2013
Sykes, Jessica		Substitute (\$70/day)	2/18/2013
Sykes, Laura		Substitute (\$70/day)	2/18/2013
Wilett, Julie		Substitute (\$70/day)	2/18/2013
Winley, Danielle		Substitute (\$70/day)	2/18/2013

**Asheboro City Schools
Certified Appointments
February 14, 2013**

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Hildreth, Misty	North Carolina State University B: Biology	Biology

A resident of Troy, Misty Hildreth is recommended to teach biology at Asheboro High School. Mrs. Hildreth is a veteran, National Board Certified, teacher with experience in middle and high schools in Randolph and Montgomery counties, and previously taught middle grades science at South Asheboro Middle School. Mrs. Hildreth is excited to return to the ACS school family.

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
McElroy, David	Edinboro University of PA B: Secondary Education, Mathematics	Mathematics

A December 2012 graduate of Edinboro University of Pennsylvania, David McElroy is recommended to teach 8th grade mathematics at South Asheboro Middle School. A native of Ohio, Mr. McElroy is excited to relocate to North Carolina and begin his teaching career with Asheboro City Schools.

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Robbins, Jennifer	East Carolina University B: Athletic Training M: Health Education	Health Occupations/ Allied Health

A Randolph County native, Jennifer Robbins is recommended to teach Health Occupations at Asheboro High School. Ms. Robbins comes to Asheboro City Schools from Randolph Community College and previously taught Health and Physical Education at Grimsely High School. Additionally she is AAOS Certified Instructor for the following: first aid, CPR and AED.

**Asheboro City Schools
Administrative Contract
February 14, 2013**

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Mock, Cecil	UNC-Pembroke B: Health/Physical Education North Carolina A&T University M: School Administration	Principal

Mr. Cecil Mock is recommended to serve as assistant principal at Asheboro High School. A veteran educator with twenty years of experience in both Randolph and Lee counties, Mr. Mock currently serves as assistant principal at J. Glenn Edward Elementary, and was previously assistant principal at SanLee Middle School. We are excited to have Mr. Mock join the Asheboro City Schools family.

**Asheboro City Schools
Certified Appointments
February 14, 2013 - Addendum**

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Byrd, Catherine	Elon University B: English Gardner-Webb University M: Executive Leadership	English

Ms. Byrd is a veteran educator with a wide variety of experience teaching English, AVID, AIG and cross categorical exceptional children. She comes to us from Anson County Schools and she previously taught in Alamance-Burlington. Ms. Byrd is in the process of relocating to Asheboro with her husband who transferred with BB&T to the Asheboro office. She is excited to be joining Asheboro City Schools.

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Partin, Melissa	North Carolina State University B: Biological Business Mgt. East Carolina University M: Secondary Science	Science

A veteran science teacher from Randolph County Schools, we are pleased to have Ms. Partin join the Blue Comet family for the coming school year. In addition to teaching biology, physical science and earth environmental science, she is a trained mentor and professional learning community mentor. We are pleased to welcome Ms. Partin to Asheboro City Schools.

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

Group Making Request: 8th grade team School: North Asheboro Middle School

Destination: Washington DC Date of Trip: February 26-March 1st 2013

Number of Students Involved: 100 Percent of Total Group: 60%

Reasons for Students Not Attending: Behavior, parent discretion

Transportation Method: Activity Bus Bus Automobile Other (2 Charter Buses_) Charter Private

If using a Charter Bus service, state name of Vendor here: Holiday Tours

Number of Vehicles Needed (to be secured by the Central Office): N/A

Number of Drivers Needed (to be secured by the Central Office): N/A

Departure Time: 6.00am Februar6 26 Return Time: 10.00pm March 1st Friday

Round Trip Miles (estimated): 1,000 miles

Estimated Cost to the Student: \$ 400

Purpose(s) of the Field Trip: Educational trip to historical landmarks, Museums, etc (see attached documents)

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

8th grade staff and one administrator

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

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

8th grade team 9/27/12
Sponsor (Group Responsible for Paying for the Trip) Date

Approved: Carloce Call 9/27/12
Principal Date

Approved: Brad Rice 9/28/2012
Superintendent or Designee Date

Transportation Scheduled: [Signature] 9-28-12
Transportation Supervisor Date

Special Comments/ Response: Will inspect bus at 5:30 AM

Proposal:

September 15, 2012

The students and teachers of North Asheboro Middle School request permission to travel to Washington, DC from Tuesday February 26 until March 1, 2013.

The NAMS 8th Grade Class will travel via motor coaches to Washington, DC through Holiday Tour buses. The length of the visit will be 4 days and 3 nights. Students will depart Tuesday February 26, 2013 at 6:00 a.m. and return Friday March 1, 2013 by 10:00 p.m.

Travel is coordinated through Group Travel LLC. of Hickory, NC. Hotel accommodations will be at a 3-4 star hotel in Virginia for all 3 nights, with 4 students to a room. Chaperone ratio will be one to 1 to 8 students. Staying just outside of the D.C. area will provide some savings rather than if we stayed in the capitol, allowing more students to participate with the trip.

While in Washington students will have an incredible opportunity to see many of the monuments, museums, historical sites, including Mount Vernon and Arlington National Cemetery. The trip's agenda is attached with this letter. Our group has reserved a spot to lay a wreath at the Tomb of the Unknown Soldier at Arlington Cemetery.

Student safety is paramount in our planning and application of the trip. Students will have a travel buddy they will stay with for the entire trip. They will be bus partners, roommates, and tour buddies. Students will be assigned a chaperone that will be with their same group throughout. Rule #1 of our trip is: NEVER BE ALONE. Students will be more than familiar with the trip safety rules, expectations, and consequences. They will be familiar with behavior expectations as well as dress code and curfew rules. We have reserved night time security guards exclusively for our halls at the hotel for both girls' and boys' halls, this is a great peace of mind for parents and chaperones.

Financial Considerations

The cost of the trip includes entry into all the sites and museums we visit in Washington. It also covers bus and hotel costs. The trip covers ten meals through money vouchers that students will receive as they exit the bus and eat meals. The meals covered are: breakfast at the hotel for Wednesday, Thursday, and Friday each day. All lunches and dinners at restaurants in Washington are also covered.

Students will be encouraged to bring modest spending money as there will be plenty of opportunities for souvenir shopping as well as gift shops in most of the museums. Students will be required to give a non-refundable deposit of \$100 to reserve their spot on the trip and to reserve tickets for the venues that require reservations in advance (Tour buses, Ford's Theater, The Holocaust Museum, Mount Vernon, etc.) Several of these places require reservations months in advance, so it is important we get those spots before they are gone. The remainder of the cost will be paid in installments to Group Travel, who is in daily contact with updates for the trip leaders. We will also be taking a member of our school's administration team with us.

The cost will be approximately \$450 per student. Realizing this is an obstacle for many of our students we are offering three separate fundraisers exclusively for the Washington, D.C. trip. First, we will offer the chance to students to sell Krispy Kreme donuts. The money raised in the students' fundraisers goes to each student's individual account. We will also offer students the chance to sell World's Finest Chocolate bars that also should also help offset the cost of the trip. Finally, we will provide donation letters for students' families and friends asking for donations to their student to help with the cost. These three fundraisers should seriously help parents pay for the trip, or at the least cover most of the cost.

NAMS Washington DC Trip Feb.26-March 1, 2013 Tour Itinerary

DAY 1: Tuesday February 26, 2013

Depart from North Asheboro Middle School 6:00 AM

Travel to Quantico, Virginia-Tour National Museum of Marine Corps

Stop in Fredericksburg, VA for lunch

Continue to DC to visit Memorials

Visit the Lincoln Memorial, Korean and Vietnam War Memorials

Pizza Dinner (included)

Three-night stay in Lorton, Virginia at The Comfort Inn, Gunston Corner

DAY 2: Wednesday February 20, 2013

Deluxe Continental Breakfast at our hotel

Guided Tour of the United States Capitol Building

\$10.00 cash lunch allowance at the Air & Space Museum

Explore the National Air & Space Museum

Photo stop at the Iwo Jima Marine Corps Memorial

Walking tour of Arlington National Cemetery, with Changing of the Guard and Wreath-laying ceremony (requested for 4:15 PM)

Visit the Jefferson Memorial, the U.S. Air Force Memorial

Pentagon 9-11 Memorial

Dinner (included) at Old Country Buffet

Overnight in Lorton, Virginia

DAY 3: Thursday February 21, 2013

Deluxe Continental Breakfast at our hotel

Tour Ford's Theatre, the Petersen House and Center for

Education and Leadership (based on availability)

Guided Tour of Washington National Cathedral

Family-style Italian lunch (included) at Buca di Beppo

Tour the Holocaust Museum

Visit the National Museum of American History

Visit the National Museum of Natural History

Additional sightseeing time at monuments and memorials - World War II Memorial, Martin Luther King Jr. Memorial, FDR Memorial

Dinner voucher (included) at Union Station

Overnight in Lorton, Virginia

DAY 4: Friday February 22, 2013

Deluxe Continental Breakfast at our hotel pack up and depart hotel

Tour of Mount Vernon 9:00 AM-12:00 Noon

Late lunch (included) at Golden Corral - Fredericksburg, Virginia

Arrive back at North Asheboro Middle School 9:00 to 10:00 PM

RESOLUTION OF LODGE, ASSOCIATION OR OTHER SIMILAR ORGANIZATION

CommunityOne Bank, N.A.
106 E Taft Street
Asheboro, NC 27203

By: South Asheboro Middle School
523 W Walker Avenue
Asheboro, NC 27203-6252

Referred to in this document as "Financial Institution"

Referred to in this document as "Association"

I, DR DIANE FROST, certify that I am Secretary (clerk) of the above named association organized under the laws of NORTH CAROLINA, Federal Employer I.D. Number 56-600989, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Association duly and properly called and held on 2/14/13 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A. <u>BARNEY HAROLD BLAIR - DIR OF FINANCE & TECHNOLOGY</u>	X _____	X _____
B. <u>CHARLES PAUL LYONS/PRINCIPAL</u>	X _____	X _____
C. <u>ANGELA DAMRON MCLELLAND/TREASURER</u>	X _____	X _____
D. _____	X _____	X _____
E. _____	X _____	X _____
F. _____	X _____	X _____

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
_____	(1) Exercise all of the powers listed in this resolution.	_____
<u>A</u>	(2) Open any deposit or share account(s) in the name of the Association.	_____
<u>ABC</u>	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	_____
_____	(4) Borrow money on behalf and in the name of the Association, sign, execute and deliver promissory notes or other evidences of indebtedness.	_____
_____	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Association as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	_____
_____	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	_____
_____	(7) Other _____	_____

LIMITATIONS ON POWERS The following are the Association's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated ALL PREVIOUS. If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY

I further certify that the Association has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

If checked, the Association is a non-profit lodge, association or similar organization.

X _____
(Secretary)

X _____
(Attest by Other Officer)

X _____
(Attest by Other Officer)

RESOLUTIONS

The Association named on this resolution resolves that,

- (1) The Financial Institution is designated as a depository for the funds of the Association and to provide other financial accommodations indicated in this resolution.
- (2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior resolutions adopted by the Association and certified to the Financial Institution as governing the operation of this association's account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to the Financial Institution, establishing the authority for the changes.
- (3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Association. Any Agent, so long as they act in a representative capacity as an Agent of the Association, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated on page one, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.
- (4) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Association with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
- (5) The Association agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Association. The Association authorizes the Financial Institution, at any time, to charge the Association for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.
- (6) The Association acknowledges and agrees that the Financial Institution may furnish at its discretion automated access devices to Agents of the Association to facilitate those powers authorized by this resolution or other resolutions in effect at the time of issuance. The term "automated access device" includes, but is not limited to, credit cards, automated teller machines (ATM), and debit cards.
- (7) The Association acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term "alternative signature and verification codes" includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Association with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Association authorizes each Agent to have custody of the Association's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

Pennsylvania. The designation of an Agent does not create a power of attorney; therefore, Agents are not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code) unless the agency was created by a separate power of attorney. Any provision that assigns Financial Institution rights to act on behalf of any person or entity is not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code).

FOR FINANCIAL INSTITUTION USE ONLY

Acknowledged and received on _____ (date) by _____ (initials) This resolution is superseded by resolution dated _____ .

Comments:

The board recognizes the critical role of parents in the education of their children and in the schools. The board directs school administrators to develop programs that will promote and support parental involvement in student learning and achievement at school and at home and encourage successful progress toward graduation. Each parent is encouraged to learn about the educational program, the educational goals and objectives of the school system, and his or her own child's progress. The board also encourages parents to participate in activities designed by school personnel to involve them, such as parent conferences, in order to encourage effective communication.

The board directs each principal or designee to develop a parental involvement plan as a part of the school improvement plan. This plan must include, at a minimum, efforts that meet the requirements established in this policy. In addition, the plan must include ways to enhance parental involvement in the following areas:

1. meaningful two-way communication between home and school;
2. promotion of responsible parenting;
3. involvement of parents and guardians in student learning;
4. promotion of volunteering;
5. involvement of parents and guardians in school decisions that affect children and families;
6. parental training;
7. community collaboration; and
8. promotion of student health awareness.

This policy applies to the parents, legal guardians and legal custodians of students who are under 18 years old and are not married.

A. PARENT COMMUNICATION AND CONFERENCES

The board encourages school personnel to have regular contact with parents for commendation as well as for notification of concerns. Principals or designees shall plan for periodic communication with parents. Teachers are responsible for scheduling conferences with parents.

The principal or designee shall provide the parent of an at-risk student with a copy of the student's personal education plan in accordance with policy 3405, Students at Risk of

Academic Failure. Parents should be included in the implementation and ongoing review of their child's personal education plan.

The board encourages the superintendent to work with local business leaders, including the local chambers of commerce, to encourage employers to adopt as part of their stated personnel policies time for employees who are parents or guardians to attend conferences with their child's teachers.

B. PARENTAL NOTIFICATION

Each principal or designee of a Title I school shall effectively notify parents of all parental rights and other required information regarding Title I schools and programs, in accordance with federal law. Parents of students in Title I schools shall receive a copy of the system-wide Title I parent involvement policy (policy 1320/3560, Title I Parent Involvement) and the school-wide parent involvement plan.

In addition, annually every building principal or designee shall effectively notify parents of the following:

1. parental rights related to student records (see policy 4700, Student Records);
2. parental rights related to student surveys (see policy 4720, Surveys of Students);
3. the approximate dates of any non-emergency, invasive physical examination or screening that is: (a) required as a condition of attendance, (b) administered and scheduled in advance by the school administration, and (c) not necessary to protect the immediate health and safety of students;
4. the schedule of pesticide use on school property and their right to request notification of nonscheduled pesticide use (see policy 9205, Pest Management);
5. student behavior policies, the Code of Student Conduct and school standards and rules (see policies in the 4300 series);
6. the permissible use of seclusion and restraint in the schools (see policy 4302, School Plan for Management of Student Behavior);
7. policy 1720/4015/7225, Discrimination, Harassment and Bullying Complaint Procedure;
8. policy 1740/4010, Student and Parent Grievance Procedure;
9. grading practices that will be followed at the school and, in the high schools, the method of computing the grade point averages that will be used for determining class rank (see policies 3400, Evaluation of Student Progress and 3450, Class Rankings);

10. a description of the curriculum being offered (see policy 3100, Curriculum Development);
11. student performance standards (see policies in the 3400 series);
12. a report containing aggregate information, including, but not limited to, student achievement (disaggregated by category), graduation rates, performance of the school system and teacher qualifications;
13. the grade awarded to the school on the most recent annual report card issued for it by the State Board of Education if the school received a grade of D or F;
14. sports and extracurricular activities available for students (see policy 3620, Extracurricular Activities and Student Organizations);
15. supportive services available to students, including guidance, counseling and health services (see policies 3540, Comprehensive Health Education Program and 3610, Counseling Program);
16. information about meningococcal meningitis and influenza, including the causes, symptoms and vaccines, how the diseases are spread, and places where parents and guardians may obtain additional information and vaccinations for their children;
17. for parents of students in grades 5 through 12, information about cervical cancer, cervical dysplasia and human papillomavirus, including the causes and symptoms of these diseases, how they are transmitted, how they may be prevented by vaccination, including the benefits and possible side effects of vaccination, and places parents and guardians may obtain additional information and vaccinations for their children;
18. how to reach school officials in emergency situations during non-school hours;
19. information about and an application form for free and reduced price meals and/or free milk (see policy 6225, Free and Reduced Price Food Services);
20. for parents of children with disabilities, procedural safeguards (see also policy 1730/4022/7231, Nondiscrimination on the Basis of Disabilities);
21. information on the availability of the asbestos management plan and planned or in-progress inspections, re-inspections, response actions and post-response actions, including periodic re-inspection and surveillance activities;
22. education rights of homeless students (see policy 4125, Homeless Students);

23. the content and implementation of the local school wellness policy (see policy 6140, Student Wellness);
24. their right to take four hours of unpaid leave from their jobs every year in order to volunteer in their child's school as stated in G.S. 95-28.3 (see policy 5015, School Volunteers);
25. that the school system does not discriminate on the basis of race, color, national origin, sex, disability or age (see policies 1710/4021/7230, Prohibition Against Discrimination, Harassment and Bullying and 1730/4022/7231, Nondiscrimination on the Basis of Disabilities); and
26. that the school system provides equal access to its facilities, programs and activities to the Boy Scouts and other designated youth groups (see policy 1710/4021/7230, Prohibition Against Discrimination, Harassment and Bullying).

C. OPPORTUNITIES TO WITHHOLD CONSENT/OPT OUT

As a part of the annual notification described above, parents will be effectively notified that they may opt out of any of the following:

1. release of student directory information about their child for school purposes or to outside organizations (see policy 4700, Student Records);
2. release of their child's name, address and telephone listing to military recruiters or institutions of higher education (see policy 4700, Student Records);
3. their child's participation in curricula related to (a) prevention of sexually transmitted diseases, including Acquired Immune Deficiency Syndrome (AIDS); (b) avoidance of out-of-wedlock pregnancy; or (c) reproductive health and safety education, as provided in policy 3540. A copy of the materials that will be used in these curricula will be available in the school media center during the school year and at other times that the media center is available to the public. To meet any review periods required by law, materials also may be made available for review in the central office;
4. their child's participation in academic or career guidance or personal or social counseling services of a generic nature offered to groups of students (e.g., peer relations strategies offered to all sixth graders). However, parental notification and permission are not required for: (a) short-duration academic, career, personal or social guidance and counseling and crisis intervention that is needed to maintain order, discipline or a productive learning environment; (b) student-initiated individual or group counseling targeted at a student's specific concerns or needs; and (c) counseling if child abuse or neglect is suspected (see policies 3610, Counseling Program, and 4240/7312, Child Abuse – Reports and Investigations);

5. their child's participation in non-Department of Education-funded surveys concerning protected topics (see policy 4720, Surveys of Students);
6. their child's participation in any non-emergency, invasive physical examination or screening that is: (a) required as a condition of attendance; (b) administered and scheduled in advance by the school administration; and (c) not necessary to protect the immediate health and safety of students;
7. the collection, disclosure or use of their child's personal information for marketing purposes (see policy 4720, Surveys of Students); and
8. release of their child's free and reduced-price meal information to State Medicaid or State children's health insurance program (SCHIP).

Any parent or legal guardian who wishes to opt out/withhold consent must do so in writing within 20 days after receiving notice. Otherwise, consent to the programs or activities is presumed. After the annual notification, the school is not required to provide further notice to the parent or legal guardian as to the manner in which student directory information is used, the curriculum is provided, or guidance programs are made available.

D. PARENTAL PERMISSION REQUIRED

Written parental permission is required prior to the following activities:

1. the administration of medications to students by employees of the school system (see policy 6125, Administering Medicines to Students);
2. the release of student records that are not considered directory information, unless the release is allowed or required by law (see policy 4700, Student Records);
3. off-campus trips;
4. students' participation in high-impact or high-risk sports or extracurricular activities, such as football or mountain climbing (see policy 4220, Student Insurance Program);
5. all decisions or actions as required by the IDEA with regard to providing special education or related services to students with disabilities (see policy 3520, Special Education Programs/Rights of Students with Disabilities);
6. certain health services, as required by law;
7. students' participation in programs or services that provide information about where to obtain contraceptives or abortion referral services;

8. students' participation in surveys funded by the Department of Education that are conducted concerning protected topics (see policy 4720, Surveys of Students);
9. disclosure of students' free and reduced price lunch eligibility information or eligibility status; and
10. disclosure of the identity of any student receiving supplemental education services under the Title I program.

Legal References: Elementary and Secondary Education Act, as amended, 20 U.S.C. 6301 *et seq.*, 34 C.F.R. pt. 200; Family Educational Rights and Privacy Act, 20 U.S.C. 1232g, 34 C.F.R. pt. 99; Protection of Pupil Rights Amendment, 20 U.S.C. 1232h, 34 C.F.R. pt. 98; Individuals with Disabilities Education Act, 20 USC 1400, *et seq.*; Asbestos Hazard Emergency Response Act, 15 U.S.C. 2641, *et seq.*; McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11431, *et seq.*; 42 U.S.C. 1758, 7 C.F.R. pt. 245; 42 U.S.C. 1758b; Boy Scouts of America Equal Access Act, 20 U.S.C. 7905, 34 C.F.R. 108.9; 20 U.S.C. 7908; G.S. 90-21.1; 95-28.3; 115C-47(47), -47(51), -47(54), -47(58), -81(e1), -105.41,-109.1, -307(c), -375.4, -390.2, -391.1, -407.16; State Board of Education Policy FCB-A-000

Cross References: Title I Parent Involvement (policy 1320/3560), Prohibition Against Discrimination, Harassment and Bullying (policy 1710/4021/7230), Discrimination, Harassment and Bullying Complaint Procedure (policy 1720/4015/7225), Nondiscrimination on the Basis of Disabilities (policy 1730/4022/7231), Student and Parent Grievance Procedure (policy 1740/4010), Curriculum Development (policy 3100), Student Performance Policies (3400 series), Students at Risk of Academic Failure (policy 3405), Special Education Programs/Rights of Students with Disabilities (policy 3520), Comprehensive Health Education Program (policy 3540), Counseling Program (policy 3610), Extracurricular Activities and Student Organizations (policy 3620), Homeless Students (policy 4125), Student Insurance Program (policy 4220), Child Abuse – Reports and Investigations (policy 4240/7312), Student Behavior Policies (4300 series), Student Records (policy 4700), Surveys of Students (policy 4720), School Volunteers (policy 5015), Registered Sex Offenders (policy 5022), Administering Medicines to Students (policy 6125), Student Wellness (policy 6140), Free and Reduced Price Food Services (policy 6225), Pest Management (policy 9205)

Adopted:

The board of education believes that the education of children is an ongoing cooperative partnership between the home and the school. Parents are their children's first teachers; therefore, the continued involvement of parents in the educational process is most important in fostering and improving educational achievement. School system officials shall strive to support parents and provide parents with opportunities to become involved in the programs offered by the Title I schools. The board encourages parents to participate in the design and implementation of the programs and activities in order to increase the effectiveness of the school system's Title I program in helping students meet state and local achievement standards.

A. DEFINITION OF PARENTAL INVOLVEMENT

For the purposes of this policy and the Title I program, the term "parental involvement" means the participation of parents and guardians in regular, two-way and meaningful communication involving student academic learning and other school activities, including ensuring the following:

1. that parents play an integral role in assisting their child's learning;
2. that parents are encouraged to be actively involved in their child's education at school;
3. that parents are full partners in their child's education and are included, as appropriate, in decision making and on advisory committees to assist in the education of their child; and
4. that the school system engages in activities to support parental involvement in the Title I programs.

B. PURPOSE AND OPERATION OF TITLE I PROGRAM

The Title I program is a federally supported program that offers assistance to educationally and economically disadvantaged children to help ensure they meet the school system's challenging academic standards. The Title I program provides instructional activities and supportive services to eligible students over and above those provided by the regular school program. When applicable, students must be selected to receive Title I services based on objective criteria that are consistent with federal and state requirements, such as standardized test scores, teacher judgment, and results of pre-school screening and home-school surveys.

Qualified Title I schools will operate as school-wide programs or targeted assisted programs based upon federal eligibility criteria. School-wide programs will utilize a comprehensive school improvement process enabling schools to serve all students in the school. Targeted assistance programs will provide services to eligible students in the

school having the greatest need for assistance.

Both school-wide and targeted assistance programs shall be based on effective means of improving student achievement and shall include strategies to support parental involvement.

C. ANNUAL MEETING

Each year, Title I parents must be invited to an annual meeting, at which time parental rights will be explained, programs and activities provided with Title I funds will be discussed, and input will be solicited. In addition, all parents will have an opportunity to evaluate the effectiveness of the Title I programs and the parental involvement policies and plans. Data collected from these findings will be used to revise Title I programs and parental involvement plans.

D. PARENTAL INVOLVEMENT EFFORTS

The board believes that the involvement of Title I parents in the design and implementation of the Title I program will increase the effectiveness of the program and contribute significantly to the success of the children. The Title I staff and all school system personnel shall strive to involve parents in activities throughout the school year.

The superintendent shall ensure that this system-level parental involvement policy is developed with, agreed upon with and annually distributed to parents of participating students. In addition to the system-level parental involvement policy, each school participating in the Title I program shall jointly develop and annually distribute to parents a school-level written parental involvement policy that describes the means for carrying out school-level policy, sharing responsibility for student academic achievement, building the capacity of school staff and parents for involvement and increasing accessibility for participation of all Title I parents, including parents with limited English proficiency, parents with disabilities and parents of migratory children. School-level plans must involve parents in the planning and improvement of Title I activities and must provide for the distribution to parents of information on expected student proficiency levels and the school's academic performance.

School officials will invite appropriate school personnel from private schools to consult on the design and development of its programs in order to provide equitable services to students enrolled in private schools. The superintendent or designee will establish procedures to achieve timely and meaningful consultation with private school officials in accordance with federal law.

In addition, school system officials and Title I school personnel shall do the following:

1. involve parents in the joint development of the Title I Program and the process of school review and improvement by including parents on the school advisory committee and committees that review the Title I program;

2. provide coordination, technical assistance and other support from various central office departments necessary to assist participating schools in planning and implementing effective parental involvement activities that are designed to improve student academic achievement and school performance;
3. build the schools' and parents' capacity for strong parental involvement by collecting and disseminating information on effective parental involvement techniques;
4. coordinate and integrate parental involvement strategies with parental involvement activities in other programs, such as early childhood programs, reading programs and similar programs;
5. with the involvement of parents, conduct an annual evaluation of the content and effectiveness of the school system parental involvement policies and program in improving the academic quality of the school;
6. strive to eliminate barriers to parental participation by assisting parents with disabilities and parents who are economically disadvantaged, have limited English proficiency, are migratory, or have other backgrounds or characteristics that may affect participation;
7. provide assistance to parents of participating Title I children in understanding the state's testing standards, the assessments used, Title I requirements and all national, state and local standards and expectations through such efforts as community-based meetings, sending information home, newsletters, workshops and newspaper articles;
8. design a parent–student–school staff compact that sets out respective responsibilities in striving to raise student achievement and explains how an effective home/school partnership will be developed and maintained;
9. with the assistance of parents, ensure that teachers, pupil services personnel, principals and other staff are educated in the value of parents as partners in the educational process and understand how to work with, communicate with and reach out to parents as equal partners in education;
10. distribute to parents information on expected student proficiency levels for their child and the school's academic performance, and provide materials and training to help parents monitor their child's progress and work with educators to improve achievement through such methods as technology or literacy training;
11. coordinate and integrate parental involvement programs with pre-school programs and conduct other activities in the community that encourage and support parents to more fully participate in the education of their child;

12. strengthen the partnership with agencies, businesses and programs that operate in the community;
13. ensure that parents are involved in the school's Title I activities; and
14. provide such other reasonable support for Title I parental involvement activities as requested by parents.

E. NOTICE REQUIREMENTS

School system officials and Title I school personnel shall provide effective notice of the following information as required by law. The notice must be in an understandable and uniform format and, to the extent practicable, in a language the parents can understand.

1. LEP Program

- a. Each year the principal or designee shall provide notice of the following to parents of limited English proficient (LEP) children identified for participation in a Title I, Part A-funded language-instruction educational program:
 - i. the reasons for the child's identification;
 - ii. the child's level of English proficiency;
 - iii. methods of instruction;
 - iv. how the program will help the child;
 - v. the exit requirements for the program;
 - vi. if the child has a disability, how the language instruction educational program meets the objectives of the child's individualized educational program (IEP); and
 - vii. any other information necessary to effectively inform the parent of the program and the parental rights regarding enrollment, removal and selection of an LEP program.
- b. The principal or designee of a school with a Title I, Part A-funded language instruction program that has failed to make progress on the annual achievement objectives for LEP students, shall notify the parents of such failure no later than 30 days after the failure occurs.

2. System Report Card and School Progress Review

- a. Each year, school system officials shall disseminate to all parents, schools and the public a school system report card containing aggregate information, including, but not limited to, student achievement (disaggregated by category), graduation rates, performance of the school system and teacher qualifications.
 - b. Each year, school system officials shall disseminate to all parents, schools and the community the results of the LEA's yearly progress review of each school.
3. Teacher Qualifications
- a. Each year, school system officials shall notify parents of Title I students of the right to request certain information on the professional qualifications of the student's classroom teachers and paraprofessionals providing services to the child (see policy 7820, Personnel Files).
 - b. The principal or designee of a Title I school shall provide timely notice informing parents that their student has been assigned to or has been taught for at least four consecutive weeks by a teacher who is not "highly qualified" as defined in the No Child Left Behind Act.
4. Parental Rights and Opportunities for Involvement

Each year, the principal or designee of a Title I school shall provide notice to parents of the school's written parental policy, parents' right to be involved in their child's school and opportunities for parents to be involved in the school.

F. WEBSITE NOTIFICATION

When a Title I school is identified for improvement, corrective action or restructuring, the school system will display on its website the following information in a timely manner to ensure that parents have current information regarding supplemental services and public school choice:

1. beginning with data from the 2007-2008 school year and for each subsequent school year, the number of students who were eligible for and the number of students who participated in public school choice;
2. for the current school year, a list of available schools to which students eligible to participate in public school choice may transfer;
3. beginning with data from the 2007-2008 school year and for each subsequent school year, the number of students who were eligible for and the number of students who participated in supplemental educational services; and

4. for the current school year, a list of supplemental educational services providers approved by the state to serve the school system and the locations where services are provided.

The superintendent shall develop administrative procedures to implement the requirements of this policy.

Legal References: Elementary and Secondary Education Act, as amended, 20 U.S.C. 6301 *et seq.*, 34 C.F.R. pt. 200.; 20 U.S.C. 7801(32); *Public School Choice Non-Regulatory Guidance*, U.S. Department of Education (January 14, 2009); *Supplemental Educational Services Non-Regulatory Guidance*, U.S. Department of Education (January 14, 2009); U.S. Department of Education approval of Elementary and Secondary Education Act (ESEA) Flexibility Request (May 29, 2012); State Board of Education Policy TCS-R-000

Cross References: Parental Involvement (policy 1310/4002), Goals and Objectives of the Educational Program (policy 3000), Curriculum Development (policy 3100), Personnel Files (policy 7820)

Other Resources: *Giving Parents Options: Strategies for Informing Parents and Implementing Public School Choice and Supplemental Educational Services Under No Child Left Behind*, U.S. Department of Education Office of Innovation and Improvement (September 2007)

Adopted:

SBA Recommends Rescinding Policy

SCHOOL IMPROVEMENT CHOICE TRANSFER

Policy Code:

4153

The board is committed to providing a quality education to all students in the school district, regardless of the particular school attended. Although all schools in the district strive for academic excellence, the board recognizes that some schools may need to improve to meet such standards. The board encourages parents to support and work with these schools to improve the educational opportunities provided.

The board believes that in most cases, students should attend the school that serves his/her domicile. However, under certain circumstances or conditions, the board provides parents the opportunity to request that their child attend a school outside their attendance area (see policy 4150, School Assignment). Pursuant to federal and State Board of Education requirements, the board will offer school improvement choice transfers to eligible students as provided in this policy.

A. ELIGIBILITY FOR SCHOOL IMPROVEMENT CHOICE TRANSFERS

Students enrolled in a Title I school that has not met adequately yearly progress for at least two consecutive years, under the *No Child Left Behind Act*, may transfer to an eligible transfer school. If it is not possible to offer school improvement choice to all students, then priority will be provided to the lowest achieving students from low income families.

B. SCHOOLS ELIGIBLE TO RECEIVE TRANSFERS

Eligible transfer schools are those schools that meet the following criteria: (1) have not been identified for school improvement, corrective action or restructuring (as defined in the *No Child Left Behind Act* and State Board of Education policy); (2) are not considered persistently dangerous as defined by NCLB and State Board of Education policy; and (3) have been designated by the superintendent to receive school improvement choice transfers.

C. SCHOOL IMPROVEMENT CHOICE TRANSFER PROCEDURES

The superintendent must establish procedures to facilitate the transfer of students when a Title I school has been identified for school improvement. Such procedures must include the elements outlined below.

1. Notice must be provided to parents of the determination that their child attends a Title I school that has been identified for school improvement. Such notice must be provided before the first day of the next school year in a reasonable time for parents to make informed decisions, and, whenever practicable, should be provided before the end of July. The notice must be provided by personal

letters as well as by broader means, such as newspapers or the Internet. The notice also must be in a comprehensive, easy-to-understand format and, to the extent practicable, in a language the parents can understand.

2. Notice must be provided to parents that their student has the opportunity to transfer to an eligible transfer school that serves the student's instructional level.
3. The notification will identify those schools within the district that are eligible to receive school improvement choice transfers and will describe the performance and quality of the schools of choice. The school district has flexibility to determine which schools will comprise the range of alternatives for students eligible to transfer. If the choices of eligible transfer schools available to parents have been limited, the notice also will include an explanation of why such limitations have been made.
4. If no schools in the school district are eligible to receive transfers, the notification will identify any other available options for school improvement choice transfers.
5. The notification will describe the process for parents to request transfers including the opportunity for parents to submit their preferences among the choices provided. Parents will be notified of the final transfer school option. Parents will have the opportunity to accept or reject this option.
6. The notification will include information about what happens if the parent declines the offer to transfer.
7. The superintendent or designee will create a process to ensure that transfers are completed in a timely manner once the school is identified for school improvement.
8. The superintendent or designee will ensure that a report is provided to the local school board and the State Board of Education of each student transfer made pursuant to this policy.

D. TRANSPORTATION

The school district will provide transportation for students who decide to accept school improvement choice transfers. If funds available are insufficient to provide transportation to all students wishing to transfer, the LEA must give priority to the lowest-achieving eligible students from low-income families. The school district will not provide transportation for students who remain at a school after the end of the school year in which a student's original school is no longer identified for Title I school

improvement.

E. LENGTH OF TRANSFERS

Students who transfer to an eligible transfer school must be permitted to remain in the choice school until the students have completed the highest grade in the school. If the new school is placed in Title I school improvement, the student will have the option to move again to another school in the subsequent school year.

F. RESPONSIBILITIES OF RECEIVING SCHOOLS

Schools that receive students eligible for transfer must ensure that students are enrolled in classes and other activities in the school in the same manner as all other students in the school. However, any board policies or other rules (such as High School Athletic Association rules) that restrict the activities of students who transfer under other board policies also will be applied to students who receive school improvement choice transfers under this policy.

Legal References: No Child Left Behind Act, 20 U.S.C. 6316, 34 C.F.R. 200.44, Public School Choice Draft Non-Regulatory Guidance, U.S. Department of Education (February 6, 2004); G.S. 115C-36, -366, -367

Cross References: School Assignment (policy 4150), Unsafe School Choice Transfer (policy 4152)

Adopted: August 9, 2007

Revised: March 12, 2009

All student records must be current and maintained with appropriate measures of security and confidentiality. The principal is responsible for complying with all legal requirements pertaining to the maintenance, review and release of records retained at the school.

A. ANNUAL NOTIFICATION OF RIGHTS

The superintendent or designee shall provide eligible students and parents with annual notification of their rights under the Family Educational Rights and Privacy Act (FERPA). The notice must contain all information required by federal law and regulations, including the following:

1. the right to inspect and review the student's educational records and the procedure for exercising this right;
2. the right to request amendment of the student's educational records that the parent or eligible student believes to be inaccurate, misleading or in violation of the student's privacy rights; and the procedure for exercising this right;
3. the right to consent to disclosures of personally identifiable information contained in the student's education records, except to the extent that FERPA authorizes disclosure without consent;
4. the type of information designated as directory information and the right to opt out of release of directory information;
5. that the school system releases records to other institutions that have requested the information and in which the student seeks or intends to enroll;
6. the right to opt out of releasing the student's name, address and phone number to military recruiters or institutions of higher education that request such information;
7. a specification of the criteria for determining who constitutes a school official and what constitutes a legitimate educational interest if a school official discloses or intends to disclose personally identifiable information to school officials without consent;
8. notification if the school system uses contractors, consultants, volunteers or similar persons as school officials to perform certain school system services and functions that it would otherwise perform itself; and
9. the right to file complaints with the Family Policy Compliance Office in the U.S. Department of Education.

School officials are not required to individually notify parents or eligible students of their rights but must provide the notice in a manner reasonably likely to inform the parents and eligible students of their rights. Effective notice must be provided to parents or eligible students with disabilities or those whose primary or home language is not English.

B. DEFINITION OF PARENT AND ELIGIBLE STUDENT

1. Parent

For purposes of this policy, the term “parent” includes a natural parent, a guardian or an individual acting as a parent in the absence of a parent or guardian. If the parents of a student are separated or divorced, both parents have the right to access the student’s records as provided in this policy, unless the school system has been provided with evidence that there is a court order, state statute or other legally binding document that specifically revokes these rights.

2. Eligible Student

For purposes of this policy, an eligible student is a student who has reached 18 years of age or is attending an institution of postsecondary education. The rights afforded to parents under this policy transfer to an eligible student. However, parents may still have access to the records as long as the student is claimed as a dependent by the parent for federal income tax purposes. An eligible student who desires to prevent access to records by his or her parents must furnish to the principal information verifying that the student is not a dependent of his or her parents. If a parent of a student who is at least 18 and no longer attending a school within the system wishes to inspect and review the student’s records, he or she must provide information verifying that the student is a dependent for federal income tax purposes.

A student under age 18 may have access to student records only upon the consent of his or her parents.

C. CLASSIFICATION AND MAINTENANCE OF RECORDS

Information about students that is collected and stored by school personnel may be separated into several categories, including, but not limited to, the following records.

1. Cumulative Records

The cumulative record is the official record for each student. The cumulative record includes student identification information, such as the student’s name, address, sex, race, birthplace and birth date; family data including the parents’ names, addresses, work and home telephone numbers and places of employment; academic work completed; grades; standardized test scores; health screenings and

immunization documentation; attendance records; withdrawal and reentry records; discipline records; honors and activities; class rank; date of graduation; and follow-up records.

2. Discipline Records

Student discipline records are part of the student's official record and must be maintained and reviewed pursuant to policy 4345, Student Discipline Records. Discipline records must be expunged and forwarded pursuant to the requirements of law and the procedures of policy 4345.

3. Records of Students with Disabilities

Students with recognized disabilities must be accorded all rights in regard to their records as provided by state and federal law, including the Individuals with Disabilities Education Act and policy 3520, Special Education Programs/Rights of Students with Disabilities. Records for a student identified as a student with a disability are considered part of the student's official records and must be maintained in accordance with all appropriate federal and state regulations. Access to these records will be restricted to personnel having specific responsibility in this area. A list of all approved personnel having access to these restricted files will be updated as needed, and a current, dated list will be posted in the student records location.

4. Records Received from the Department of Social Services

The Department of Social Services may disclose confidential information to the school system in order to protect a juvenile from abuse or neglect. Any confidential information disclosed under these circumstances must remain confidential and may only be redisclosed for purposes directly connected with carrying out the school system's mandated educational responsibilities.

5. Juvenile Records

Juvenile records include documentation or information regarding students who are under the jurisdiction of the juvenile court. These records may be received from local law enforcement and/or other local agencies authorized to share information concerning juveniles in accordance with G.S. 7B-3100. These records also may include notice from the sheriff to the board that a student has been required to register with the sheriff because the student has been found to be a danger to the community under G.S. Chapter 14, Part 4. Such documents must not be a part of a student's official records but must be maintained by the principal in a safe, locked storage area that is separate from the student's other records. The principal shall not make a copy of such documents under any circumstances.

Juvenile records will be used only to protect the safety of or to improve the educational opportunities for the student or others. The principal may share juvenile records with individuals who have (a) direct guidance, teaching or supervisory responsibility for the student and (b) a specific need to know in order to protect the safety of the student and others. Persons provided access to juvenile records must indicate in writing that they have read the document(s) and agree to maintain confidentiality of the records.

The principal or designee must destroy juvenile documents if he or she receives notification that a court no longer has jurisdiction over the student or if the court grants the student's petition for expunction of the records. The principal or designee shall destroy all other information received from an examination of juvenile records when he or she finds that the information is no longer needed to protect the safety of or to improve the educational opportunities for the student or others. If the student graduates, withdraws from school, transfers to another school, is suspended for the remainder of the school year or is expelled, the principal shall return all documents not destroyed to the juvenile court counselor. If the student is transferring, the principal shall provide the juvenile court counselor with the name and address of the school to which the student is transferring.

6. Other Student Records

School system personnel may also keep other student records but must review such records annually and destroy them when their usefulness is no longer apparent or when the student leaves the school system.

7. Sole Possession, Employment and Law Enforcement Records

Student records do not include, and release of information under this policy does not apply to:

- a. records made by teachers, counselors and administrators that are in the sole possession of the maker thereof and that are not accessible or revealed to any other person except a substitute;
- b. employment records of student employees if those records relate exclusively to the student in his or her capacity as an employee and are not made available for any other use; and
- c. records created by a law enforcement unit of the school system if created for a law enforcement purpose and maintained solely by the law enforcement unit of the school system. This does not include information obtained from the student's confidential file or other educational records that is contained in a law enforcement record.

D. RECORDS OF STUDENTS PARTICIPATING IN THE NORTH CAROLINA ADDRESS CONFIDENTIALITY PROGRAM

Records of students participating in the North Carolina Address Confidentiality Program must show only the substitute address provided by the Address Confidentiality Program and must not be released to any third party other than a school to which the student is transferring, or as otherwise provided by law.

When transferring the record of a student participating in the North Carolina Address Confidentiality Program to a school outside of the system, the transferring school may send the files to the Address Confidentiality Program participant (parent or guardian) via the substitute address provided by the Address Confidentiality Program.

E. RECORDS OF MISSING CHILDREN

Upon notification by a law enforcement agency or the North Carolina Center for Missing Persons of the disappearance of a child who is currently or was previously enrolled in the school, school officials shall flag the record of that child. If the missing child's record is requested by another school system, the principal shall provide notice of the request to the superintendent and the agency that notified the school that the child was missing. The principal shall provide the agency with a copy of any written request for information concerning the missing child's record.

Any information received indicating that a student transferring into the system is a missing child must be reported promptly to the superintendent and the North Carolina Center for Missing Persons.

F. RECORDS OF MILITARY CHILDREN

School administrators shall comply with any regulations pertaining to the records of military children developed by the Interstate Commission on Educational Opportunity for Military Children.

In addition, children of military families, as defined by policy 4050, Children of Military Families, are entitled to the following.

1. For Students Leaving the School System

In the event that official education records cannot be released to the parents of military children who are transferring away from the school system, the custodian of records shall prepare and furnish to the parent a complete set of unofficial education records containing uniform information as determined by the Interstate Commission.

When a request for a student's official record is received from the student's new school, school officials shall process and furnish the official records to the

student's new school within 10 days or within such time as is reasonably determined by the Interstate Commission.

2. For Students Enrolling in the School System

Upon receiving an unofficial education record from the student's previous school, school administrators shall enroll the student and place him or her in classes as quickly as possible based on the information in the unofficial records, pending validation by the official records.

Simultaneous with the enrollment and conditional placement of the student, school administrators shall request the student's official record from his or her previous school.

G. REVIEW, RELEASE OF RECORDS TO PARENT OR ELIGIBLE STUDENT

A parent or eligible student may access the student's records upon proper request. The principal or guidance office personnel of the student's school shall schedule an appointment as soon as possible but no later than 45 days after the request by the parent or eligible student. The parent or eligible student may formally review the student's complete records only in the presence of the principal or a designee competent to explain the records. School personnel shall not destroy any educational records if there is an outstanding request to inspect or review the records.

A parent or eligible student has the right to challenge an item in the student record believed to be inaccurate, misleading or otherwise in violation of the student's privacy rights. The principal shall examine a request to amend a student record item and respond in writing to the person who challenges the item. Subsequent steps, if necessary, will follow the student grievance procedures as provided in policy 1740/4010, Student and Parent Grievance Procedure. If the final decision is that the information in the record is not inaccurate, misleading or otherwise in violation of the privacy rights of the student, the principal shall inform the parent or eligible student of the right to place a statement in the record commenting on the contested information in the record or stating why he or she disagrees with the decision of the school system.

H. RELEASE OR DISCLOSURE OF RECORDS TO OTHERS

Before releasing or disclosing records as permitted by law, school officials shall use reasonable methods to identify and authenticate the identity of the party to whom the records are disclosed.

1. Release/Disclosure With Parental Consent

School officials shall obtain written permission from a parent or eligible student before releasing or disclosing student records that contain personally identifiable information, except in circumstances where the school system is authorized by

law to release the records without such permission. The written permission must specify the records to be released, the purpose of the release and the party(ies) to whom they are to be released.

2. Release/Disclosure Without Parental Consent

School system officials shall promptly release student records when a student transfers to another school. The records custodian may release or disclose records with personally identifiable information without parental permission to the extent permitted by law, including to other school officials who have a legitimate educational interest in the records.

When personally identifiable information from a student's record is released or disclosed without prior written consent of the parent or eligible student, the party to whom the information is released must agree not to disclose the information to any other party without the prior consent of the parent or eligible student. This restriction does not apply to the release of directory information, release of information to parents of non-eligible students, release of information to parents of dependent students, or release of information in accordance with a court order or subpoena.

The superintendent shall employ reasonable methods to ensure that teachers and other school officials obtain access only to those educational records in which they have legitimate educational interests.

3. Release of Directory Information

Permission of the parent or eligible student is not required for the release of information that is designated as directory information by the board, provided that the parent or eligible student has been given proper notice and an opportunity to opt out. (See policy 1310/4002, Parental Involvement.)

a. The board designates the following student record information as directory information:

- (1) name;
- (2) address;
- (3) telephone listing;
- (4) electronic mail address;
- (5) photograph;
- (6) date and place of birth;

-
-
- (7) participation in officially recognized activities and sports;
 - (8) weight and height of members of athletic teams;
 - (9) dates of attendance;
 - (10) grade level;
 - (11) diplomas, certifications and awards received; and
 - (12) most recent previous school or education institution attended by the student.
- b. The telephone number and actual address of a student who is or whose parent is a participant in the North Carolina Address Confidentiality Program is not considered directory information and will not be released.
 - c. As required by law, the names, addresses and telephone numbers of secondary school students shall be released, upon request, to military recruiters or institutions of higher learning, whether or not such information is designated directory information by the school system. Students or their parents, however, may request that the student's name, address and telephone number not be released without prior written parental consent. School officials shall notify parents of the option to make a request and shall comply with any requests made.
 - d. All requests for directory information must be submitted to the superintendent or designee for approval. The superintendent is directed to establish regulations regarding the release of directory information. At a minimum, the regulations must:
 - (1) specify the types of organizations that are eligible to receive directory information, and for what purposes;
 - (2) provide for equal disclosure to organizations that are similar in purpose; and
 - (3) authorize access to directory information to recruiters of military forces of the state or United States for the purpose of informing students of educational and career opportunities available in the military to the same extent that such information is made available to persons or organizations that inform students of occupational or educational options.
4. Records of Students with Disabilities

Students with recognized disabilities must be accorded all rights in regard to their records as provided by state and federal law, including the Individuals with Disabilities Education Act.

5. Disclosure of De-Identified Information

Education records may be released without consent of the parent or eligible student if all personally identifiable information has been removed. Personally identifiable information includes both direct and indirect identifiers that, alone or in combination, would allow a reasonable person in the school community, who does not have personal knowledge of the relevant circumstances, to identify the student with reasonable certainty.

Unless specifically permitted by law, records that have been de-identified must not be released without the consent of the parent or eligible student if school officials reasonably believe that the person requesting the information knows the identity of the student to whom the education record relates.

I. WITHHOLDING RECORDS

School system administrators shall not withhold records upon a valid request by a parent, eligible student or school to which the student is transferring for any reason, including in order to collect fines assessed to the parent or student.

J. RECORD OF ACCESS AND DISCLOSURE

The principal or designee shall maintain a record in each student's file indicating all persons who have requested or received personally identifiable information from a student's record and the legitimate reason(s) for requesting or obtaining the information. This requirement does not apply to requests by or disclosure to parents, eligible students, school officials, parties seeking directory information, a party seeking or receiving the records under a court order or subpoena that prohibits disclosure, or those individuals with written parental consent.

K. DESTRUCTION OF STUDENT RECORDS

School officials shall only destroy student records in accordance with state and federal law and the *Records Retention and Disposition Schedule for Local Education Agencies*. After notifying parents, school officials may destroy student records when the records are no longer needed to provide educational services to the student or to protect the safety of the student or others. School officials must destroy student records if the parent or eligible student requests their destruction and if such records are no longer needed to provide educational services to the student or to protect the safety of the student or others. School officials shall not destroy student records if there is an outstanding request to inspect the particular records.

L. LONGITUDINAL DATA SYSTEM

School system administrators will comply with the data requirements and implementation schedule for the North Carolina Longitudinal Data System (NCLDS) and will transfer designated student record data to the system in accordance with the NCLDS data security and safeguarding plan and all other requirements of state law, provided that doing so does not conflict with the requirements of FERPA.

Legal References: Family Educational Rights and Privacy Act, 20 U.S.C. 1232g, h, 34 C.F.R. pt. 99; Individuals with Disabilities Education Act, 20 U.S.C. 1411 *et seq.*; No Child Left Behind Act, 20 U.S.C. 7908; G.S. 7B-302, -3100; 14-208.29; 115C-47(26), -109.3, -402, -403, -407.5; 116E-6

Cross References: Parental Involvement (policy 1310/4002), Student and Parent Grievance Procedure (policy 1740/4010), Special Education Programs/Rights of Students with Disabilities (policy 3520), Children of Military Families (policy 4050), North Carolina Address Confidentiality Program (policy 4250/5075/7316), Disciplinary Action for Exceptional Children/Students with Disabilities (policy 4307), Student Discipline Records (policy 4345), Confidentiality of Personal Identifying Information (policy 4705/7825), Surveys of Students (policy 4720), Public Records – Retention, Release and Disposition (policy 5070/7350)

Adopted:

Long-Range Facility Plans
Revised 2/9/2013

Projects	Dates	Budget
1 Old Balfour/Early Childhood Development Center	2012-2013	
1 Demolish & replace Early Childhood Development Center		
<u>Under Construction</u>		(2,460,700)
 2 AHS Addition	 2012-2015	
1 Increase core capacity from 989 to 1450 (media center, cafeteria/kitchen, commons area)		12,102,390
2 21st century classroom upgrades (cultural arts, academic programs, technology)		8,068,260
3 Systems upgrades (HVAC, electrical, wireless, lighting, asbestos floors)		8,368,134
		<hr/> 28,538,784
 3 North Asheboro Middle School Addition	 2014-2016	
1 Increase core capacity 465 to 700 (media center, cafeteria/kitchen, commons area)		1,937,088
2 21st century classroom upgrades (academic spaces, art education, vocational, physical education)		3,162,352
3 Systems upgrades (HVAC, electrical, lighting ,asbestos floors)		3,885,159
		<hr/> 8,984,599

Long-Range Facility Plans
Revised 2/9/2013

Projects	Dates	Budget
4 New Elementary School	2017-2020	
1 Land purchase - 30 acres (2014-2017)		1,350,000
2 New construction		15,806,991
		<hr/>
		17,156,991
	Subtotal:	54,680,374

Long-Range Facility Plans
Revised 2/9/2013

Projects	Dates	Budget
<u>Infrastructure and Systems Upgrades</u>		
	2013-2020	
1 Roof replacements		3,764,814
2 HVAC replacements		5,118,900
3 Window replacements		1,139,420
4 Lighting replacements		1,419,072
5 Asbestos removal		626,500
6 Electrical upgrades		576,000
7 Kitchen renovations		1,154,790
8 Water conservation		866,406
Totals:		14,665,902

<u>Athletics Upgrades</u>		
	2013-2015	
1 AHS repair bleachers on visitor's side at Lee J. Stone Stadium		45,000
2 NAMS scoreboard and goalposts		22,000
3 AHS air conditioning in gym		300,000
4 NAMS bleachers @ 700 seat cap.		120,000
5 NAMS add light poles and lighting		110,000
6 AHS restrooms at Lee J. Stone Stadium		390,000
7 AHS band bleachers		52,000
8 AHS field turf at Lee J. Stone Stadium		700,000
Totals:		1,739,000

Long Range Facility Plans Total: 71,085,276

Asheboro City Schools

Facility Needs and Issues

March 2013



Early Childhood Development Center

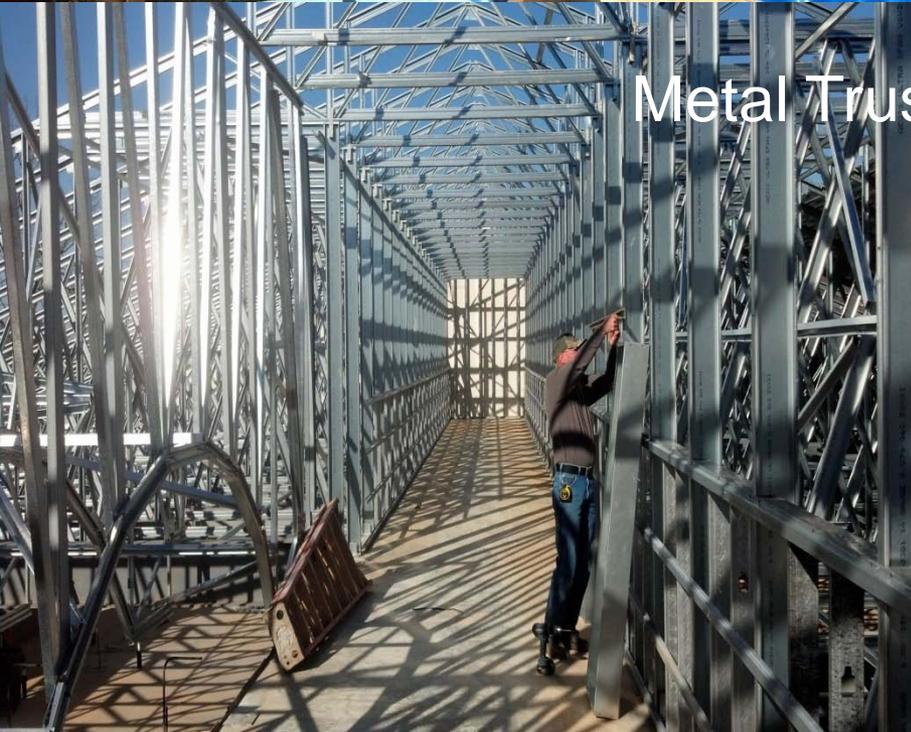
Demolition Summer 2012



Rough-In, Concrete and Block Work Completed



Metal Trusses Installed



Brick & Roof Work Will Begin This Week

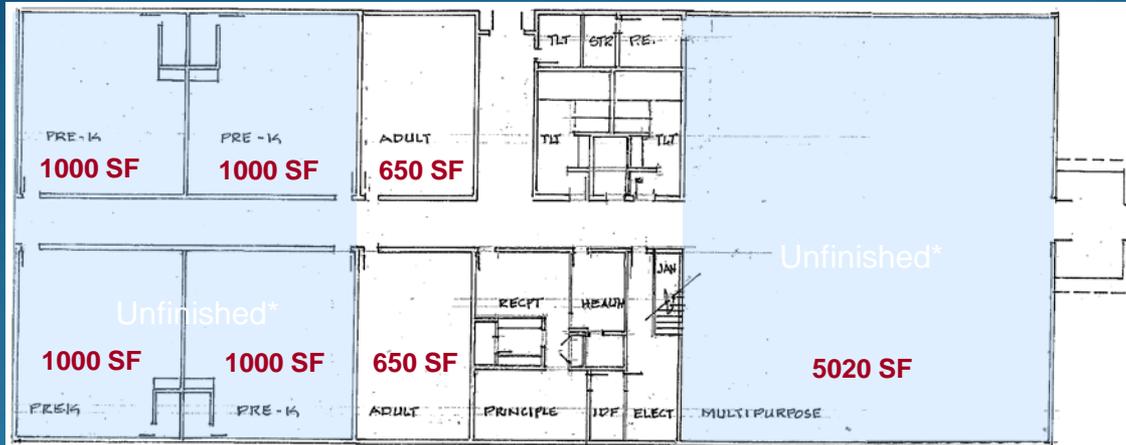


Space Profile for Renovation Projects Based on NC School Planning Recommendations

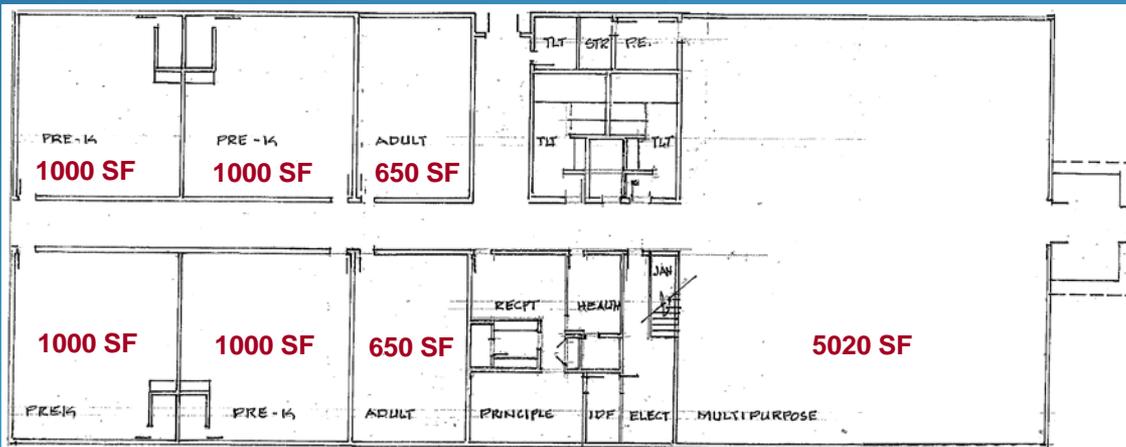
Early Childhood Development Center

2011

Proposed Future Plan



←----- Finished ----->



Balfour Early Childhood Center, Metal Building/No Veneer (14,880sf)

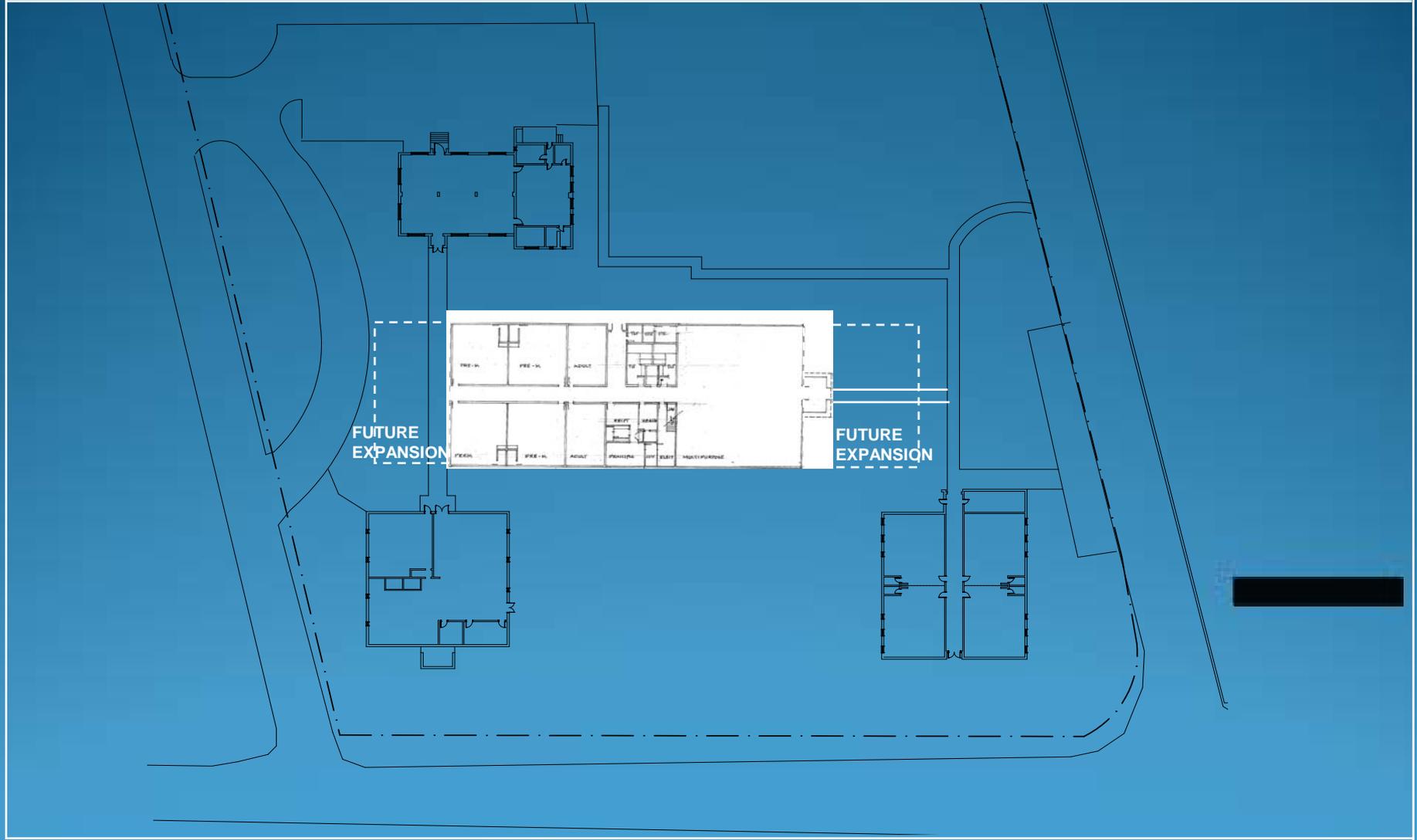
Shell Cost with Slab @ \$22/sf.	\$ 327,360
Entry 240sf at \$120/sf.	\$ 28,800
Canopy 1	\$ 69,000
Canopy 2	\$ 56,000
Partial Interior Upfit (4800sf)	\$ 432,000
Lighting, Floor Treatment, and Perimeter Wall Finishes for Unfinished Spaces.	\$ 150,000
Asbestos Removal (allowance)	\$ 80,000
Demolition (allowance)	\$ 80,000
Site Repairs, Grading, & Utilities	\$ 85,000
Survey, Testing, Inspections, and Fees	\$ 231,000
Contingencies	\$ 100,000

Estimated Cost 14,880sf shell with 4800sf finished space **\$1,639,160**

Cost to Finish entire facility
14,880sf – 4800sf = 10,080sf x \$80/sf **\$ 806,400**

Full Build Out **\$2,445,560***

***All unfinished spaces are sized for conversion to future classrooms.**



Asheboro High School Addition



Master planning calls for classroom and core space renovations and addition to the back of AHS

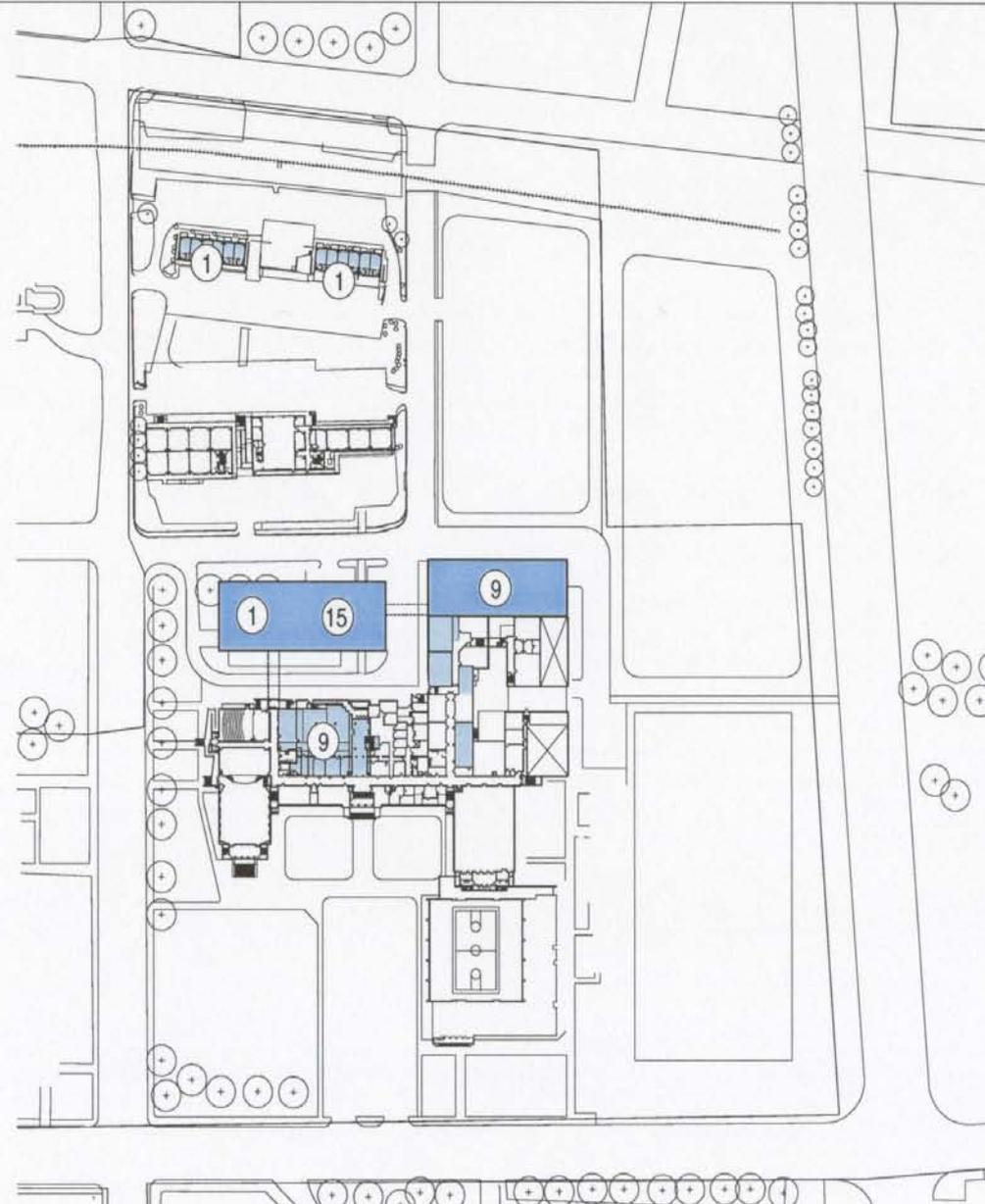


Space Profile for Renovation Projects Based on NC School Planning Recommendations

Asheboro High School

2004

Proposed Future Site Plan



- 1. Classrooms
 - 2. Exceptional (SC)
 - 3. Resource
 - 4. Computer
 - 5. Science
 - 6. Art
 - 7. Music
 - 8. Instrumental
 - 9. Vocational
 - 10. Gym / Multipurpose
 - 11. Auxiliary Gym
 - 12. Weight Room
 - 13. Wrestling Room
 - 14. Health / PE Class
 - 15. Media Center
 - 16. Media Support
 - 17. Dining
 - 18. Kitchen
 - 19. Auditorium
 - 20. Administration
 - 21. Storage
 - 22. Staff Support
-
- A Drive
 - B Parking
 - C Bus Parking / Drop

CONNOTES RENOVATION

CONNOTES NEW CONSTRUCTION

50 100

AHS Addition

2012-2015

1	Increase core capacity from 989 to 1450 (media center, cafeteria/kitchen, commons area)	12,102,390
2	21st century classroom upgrades (cultural arts, academic programs, technology)	8,068,260
3	Systems upgrades (HVAC, electrical, wireless, lighting, asbestos floors)	8,368,134

28,538,784



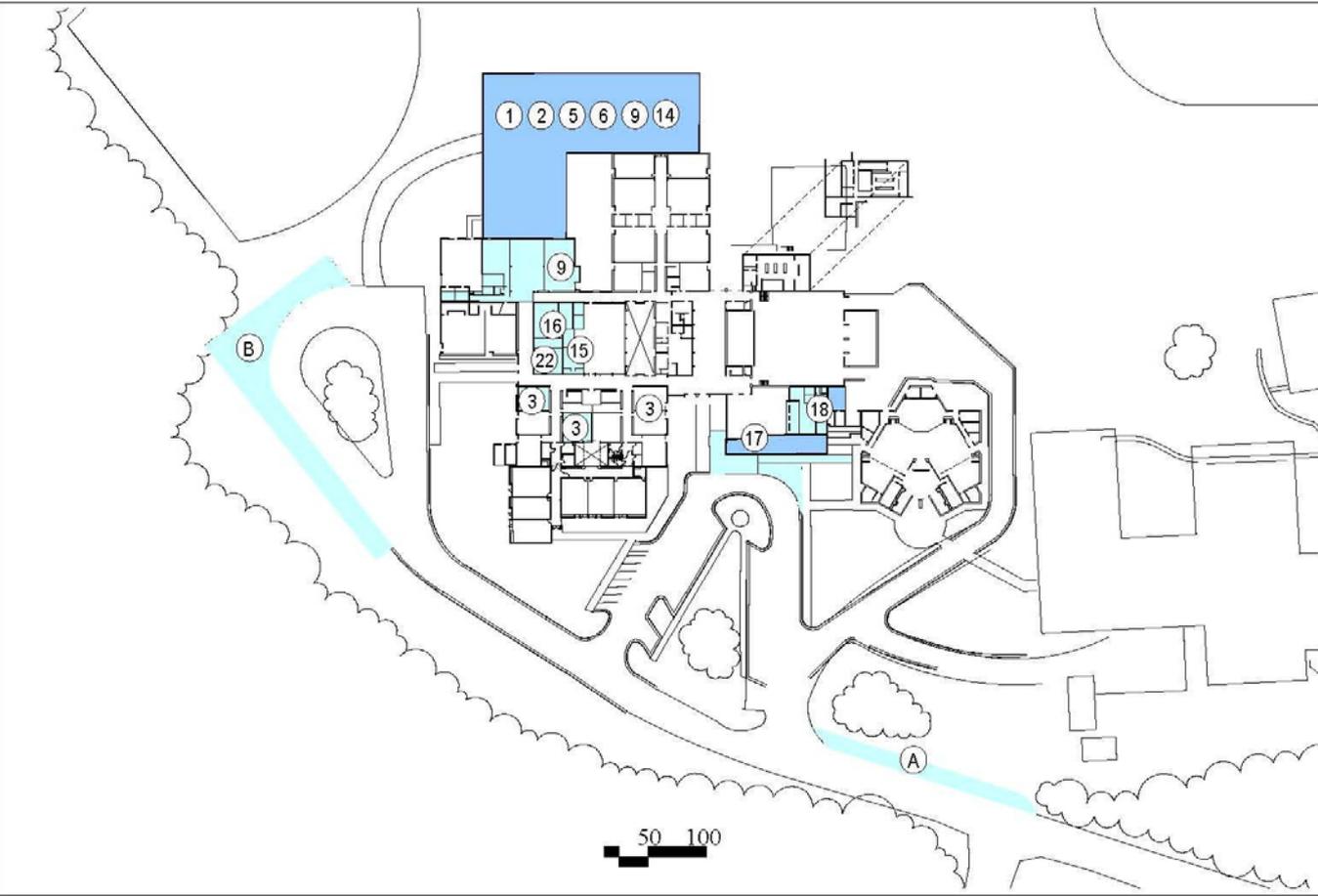
North Asheboro Middle School Addition

Space Profile for Renovation Projects Based on NC School Planning Recommendations

North Asheboro Middle School

2004

Proposed Future Plan



- 1. Classrooms
- 2. Exceptional (SC)
- 3. Resource
- 5. Science
- 6. Art
- 9. Vocational
- 14. Health / PE Class
- 15. Media Center
- 16. Media Support
- 17. Dining
- 18. Kitchen
- 22. Staff Support
- A Drive
- B Parking

CONNOTES RENOVATION
 CONNOTES NEW CONSTRUCTION

The Smith Sinnett Associates, P.A.
95

Asheboro City Schools

Facility Appraisal

North Asheboro Middle School Addition

2014-2016

1	Increase core capacity 465 to 700 (media center, cafeteria/kitchen, commons area)	1,937,088
2	21st century classroom upgrades (academic spaces, art education, vocational, physical education)	3,162,352
3	Systems upgrades (HVAC, electrical, lighting ,asbestos floors)	3,885,159
		<hr/>
		8,984,599

New Elementary School



New Elementary School

2017-2020

Land purchase – 30 acres (2014-2017)

1,350,000

New construction

15,806,991

17,156,991

Infrastructure / Athletic Upgrades

2013-2020

Infrastructure and Systems Upgrades

2013-2020

1	Roof replacements	3,764,814
2	HVAC replacements	5,118,900
3	Window replacements	1,139,420
4	Lighting replacements	1,419,072
5	Asbestos removal	626,500
6	Electrical upgrades	576,000
7	Kitchen renovations	1,154,790
8	Water conservation	866,406

Totals: 14,665,902

Athletics Upgrades

2013-2015

1	AHS repair bleachers on visitor's side at Lee J. Stone Stadium	45,000
2	NAMS scoreboard and goalposts	22,000
3	AHS air conditioning in gym	300,000
4	NAMS bleachers @ 700 seat cap.	120,000
5	NAMS add light poles and lighting	110,000
6	AHS restrooms at Lee J. Stone Stadium	390,000
7	AHS band bleachers	52,000
8	AHS field turf at Lee J. Stone Stadium	700,000

Totals: 1,739,000



Window Replacements



Athletic Upgrades /
Light Pole Replacements



HVAC Replacements



Roof Replacements

Long-Range Facility Plans Summary

2/9/2013

Projects	Dates	Budget
1. AHS Addition	2012-2015	28,538,784
2. North Asheboro Middle School Addition	2014-2016	8,984,599
3. New Elementary School	2017-2020	17,156,991
<u>Infrastructure and Systems Upgrades</u>	2013-2020	14,665,902
<u>Athletic Upgrades</u>	2013-2015	1,739,000
Long-Range Facility Plans Total:		71,085,276



Asheboro City Schools

...the subject is excellence

Asheboro City Schools
Independent Auditor's Report - Overview
Year ended June 30, 2012

Auditors with Cherry, Bekaert LLP (formally Cherry, Bekaert, & Holland) conducted our independent audit for the 2011-2012 fiscal year. The audit consists of two major components: financial and compliance. Auditors are required to provide an opinion on the fairness of the financial statement presentation (pages 3 & 4) and to report on internal controls and compliance (pages 55-66).

The audit began in May with testing of compliance, internal controls, and individual schools' financial data. This process took about three weeks and involved staff from several schools, many central office directors and office support, and business office staff. Beginning in October, the auditors returned to complete the compliance portion of the audit and conduct the financial portion of the audit; again involving many of the central office directors and support staff and the business office staff.

Once the audit field work was concluded, the report was reviewed by senior and partner level staff at Cherry, Bekaert LLP, and then submitted to the North Carolina Local Government Commission. They performed a review and gave final approval for the Audit Report.

Below are the page number and titles of some of the information you may want to review in detail. We did receive a clean audit report and our overall financial status is positive. There were two findings noted- 1: There continues to be a need for segregation of financial duties at the individual schools (see page 63 for explanation) and 2: A certified substitute was paid at a non-certified rate (see page 64 for explanation). One special note is that our Child Nutrition program continues to remain financially slightly above breakeven although we are implementing higher (and more costly) nutritional standards.

Page Number(s)	Section Title
3-4	Independent Auditor's Report
14	Balance Sheet-Governmental Funds
16	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
23	Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds
55-56	Report on Internal Controls
57-58	Report on Compliance and Internal Controls for Major Federal Programs
59-60	Report on Compliance and Internal Controls for Major State Programs
61-65	Schedule of Finding and Questioned Costs
67-68	Schedule of Expenditures of Federal and State Awards

**ASHEBORO CITY BOARD OF EDUCATION
Asheboro, North Carolina**

Year ended June 30, 2012

Independent Auditors' Report

Basic Financial Statements and Schedules

Board Members

Jane Redding, Chairman

Archie Priest, Jr., Vice Chairman

Gustavo Agudelo

Phillip R. Cheek

Linda R. Cranford

Joyce P. Harrington

W. Kelly Harris

C. Stephen Jones

Gidget Kidd

Kyle W. Lamb

Chris L. Yow

Dr. Diane L. Frost, Superintendent

Asheboro City Board of Education

TABLE OF CONTENTS

		<u>Page</u>
Financial Section		
<u>Exhibit</u>		
	Independent Auditors' Report	3-4
	Management's Discussion and Analysis.....	5-11
	Basic Financial Statements:	
	Government-wide Financial Statements:	
A	Statement of Net Assets	12
B	Statement of Activities	13
	Fund Financial Statements:	
C	Balance Sheet – Governmental Funds.....	14
C	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	15
D	Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	16
D	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
E	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	18
E	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – State Public School Fund	19
E	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Federal Grants Fund	20
E	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Other Restricted Fund	21
F	Statement of Net Assets – Proprietary Funds	22
G	Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	23
H	Statement of Cash Flows – Proprietary Funds	24
	Notes to the Financial Statements	25-45
Individual Fund Financial Schedules		
<u>Schedule</u>		
1	Detail Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	46-47

TABLE OF CONTENTS (Continued)

Individual Fund Financial Schedules

<u>Schedule</u>		<u>Page</u>
2	Detail Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Outlay Fund	48-49
3	Detail Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Federal Grants Fund.....	50
4	Detail Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Other Restricted Fund.....	51-52
5	Detail Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – School Food Service Fund	53
6	Detail Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Child Care Fund	54

Grant Compliance Section

<u>Schedule</u>		
	Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55-56
	Independent Auditors’ Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance In Accordance with OMB Circular A-133 and the State Single Audit Implementation Act	57-58
	Independent Auditors’ Report on Compliance with Requirements Applicable to Each Major State Program and on Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act	59-60
7	Schedule of Findings and Questioned Costs	61-64
8	Corrective Action Plan	65
9	Summary Schedule of Prior Year Audit Findings	66
10	Schedule of Expenditures of Federal and State Awards	67-68



Independent Auditors' Report

Asheboro City Board of Education
Asheboro, North Carolina

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, 2012, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

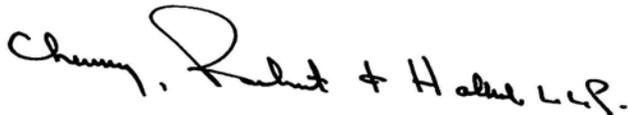
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, State Public School, Federal Grants and Other Restricted Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2012 on our consideration of the Board's internal control over financial reporting and 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 on the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basis 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.

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 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis 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, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Cherry, Robert + Halden LLP." The signature is written in a cursive, flowing style.

Asheboro, North Carolina
December 1, 2012

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, 2012. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- The Board experienced an increase in enrollment of 118 students (or 3%) from the previous year.
- The Board received funding from the Randolph County Board of Commissioners to replace a major portion of the Early Childhood Development Center. This will allow the Board to consolidate Prekindergarten programs and allow for increased enrollment within the elementary schools.

Overview of the Financial Statements

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

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

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 assets and the statement of activities. The Statement of Net Assets includes all of the Board's assets and liabilities. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second 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 Assets includes all of the Board's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the Board's net assets are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, you need to 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 – not the unit as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The Board 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.

Asheboro City Board of Education has two types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements, in the form of a reconciliation, explains the relationship (or differences) between 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. Asheboro City Board of Education 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 assets are an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$42,368,507 as of June 30, 2012. The largest component of net assets is invested in capital assets, net of related debt, of \$36,566,843. It comprises 86% of the total net assets.

Following is a summary of the Statement of Net Assets:

	Business-type					
	Governmental Activities		Activities		Total Primary Government	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Current assets	\$ 7,431,494	\$ 5,989,454	\$ 903,731	\$ 712,541	\$ 8,335,225	\$ 6,701,995
Capital assets	36,326,623	37,007,773	240,220	282,073	36,566,843	37,289,846
Total assets	<u>43,758,117</u>	<u>42,997,227</u>	<u>1,143,951</u>	<u>994,614</u>	<u>44,902,068</u>	<u>43,991,841</u>
Current liabilities	2,065,296	2,234,574	193,797	68,108	2,259,093	2,302,682
Long-term liabilities	271,019	165,536	3,449	-	274,468	165,536
Total liabilities	<u>2,336,315</u>	<u>2,400,110</u>	<u>197,246</u>	<u>68,108</u>	<u>2,533,561</u>	<u>2,468,218</u>
Invested in capital assets, net of related debt	36,326,623	37,007,773	240,220	282,073	36,566,843	37,289,846
Restricted for:						
Stabilization by State Statute	1,119,353	914,170	-	-	1,119,353	914,170
Capital School Outlay	580,254	431,093	-	-	580,254	431,093
Individual Schools Programs	179,909	158,345	-	-	179,909	158,345
Programs	326,463	265,487	-	-	326,463	265,487
Unrestricted net assets	2,889,200	1,820,249	706,485	644,433	3,595,685	2,464,682
Total net assets	<u>\$ 41,421,802</u>	<u>\$40,597,117</u>	<u>\$ 946,705</u>	<u>\$ 926,506</u>	<u>\$42,368,507</u>	<u>\$ 41,523,623</u>

Note that net assets increased (2%) during the year. The increase in net assets in the governmental activities was primarily due to an increase in current assets. Unrestricted net assets increased in the business-type activities primarily due to an increase in current assets. Also note that the Board carries capital assets for which Randolph County carries the offsetting debt.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,110,374	\$ 1,225,289	\$ 749,686	\$ 785,526	\$ 1,860,060	\$ 2,010,815
Operating grants and contributions	29,175,971	31,928,213	2,105,285	1,980,910	31,281,256	33,909,123
General revenues:						
State of North Carolina	2,757,212	2,543,416	-	-	2,757,212	2,543,416
Randolph County	8,131,097	7,950,789	-	-	8,131,097	7,950,789
Other revenues	673,615	599,947	12,665	3,682	686,280	603,629
Total revenues	<u>41,848,269</u>	<u>44,247,654</u>	<u>2,867,636</u>	<u>2,770,118</u>	<u>44,715,905</u>	<u>47,017,772</u>
Expenses:						
Governmental activities:						
Instructional programs	32,883,306	34,554,106	-	-	32,883,306	34,554,106
Supporting services	6,816,862	7,142,468	-	-	6,816,862	7,142,468
Non-programmed charges	-	212,912	-	-	-	212,912
Unallocated depreciation expense	1,275,017	1,235,257	-	-	1,275,017	1,235,257
Business-type activities:						
School food service	-	-	2,865,175	2,700,275	2,865,175	2,700,275
Child care	-	-	30,661	47,829	30,661	47,829
Total expenses	<u>40,975,185</u>	<u>43,144,743</u>	<u>2,895,836</u>	<u>2,748,104</u>	<u>43,871,021</u>	<u>45,892,847</u>
Transfers in (out)	<u>(48,399)</u>	<u>(49,097)</u>	<u>48,399</u>	<u>49,097</u>	<u>-</u>	<u>-</u>
Increase in net assets	<u>824,685</u>	<u>1,053,814</u>	<u>20,199</u>	<u>71,111</u>	<u>844,884</u>	<u>1,124,925</u>
Beginning net assets	<u>40,597,117</u>	<u>39,543,303</u>	<u>926,506</u>	<u>855,395</u>	<u>41,523,623</u>	<u>40,398,698</u>
Ending net assets	<u>\$ 41,421,802</u>	<u>\$ 40,597,117</u>	<u>\$ 946,705</u>	<u>\$ 926,506</u>	<u>\$ 42,368,507</u>	<u>\$ 41,523,623</u>

Total governmental activities generated revenues of \$41,848,269 while expenses in this category totaled \$40,975,185 for the year ended June 30, 2012. Comparatively, revenues were \$44,247,654 and expenses totaled \$43,144,743 for the year ended June 30, 2011. After transfers to the business-type activities, the increase in net assets stands at \$824,685 at June 30, 2012, compared to \$1,053,814 in 2011. Instructional programs expenses comprised 80% of total governmental-type expenses while supporting services made up 17% of those expenses for 2012. County funding comprised 19% of total governmental revenue. In 2011, county funding was 18%. Much of the remaining 81% of total governmental revenue consists of restricted State and federal money. This revenue represented 82% of total revenue in 2011. Business-type activities generated revenue of \$2,867,636 and had expenses of \$2,895,836. Net assets increased in the business-type activities by \$20,199, after net transfers in from the governmental activities of \$48,399.

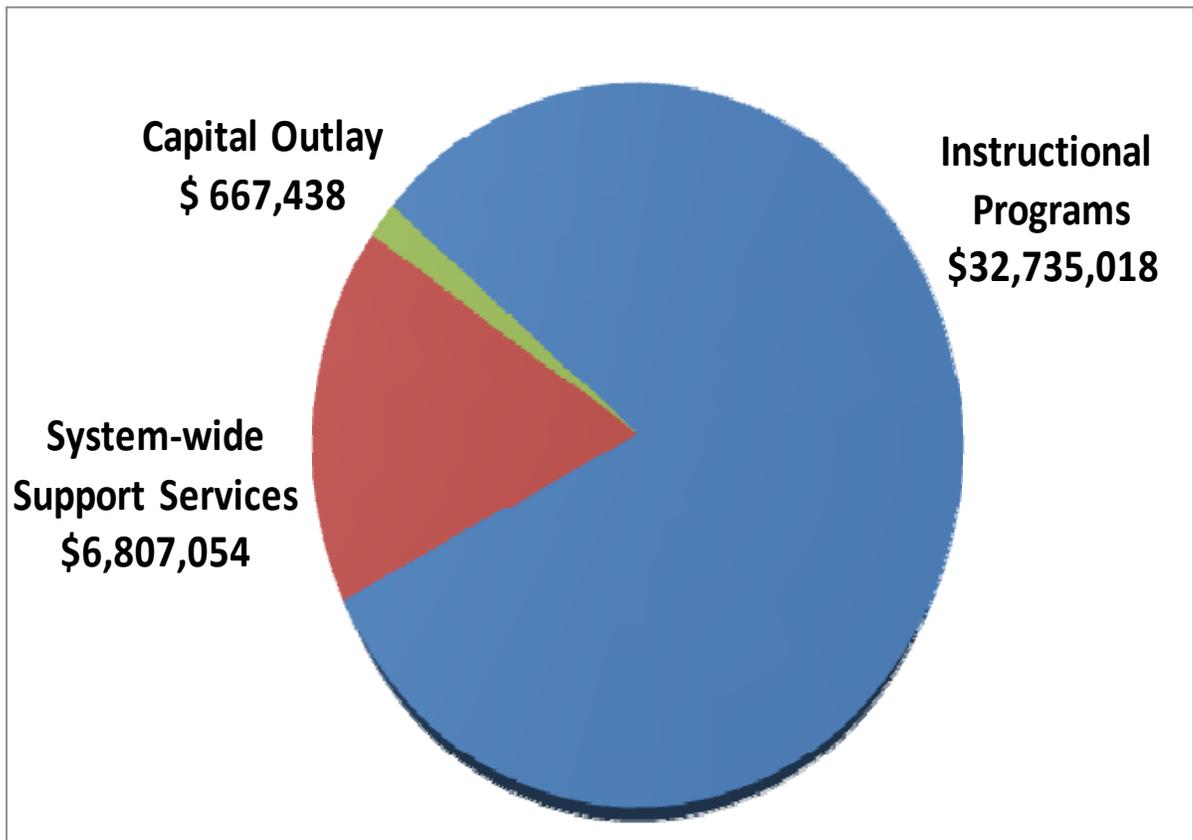
Financial Analysis of the Board's Funds

Governmental Funds: The focus of Asheboro City Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$6,980,370, a \$1,587,153 increase over last year. In the General Fund revenues exceeded expenditures resulting in an increase in fund balance. Changes in major sources of funding from the prior year were as follows: state funding increased by \$1,009,416, county funding increased by \$180,308, and federal grants decreased by \$(3,518,803). Expenditures decreased \$(3,358,638) and included \$667,438 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 School Food Service Fund reflected an increase in net assets over last year, while the Child Care Fund experienced a small operating loss before transfers in brought the change in net assets to zero. Total revenues and expenses increased over last year; non-operating revenue brought about most of the increase in revenues due to increases in federal reimbursements.

Categorization of Expenditures for Governmental Funds



General Fund Budgetary Highlights

Over the course of the year, the Board appropriated fund balance in the General Fund Budget to account for prior year encumbrances. The Board ended the year with a surplus due to actual revenues exceeding budgeted revenues and expenditures less than budgeted expenses. The increase in appropriations totaled \$72,350 in the General Fund.

Capital Assets

Capital assets decreased by \$(723,003) or (1.9)% from the previous year. The decrease in capital assets was primarily a result of depreciation.

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

Table 3
Summary of Capital Assets
as of June 30, 2012 and 2011

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Land	\$ 3,038,935	\$ 3,038,935	\$ -	\$ -	\$ 3,038,935	\$ 3,038,935
Construction in progress	120,448	131,870	-	-	120,448	131,870
Buildings	31,947,260	32,405,365	-	-	31,947,260	32,405,365
Land improvements	322,791	355,658	-	-	322,791	355,658
Furniture, equipment and vehicles	897,189	1,075,945	240,220	282,073	1,137,409	1,358,018
Total	\$ 36,326,623	\$ 37,007,773	\$ 240,220	\$ 282,073	\$ 36,566,843	\$ 37,289,846

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 affect on that of the school district. The following factors have affected the economic outlook of Randolph County.

As of June 2012, the County's unemployment rate of 9.7% is slightly less than the state average of 9.9%. Of the surrounding counties, only Chatham (7.3%) and Moore (8.9%) had lower rates. Alamance (9.9%), Davidson (10.5%), Guilford (10.3%), and Montgomery (12.5%) all had higher unemployment rates than Randolph County.

From July 2011 through June 2012, plant closures and layoffs resulted in a loss of 17 jobs in our County.

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 and Technology
Asheboro City Board of Education
1126 S. Park St.
Asheboro, NC 27203

Asheboro City Board of Education
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and cash equivalents	\$ 6,762,018	\$ 878,175	\$ 7,640,193
Accounts receivable, net	114,793	36,981	151,774
Due from other governments	377,553	60,110	437,663
Internal balances	142,944	(142,944)	-
Inventories	34,186	71,409	105,595
Capital assets			
Land, improvements, and construction in progress	3,159,383	-	3,159,383
Other capital assets, net of depreciation	33,167,240	240,220	33,407,460
Total capital assets	<u>36,326,623</u>	<u>240,220</u>	<u>36,566,843</u>
Total assets	<u>43,758,117</u>	<u>1,143,951</u>	<u>44,902,068</u>
Liabilities			
Accounts payable	193,951	174,146	368,097
Unearned revenue	62,700	8,429	71,129
Accrued salaries and benefits	93,513	-	93,513
Long-term liabilities:			
Due within one year	1,715,132	11,222	1,726,354
Due in more than one year	271,019	3,449	274,468
Total liabilities	<u>2,336,315</u>	<u>197,246</u>	<u>2,533,561</u>
Net assets			
Invested in capital assets	36,326,623	240,220	36,566,843
Restricted for			-
Stablization by State Statute	1,119,353	-	1,119,353
Capital School Outlay	580,254	-	580,254
Individual Schools	179,909	-	179,909
Programs	326,463	-	326,463
Unrestricted	2,889,200	706,485	3,595,685
Total net assets	<u>\$ 41,421,802</u>	<u>\$ 946,705</u>	<u>\$ 42,368,507</u>

See notes to financial statements.

**Asheboro City Board of Education
Statement of Activities
For the Year Ended June 30, 2012**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government							
Governmental activities							
Instructional programs							
Regular	\$ 19,604,051	\$ 266,782	\$ 15,678,581	\$ -	\$ (3,658,688)	\$ -	\$ (3,658,688)
Special Populations	4,622,816	-	4,428,257	-	(194,559)	-	(194,559)
Alternative Programs	3,632,318	-	2,755,156	-	(877,162)	-	(877,162)
School Leadership	2,359,743	-	1,902,798	-	(456,945)	-	(456,945)
Co-curricular	232,938	843,592	-	-	610,654	-	610,654
School-based Support	2,431,440	-	2,040,550	-	(390,890)	-	(390,890)
System-wide Support Services							
Support and Development	179,720	-	22,142	-	(157,578)	-	(157,578)
Special Population	386,528	-	214,663	-	(171,865)	-	(171,865)
Technology Support	401,654	-	69,887	-	(331,767)	-	(331,767)
Operational Support	3,823,641	-	1,417,535	-	(2,406,106)	-	(2,406,106)
Financial and Human Resource	715,940	-	279,395	-	(436,545)	-	(436,545)
Accountability	183,779	-	118,216	-	(65,563)	-	(65,563)
System-wide Pupil Support	209,060	-	59,337	-	(149,723)	-	(149,723)
Policy, Leadership and Public Relations	916,540	-	189,454	-	(727,086)	-	(727,086)
Unallocated depreciation expense	1,275,017	-	-	-	(1,275,017)	-	(1,275,017)
Total governmental activities	40,975,185	1,110,374	29,175,971	-	(10,688,840)	-	(10,688,840)
Business-type activities							
School food service	2,865,175	721,731	2,105,285	-	-	(38,159)	(38,159)
Child care	30,661	27,955	-	-	-	(2,706)	(2,706)
Total business-type activities	2,895,836	749,686	2,105,285	-	-	(40,865)	(40,865)
Total primary government	\$ 43,871,021	\$ 1,860,060	\$ 31,281,256	\$ -	(10,688,840)	(40,865)	(10,729,705)
General revenues							
State of North Carolina					2,757,212	-	2,757,212
Randolph County					8,131,097	-	8,131,097
Other					672,843	11,887	684,730
Interest earned on investments					772	778	1,550
Transfers					(48,399)	48,399	-
Total general revenues and transfers					11,513,525	61,064	11,574,589
Change in net assets					824,685	20,199	844,884
Net assets - beginning					40,597,117	926,506	41,523,623
Net assets - ending					\$ 41,421,802	\$ 946,705	\$ 42,368,507

See notes to financial statements.

Asheboro City Board of Education
Balance Sheet
Governmental Funds
June 30, 2012

Major Funds

	General	State Public School Fund	Federal Grants Fund	Other Restricted Fund	Capital Outlay Fund	Individual Schools Fund	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 4,581,503	\$ -	\$ -	\$ 721,293	\$ 1,269,497	\$ 189,725	\$ 6,762,018
Accounts receivable, net	-	-	-	114,793	-	-	114,793
Due from other governments	182,616	5,417	8,330	81,476	93,176	6,538	377,553
Due from other funds	3,843	-	-	144,437	-	-	148,280
Inventories	34,186	-	-	-	-	-	34,186
Total Assets	\$ 4,802,148	\$ 5,417	\$ 8,330	\$ 1,061,999	\$ 1,362,673	\$ 196,263	\$ 7,436,830
Liabilities and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 100,116	\$ -	\$ -	\$ 5,848	\$ 82,814	\$ 5,173	\$ 193,951
Due to other funds	-	-	-	693	-	4,643	5,336
Deferred revenue	100,960	441	8,330	38,289	9,102	6,538	163,660
Accrued salaries wages and benefits	88,537	4,976	-	-	-	-	93,513
Total Liabilities	289,613	5,417	8,330	44,830	91,916	16,354	456,460
Fund balances							
Nonspendable							
Inventories	34,186	-	-	-	-	-	34,186
Restricted							
Stabilization by State Statute	351,779	-	-	340,706	426,868	-	1,119,353
School Capital Outlay	-	-	-	-	580,254	-	580,254
Individual Schools Programs	-	-	-	326,463	-	179,909	179,909
Assigned							
Designated for subsequent year's expenditures	361,000	-	-	350,000	263,635	-	974,635
Unassigned							
General fund	3,765,570	-	-	-	-	-	3,765,570
Total Fund Balances	4,512,535	-	-	1,017,169	1,270,757	179,909	6,980,370
Total liabilities and fund balances	\$ 4,802,148	\$ 5,417	\$ 8,330	\$ 1,061,999	\$ 1,362,673	\$ 196,263	\$ 7,436,830

See notes to financial statements.

Asheboro City Board of Education
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Assets
June 30, 2012

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

Ending fund balance - governmental funds	\$ 6,980,370
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	36,326,623
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	100,960
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,986,151)</u>
Net assets of governmental activities	<u><u>\$ 41,421,802</u></u>

See notes to financial statements.

Asheboro City Board of Education
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	Major Funds						Total Governmental Funds
	General	State Public School Fund	Federal Grants Fund	Other Restricted Fund	Capital Outlay Fund	Individual Schools Fund	
Revenues							
State of North Carolina	\$ -	\$ 25,467,811	\$ -	\$ 735,531	\$ 93,462	\$ -	\$ 26,296,804
Randolph County	7,377,245	-	-	-	753,852	-	8,131,097
U.S. Government	-	-	5,166,453	422,815	100,000	-	5,689,268
Other	241,854	-	-	614,165	31,489	843,592	1,731,100
Total Revenues	7,619,099	25,467,811	5,166,453	1,772,511	978,803	843,592	41,848,269
Expenditures							
Current:							
Instructional Programs							
Regular	1,194,780	16,161,914	929,960	393,260	-	822,028	19,501,942
Special Populations	96,724	3,507,178	921,079	97,835	-	-	4,622,816
Alternative Programs	162,194	607,174	2,147,982	714,968	-	-	3,632,318
School Leadership	456,945	1,292,706	610,092	-	-	-	2,359,743
Co-curricular	176,546	-	-	10,213	-	-	186,759
School-based Support	254,117	1,788,213	252,337	136,773	-	-	2,431,440
System-wide Support Services							
Support and Development	116,992	-	22,142	40,586	-	-	179,720
Special Population	117,897	142,532	72,131	53,968	-	-	386,528
Technology Support	331,767	37,022	32,865	-	-	-	401,654
Operational Support	2,342,360	1,313,457	104,078	53,938	-	-	3,813,833
Financial and Human Resource	273,610	243,435	35,960	162,935	-	-	715,940
Accountability	27,445	117,824	392	38,118	-	-	183,779
System-wide Pupil Support	149,723	42,772	16,565	-	-	-	209,060
Policy, Leadership and Public Relations	727,086	168,584	20,870	-	-	-	916,540
Capital Outlay							
Real property and buildings	-	-	-	-	572,620	-	572,620
Furniture and equipment	-	-	-	-	94,818	-	94,818
Buses and motor vehicles	-	-	-	-	-	-	-
Total expenditures	6,428,186	25,422,811	5,166,453	1,702,594	667,438	822,028	40,209,510
Excess (deficiency) of revenues over (under) expenditures	1,190,913	45,000	-	69,917	311,365	21,564	1,638,759
Other financing sources (uses)							
Transfers out	-	(45,000)	-	(3,399)	-	-	(48,399)
Total other financing sources (uses)	-	(45,000)	-	(3,399)	-	-	(48,399)
Net change in fund balances	1,190,913	-	-	66,518	311,365	21,564	1,590,360
Fund balance - beginning	3,324,829	-	-	950,651	959,392	158,345	5,393,217
Decrease in reserve for inventory	(3,207)	-	-	-	-	-	(3,207)
Fund balance - ending	\$ 4,512,535	\$ -	\$ -	\$ 1,017,169	\$ 1,270,757	\$ 179,909	\$ 6,980,370

See notes to financial statements.

Asheboro City Board of Education
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2012

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

Net change in fund balances - total governmental funds	\$ 1,590,360
Change in fund balance due to change in reserve for inventory	(3,207)
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.	(681,150)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property and vehicle tax receivable	(55,276)
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.	
Compensated absences	<u>(26,042)</u>
Total changes in net assets of governmental activities	<u>\$ 824,685</u>

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, 2012

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Randolph County	\$ 7,304,466	\$ 7,304,466	\$ 7,377,245	\$ 72,779
Other	220,034	220,034	241,854	21,820
Total Revenues	<u>7,524,500</u>	<u>7,524,500</u>	<u>7,619,099</u>	<u>94,599</u>
Expenditures				
Instructional Programs				
Regular	2,000,000	1,263,534	1,194,780	68,754
Special Populations	200,000	181,550	96,724	84,826
Alternative Programs	300,000	288,900	162,194	126,706
School Leadership	500,000	599,100	456,945	142,155
Co-curricular	200,000	200,000	176,546	23,454
School-based Support	350,000	428,800	254,117	174,683
System-wide Support Services				
Support and Development	125,000	152,950	116,992	35,958
Special Population	125,000	120,550	117,897	2,653
Technology Support	277,000	399,171	331,767	67,404
Operational Support	2,400,000	2,544,385	2,342,360	202,025
Financial and Human Resource	247,500	291,600	273,610	17,990
Accountability	125,000	32,600	27,445	5,155
System-wide Pupil Support	125,000	188,910	149,723	39,187
Policy, Leadership and Public Relations	550,000	902,800	727,086	175,714
Non-programmed Charges	-	2,000	-	2,000
Total expenditures	<u>7,524,500</u>	<u>7,596,850</u>	<u>6,428,186</u>	<u>1,168,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(72,350)</u>	<u>1,190,913</u>	<u>1,263,263</u>
Other financing sources (uses)				
Appropriated fund balance	-	72,350	-	(72,350)
Total other financing sources (uses)	<u>-</u>	<u>72,350</u>	<u>-</u>	<u>(72,350)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,190,913</u>	<u>\$ 1,190,913</u>
Fund balance - beginning			3,324,829	
Decrease in reserve for inventory			(3,207)	
Fund balance - ending			<u>\$ 4,512,535</u>	

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, 2012

	State Public School Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State of North Carolina	\$ 24,236,192	\$ 26,065,889	\$ 25,467,811	\$ (598,078)
Total Revenues	<u>24,236,192</u>	<u>26,065,889</u>	<u>25,467,811</u>	<u>(598,078)</u>
Expenditures				
Instructional Programs				
Regular	15,230,219	16,428,115	16,161,914	266,201
Special Populations	3,472,198	3,643,591	3,507,178	136,413
Alternative Programs	551,721	609,376	607,174	2,202
School Leadership	1,166,328	1,319,548	1,292,706	26,842
School-based Support	1,838,676	1,820,781	1,788,213	32,568
System-wide Support Services				
Special Population	75,655	143,804	142,532	1,272
Technology Support	51,583	126,313	37,022	89,291
Operational Support	1,310,063	1,331,072	1,313,457	17,615
Financial and Human Resource	203,919	252,949	243,435	9,514
Accountability	101,000	126,375	117,824	8,551
System-wide Pupil Support	39,930	45,105	42,772	2,333
Policy, Leadership and Public Relations	149,900	173,860	168,584	5,276
Total expenditures	<u>24,191,192</u>	<u>26,020,889</u>	<u>25,422,811</u>	<u>598,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Other financing sources (uses)				
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>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning				-
Decrease in reserve for inventory				-
Fund balance - ending			<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, 2012

	Federal Grants Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
U.S. Government	\$ 6,917,568	\$ 7,245,282	\$ 5,166,453	\$ (2,078,829)
Total Revenues	<u>6,917,568</u>	<u>7,245,282</u>	<u>5,166,453</u>	<u>(2,078,829)</u>
Expenditures				
Instructional Programs				
Regular	1,401,695	1,081,852	929,960	151,892
Special Populations	1,878,126	1,671,465	921,079	750,386
Alternative Programs	2,467,719	2,725,507	2,147,982	577,525
School Leadership	63,051	618,511	610,092	8,419
School-based Support	530,729	505,824	252,337	253,487
System-wide Support Services				
Support and Development	26,091	22,142	22,142	-
Special Population	227,269	231,856	72,131	159,725
Technology Support	75,607	57,865	32,865	25,000
Operational Support	91,530	119,204	104,078	15,126
Financial and Human Resource	-	35,960	35,960	-
Accountability	9,725	2,000	392	1,608
System-wide Pupil Support	-	16,565	16,565	-
Policy, Leadership and Public Relations	5,000	92,201	20,870	71,331
Ancillary Services	-	-	-	-
Non-programmed Charges	141,026	64,330	-	64,330
Total expenditures	<u>6,917,568</u>	<u>7,245,282</u>	<u>5,166,453</u>	<u>2,078,829</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning			-	
Decrease in reserve for inventory			-	
Fund balance - ending			<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, 2012

	Other Restricted Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State of North Carolina	\$ 662,410	\$ 712,410	\$ 735,531	\$ 23,121
U.S. Government	231,640	366,640	422,815	56,175
Other	531,400	671,600	614,165	(57,435)
Total Revenues	<u>1,425,450</u>	<u>1,750,650</u>	<u>1,772,511</u>	<u>21,861</u>
Expenditures				
Instructional Programs				
Regular	704,750	751,996	393,260	358,736
Special Populations	7,700	103,194	97,835	5,359
Alternative Programs	743,300	735,944	714,968	20,976
Co-curricular	170,000	30,000	10,213	19,787
School-based Support	149,700	196,972	136,773	60,199
System-wide Support Services				
Support and Development	-	47,196	40,586	6,610
Special Population	50,000	112,320	53,968	58,352
Technology Support	50,000	-	-	-
Operational Support	-	63,332	53,938	9,394
Financial and Human Resource	-	203,220	162,935	40,285
Accountability	-	49,739	38,118	11,621
Total expenditures	<u>1,875,450</u>	<u>2,293,913</u>	<u>1,702,594</u>	<u>591,319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(450,000)</u>	<u>(543,263)</u>	<u>69,917</u>	<u>613,180</u>
Other financing sources (uses)				
Transfers out	-	(3,399)	(3,399)	-
Appropriated fund balance	450,000	546,662	-	(546,662)
Total other financing sources (uses)	<u>450,000</u>	<u>543,263</u>	<u>(3,399)</u>	<u>(546,662)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>66,518</u>	<u>\$ 66,518</u>
Fund balance - beginning			<u>950,651</u>	
Fund balance - ending			<u>\$ 1,017,169</u>	

See notes to financial statements.

Asheboro City Board of Education
Statement of Net Assets
Proprietary Funds
June 30, 2012

	<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>
Assets			
Current assets			
Cash and cash equivalents	\$ 878,175	\$ -	\$ 878,175
Accounts receivable, net	36,981	-	36,981
Due from other governments	60,110	-	60,110
Due from other funds	693	-	693
Inventories	71,409	-	71,409
Total current assets	1,047,368	-	1,047,368
Noncurrent assets			
Capital assets (net of accumulated depreciation where applicable)	240,220	-	240,220
Total noncurrent assets	240,220	-	240,220
Total assets	1,287,588	-	1,287,588
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	174,146	-	174,146
Due to other funds	143,637	-	143,637
Unearned revenue	8,429	-	8,429
Compensated absences payable	14,671	-	14,671
Total current liabilities	340,883	-	340,883
Total liabilities	340,883	-	340,883
Net assets			
Invested in capital assets	240,220	-	240,220
Unrestricted	706,485	-	706,485
Total net assets	\$ 946,705	\$ -	\$ 946,705

See notes to financial statements.

Asheboro City Board of Education
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	<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>
Operating revenues			
Food sales	\$ 721,731	\$ -	\$ 721,731
Child care fees	-	27,955	27,955
Total operating revenues	<u>721,731</u>	<u>27,955</u>	<u>749,686</u>
Operating expenses			
Food cost	1,178,663	-	1,178,663
Salaries and benefits	1,196,603	29,870	1,226,473
Indirect costs	139,794	-	139,794
Materials and supplies	123,176	791	123,967
Contracted services	144,180	-	144,180
Depreciation	50,274	-	50,274
Other	32,485	-	32,485
Total operating expenses	<u>2,865,175</u>	<u>30,661</u>	<u>2,895,836</u>
Operating loss	<u>(2,143,444)</u>	<u>(2,706)</u>	<u>(2,146,150)</u>
Nonoperating revenue (expense)			
Federal reimbursements	1,978,501	-	1,978,501
Federal commodities	121,390	-	121,390
State reimbursements	5,394	-	5,394
Interest earned	778	-	778
Miscellaneous local revenue	11,887	-	11,887
Total nonoperating revenue	<u>2,117,950</u>	<u>-</u>	<u>2,117,950</u>
Loss before transfers	(25,494)	(2,706)	(28,200)
Transfers and contributions			
Transfers in	45,693	2,706	48,399
Total transfers and contributions	<u>45,693</u>	<u>2,706</u>	<u>48,399</u>
Change in net assets	20,199	-	20,199
Total net assets - beginning	<u>926,506</u>	<u>-</u>	<u>926,506</u>
Total net assets - ending	<u>\$ 946,705</u>	<u>\$ -</u>	<u>\$ 946,705</u>

See notes to financial statements.

Asheboro City Board of Education

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	<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>
Cash flows from operating activities			
Cash received from customers	\$ 721,731	\$ 27,955	\$ 749,686
Cash paid for goods and services	(1,274,022)	(791)	(1,274,813)
Cash paid to employees for services	(1,149,046)	(27,164)	(1,176,210)
Net cash used in operating activities	<u>(1,701,337)</u>	<u>-</u>	<u>(1,701,337)</u>
Cash flows from noncapital financing activities			
Federal reimbursements	1,978,501	-	1,978,501
State reimbursements	5,394	-	5,394
Miscellaneous local revenue	11,887	-	11,887
Net cash provided by noncapital financing activities	<u>1,995,782</u>	<u>-</u>	<u>1,995,782</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(8,421)	-	(8,421)
Net cash used in capital and related financing activities	<u>(8,421)</u>	<u>-</u>	<u>(8,421)</u>
Cash flows from investing activities			
Interest on investments	778	-	778
Net cash provided by investing activities	<u>778</u>	<u>-</u>	<u>778</u>
Net increase in cash and cash equivalents	286,802	-	286,802
Cash and cash equivalents, July 1	<u>591,373</u>	<u>-</u>	<u>591,373</u>
Cash and cash equivalents, June 30	<u>\$ 878,175</u>	<u>\$ -</u>	<u>\$ 878,175</u>
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	\$ (2,143,444)	\$ (2,706)	\$ (2,146,150)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation	50,274	-	50,274
Donated commodities consumed	121,390	-	121,390
Expenses paid by special revenue fund	45,693	2,706	48,399
Change in assets and liabilities			
Increase in accounts receivable	(9,484)	-	(9,484)
Decrease in inventories	63,543	-	63,543
Increase in accounts payable and accrued liabilities	168,827	-	168,827
Increase in accrued salaries and benefits	1,864	-	1,864
Total adjustments	<u>442,107</u>	<u>2,706</u>	<u>444,813</u>
Net cash used in operating activities	<u>\$ (1,701,337)</u>	<u>\$ -</u>	<u>\$ (1,701,337)</u>

Noncash investing, capital, and financing activities:

The State Public School Fund paid salaries and benefits of \$45,000 to administrative personnel of the School Food Service Fund during the fiscal year. The Other Restricted Fund paid meal charges of \$693 to the School Food Service Fund during the fiscal year. The Other Restricted Fund paid salaries and benefits of \$2,706 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 \$121,390 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue. The Fund recorded the consumption of \$121,390 worth of 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, 2012****I. Summary of Significant Accounting Policies**

The accounting policies of the Asheboro City Board of Education 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 Asheboro City Board of Education (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 to the children of 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 assets and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. 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. Non-operating 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, 2012

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 (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 Asheboro City appropriations, restricted sales tax monies, proceeds of Asheboro City Board of Education 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.

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. Summary of Significant Accounting Policies (Continued)

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.

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 as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

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

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

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.

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities 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.

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.

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

4. Capital Assets

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

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 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.

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

5. 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.

6. 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, 2012 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.

7. Net Assets

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

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

8. 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.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

Restricted for School Capital Outlay - portion of fund balance that can only be used for School Capital Outlay [G.S. 159-18 through 22].

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

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

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

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds.

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

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

8. 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 assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$34,441,432 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	\$ 59,646,686
Less Accumulated Depreciation	(23,320,063)
Net Capital Assets	36,326,623
Accounts receivable recorded in the government-wide statements are not available and therefore deferred in the funds statements:	100,960
Liabilities that, because they are not due and payable in the current period do not require current resources to pay and are therefore not recorded in the funds statements:	
Compensated Absences	(1,986,151)
Total adjustment	\$ 34,441,432

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

8. 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 assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(765,675) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 649,854
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.	(1,331,004)
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:	
Compensated absences	(26,042)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property and vehicle tax receivable	(55,276)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	(3,207)
	(3,207)
Total adjustment	\$ (765,675)

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

II. Detail Notes on all Funds and Account Groups

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 entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2012, the Board had deposits with banks and savings and loans with a carrying amount of \$7,640,193. The bank balances with the financial institutions and the State Treasurer were \$7,731,107 and \$1,955,156, respectively. Of these balances, \$500,000 was covered by federal depository insurance and \$9,186,263 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Accounts Receivable

Receivables at the government-wide level at June 30, 2012, were as follows:

	Due from other funds (Internal Balances)	Due from other governments	Other
	<u> </u>	<u> </u>	<u> </u>
Governmental activities			
General Fund	\$ 3,843	\$ 182,616	\$ -
Other governmental activities	139,101	194,937	114,793
Total	<u>\$ 142,944</u>	<u>\$ 377,553</u>	<u>\$ 114,793</u>
Business-type activities			
School Food Service	\$ (142,944)	\$ 60,110	\$ 36,981
Total	<u>\$ (142,944)</u>	<u>\$ 60,110</u>	<u>\$ 36,981</u>

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

II. Detail Notes on all Funds and Account Groups (Continued)

A. Assets (Continued)

2. Accounts Receivable (Continued)

Due from other governments consists of the following:

General Fund	\$ 182,616	Miscellaneous revenues from State and County
State Public School Funds	5,417	Operating Revenue from DPI
Federal Grant Funds	8,330	Sales tax refund from State
Other Restricted Funds	81,476	Miscellaneous revenues from State, County, and Grants
Capital Outlay Fund	93,176	Sales tax refund from State
Individual Schools Fund	<u>6,538</u>	Sales tax refund from State
Total	<u><u>\$ 377,553</u></u>	
Business-type activities		
School Food Service Fund	<u><u>\$ 60,110</u></u>	Miscellaneous revenues from State and Federal

3. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities				
Capital assets not being depreciated				
Land	\$ 3,038,935	\$ -	\$ -	\$ 3,038,935
Construction in progress	131,870	120,448	(131,870)	120,448
Total capital assets not being depreciated	<u>3,170,805</u>	<u>120,448</u>	<u>(131,870)</u>	<u>3,159,383</u>
Capital assets being depreciated				
Buildings	50,291,507	539,054	-	50,830,561
Land improvements	1,271,861	-	-	1,271,861
Furniture, equipment and vehicles	4,364,916	122,222	(102,257)	4,384,881
Total capital assets being depreciated	<u>55,928,284</u>	<u>661,276</u>	<u>(102,257)</u>	<u>56,487,303</u>
Total capital assets	<u>59,099,089</u>	<u>781,724</u>	<u>(234,127)</u>	<u>59,646,686</u>
Less accumulated depreciation for				
Buildings	17,886,142	997,159	-	18,883,301
Land improvements	916,203	32,867	-	949,070
Furniture, equipment and vehicles	3,288,971	300,978	(102,257)	3,487,692
Total accumulated depreciation	<u>22,091,316</u>	<u>\$ 1,331,004</u>	<u>\$ (102,257)</u>	<u>23,320,063</u>
Total capital assets being depreciated, net	<u>33,836,968</u>			<u>33,167,240</u>
Governmental activity capital assets, net	<u><u>\$ 37,007,773</u></u>			<u><u>\$ 36,326,623</u></u>

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

II. Detail Notes on all Funds and Account Groups (Continued)

A. Assets (Continued)

3. Capital Assets (Continued)

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 1,275,017
Co-curricular services	46,179
Operational support services	9,808
Total	<u>\$ 1,331,004</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities				
School Food Service Fund				
Capital assets being depreciated				
Equipment and vehicles	\$ 1,120,162	\$ 8,421	\$ -	\$ 1,128,583
Total capital assets being depreciated	<u>1,120,162</u>	<u>8,421</u>	<u>-</u>	<u>1,128,583</u>
Less accumulated depreciation for				
Equipment and vehicles	838,089	50,274	-	888,363
Total accumulated depreciation	<u>838,089</u>	<u>\$ 50,274</u>	<u>\$ -</u>	<u>888,363</u>
Business-type activities capital assets, net	<u>\$ 282,073</u>			<u>\$ 240,220</u>

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

II. Detail Notes on all Funds and Account Groups (Continued)

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

Plan Description. The Asheboro City Board of Education contributes to the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS provides retirement benefits to plan members and beneficiaries. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Teachers' and State Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary and the Board is required to contribute at an actuarially determined rate. The current rate is 7.44% of annual covered payroll. The contribution requirements of plan members and the Asheboro City Board of Education are established and may be amended by the North Carolina General Assembly. The Board's contributions to TSERS for the years ended June 30, 2012, 2011, and 2010 were \$1,815,067, \$1,234,502, and \$886,974, respectively, equal to the required contributions for each year.

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, 2012

II. Detail Notes on all Funds and Account Groups (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, 2012, 2011, and 2010, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of \$1,219,803, \$1,226,990, and \$1,118,034, respectively. These contributions represented 5.00%, 4.90%, and 4.50% of covered payroll, respectively.

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

II. Detail Notes on all Funds and Account Groups (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, 2012

II. Detail Notes on all Funds and Account Groups (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 an other postemployment benefit. For the fiscal years ended June 30, 2012, 2011, and 2010, the Board paid all annual required contributions to the DIPNC for disability benefits of \$126,860, \$130,211, and \$129,195, respectively. These contributions represented .52%, .52%, and .52% of covered payroll, respectively.

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

II. Detail Notes on all Funds and Account Groups (Continued)

B. Liabilities (Continued)

2. Accounts Payable

Accounts payable and accrued salaries and wages at June 30, 2012 are as follows:

	<u>Accounts Payable</u>	<u>Salaries and Benefits</u>
Governmental activities		
General	\$ 100,116	\$ 88,537
Other governmental	93,835	4,976
Total-governmental activities	<u>\$ 193,951</u>	<u>\$ 93,513</u>
Business-type activities		
School Food Service	\$ 174,146	\$ -
Total business-type activities	<u>\$ 174,146</u>	<u>\$ -</u>

3. Deferred/Unearned Revenue

The balance in deferred revenue on the fund statements and unearned revenue on the government-wide statements at year-end is composed of the following elements:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Governmental Activities		
Randolph County taxes receivable (General Fund)	\$ 100,960	\$ -
Sales tax refunds receivable (State Public School Fund)	441	441
Sales tax refunds receivable (Federal Grant Fund)	8,330	8,330
Sales tax refunds receivable (Other Restricted Fund)	38,289	38,289
Sales tax refunds receivable (Capital Outlay Fund)	9,102	9,102
Sales tax refunds receivable (Individual Schools Fund)	6,538	6,538
Total governmental activities	<u>\$ 163,660</u>	<u>\$ 62,700</u>
Business-type Activities		
Prepaid Revenue (School Food Service Fund)	\$ 8,429	\$ 8,429
Total business-type activities	<u>\$ 8,429</u>	<u>\$ 8,429</u>

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

II. Detail Notes on all Funds and Account Groups (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.

Key Risk Insurance Company 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 North Carolina School Boards Trust also provides auto coverage through the Automobile and Inland Marine Fund. Through the Trust, the Asheboro City Board of Education 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, 2012

II. Detail Notes on all Funds and Account Groups (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, 2012, 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

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2012:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>	<u>Current</u> <u>Portion</u>
Governmental activities:					
Compensated absences	\$ 1,960,109	\$ 1,741,174	\$ (1,715,132)	\$ 1,986,151	\$ 1,715,132
Business-type activities:					
Compensated absences	\$ 12,807	\$ 13,086	\$ (11,222)	\$ 14,671	\$ 11,222

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, 2012

II. Detail Notes on all Funds and Account Groups (Continued)

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2012, consist of the following:

Description	Amount
From the Other Restricted Fund to the Child Care Fund for salary costs.	\$ 2,706
From the Other Restricted Fund to the School Food Service Fund for meal charges.	\$ 693
From the State Public School Fund to the School Food Service Fund for salary costs.	\$ 45,000

D. Fund Balance

The Board of Education 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 of Education.

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

Total fund balance - General Fund	\$ 4,512,535
Less:	
Inventories	34,186
Stabilization by State Statute	351,779
Appropriated Fund Balance in 2013 budget	361,000
Remaining Fund Balance	\$ 3,765,570

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
	\$165,320	\$333,692

Asheboro City Board of Education
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

III. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Board has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

IV. Subsequent Events

The Board has evaluated subsequent events through December 1, 2012, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Asheboro City Board of Education

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

For the Year Ended June 30, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Randolph County			
Appropriation	\$ 4,367,466	\$ 4,367,466	\$ -
Supplemental taxes - school district	2,937,000	3,009,779	72,779
Total Randolph County	<u>7,304,466</u>	<u>7,377,245</u>	<u>72,779</u>
Other revenue			
Fines and forfeitures	220,034	241,854	21,820
Total other revenue	<u>220,034</u>	<u>241,854</u>	<u>21,820</u>
Total revenues	<u>7,524,500</u>	<u>7,619,099</u>	<u>94,599</u>
Expenditures			
Instructional Programs			
Regular	1,263,534	1,194,780	68,754
Special Populations	181,550	96,724	84,826
Alternative Programs	288,900	162,194	126,706
School Leadership	599,100	456,945	142,155
Co-curricular	200,000	176,546	23,454
School-based Support	428,800	254,117	174,683
Total instructional programs	<u>2,961,884</u>	<u>2,341,306</u>	<u>620,578</u>
System-wide support services			
Support and Development	152,950	116,992	35,958
Special Population	120,550	117,897	2,653
Technology Support	399,171	331,767	67,404
Operational Support	2,544,385	2,342,360	202,025
Financial and Human Resource	291,600	273,610	17,990
Accountability	32,600	27,445	5,155
System-wide Pupil Support	188,910	149,723	39,187
Policy, Leadership and Public Relations	902,800	727,086	175,714
Total support services	<u>4,632,966</u>	<u>4,086,880</u>	<u>546,086</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, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
Expenditures, continued			
Non-programmed charges			
Payments to Charter Schools	\$ 2,000	\$ -	\$ 2,000
Total expenditures	<u>7,596,850</u>	<u>6,428,186</u>	<u>1,168,664</u>
Revenue over (under) expenditures	<u>(72,350)</u>	<u>1,190,913</u>	<u>1,263,263</u>
Other financing sources			
Appropriated fund balance	<u>72,350</u>	<u>-</u>	<u>72,350</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>1,190,913</u>	<u>\$ 1,190,913</u>
Fund balance at beginning of year, July 1		3,324,829	
Decrease in reserve for inventory		<u>(3,207)</u>	
Fund balance at end of year, June 30		<u>\$ 4,512,535</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, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues			
State of North Carolina			
Sales & Use Tax	\$ -	\$ 9,388	\$ 9,388
Public School Capital Fund - Lottery	84,074	84,074	-
Total State of North Carolina	<u>84,074</u>	<u>93,462</u>	<u>9,388</u>
Randolph County			
Appropriation	813,477	753,852	(59,625)
Total Randolph County	<u>813,477</u>	<u>753,852</u>	<u>(59,625)</u>
US Government			
ARRA-Energy Efficiency Block Grant	100,000	100,000	-
Total Federal	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Other revenue			
Interest	-	126	126
Other	31,165	31,363	198
Total Other	<u>31,165</u>	<u>31,489</u>	<u>324</u>
Total revenues	<u>1,028,716</u>	<u>978,803</u>	<u>(49,913)</u>
Expenditures			
Capital outlay			
Real property and buildings			
Central office		18,174	
Asheboro High School		84,172	
South Asheboro Middle School		36,893	
Balfour		80,886	
Charles W. McCrary		19,317	
Donna Lee Loflin		17,615	
Guy B. Teachey		13,952	
Guy B. Teachey - Lottery		84,074	
Lindley Park		6,929	
North Asheboro Middle School		82,912	
Early Childhood Development Center		127,696	
Total land and buildings	<u>1,169,081</u>	<u>572,620</u>	<u>596,461</u>
Furniture and equipment			
Central office		53,430	
Asheboro High School		12,562	
South Asheboro Middle School		5,315	
Balfour		2,988	
Charles W. McCrary		2,309	
Donna Lee Loflin		1,719	
Guy B. Teachey		7,340	
Lindley Park		3,481	
North Asheboro Middle School		5,674	

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, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
Expenditures, continued			
Capital outlay, continued			
Total equipment	\$ 248,059	\$ 94,818	\$ 153,241
Purchase of vehicles			
Central office	-	-	-
Total expenditures	1,417,140	667,438	749,702
Revenue over (under) expenditures	(388,424)	311,365	699,789
Other financing sources (uses)			
Appropriated fund balance	388,424	-	388,424
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	311,365	\$ 311,365
Fund balance at beginning of year, July 1		959,392	
Fund balance at end of year, June 30		\$ 1,270,757	

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, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues			
U.S. Government	\$ 7,245,282	\$ 5,166,453	\$ (2,078,829)
Expenditures			
Instructional Programs			
Regular	1,081,852	929,960	151,892
Special Populations	1,671,465	921,079	750,386
Alternative Programs	2,725,507	2,147,982	577,525
School Leadership	618,511	610,092	8,419
School-based Support	505,824	252,337	253,487
Total instructional programs	<u>6,603,159</u>	<u>4,861,450</u>	<u>1,741,709</u>
System-wide Support Services			
Support and Development	22,142	22,142	-
Special Population	231,856	72,131	159,725
Technology Support	57,865	32,865	25,000
Operational Support	119,204	104,078	15,126
Financial and Human Resource	35,960	35,960	-
Accountability	2,000	392	1,608
System-wide Pupil Support	16,565	16,565	-
Policy, Leadership and Public Relations	92,201	20,870	71,331
Total support services	<u>577,793</u>	<u>305,003</u>	<u>272,790</u>
Non-programmed charges	<u>64,330</u>	<u>-</u>	<u>64,330</u>
Total expenditures	<u>7,245,282</u>	<u>5,166,453</u>	<u>2,078,829</u>
Revenue over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year, July 1		<u>-</u>	
Fund balance at end of year, June 30		<u>\$ -</u>	

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, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues			
State of North Carolina	\$ 712,410	\$ 735,531	\$ 23,121
U.S. Government	366,640	422,815	56,175
Other revenue			
Interest earned on investments	-	646	646
Indirect cost	265,000	203,650	(61,350)
Tuition and fees	48,000	53,867	5,867
Rental of school property	10,000	9,265	(735)
Other	348,600	346,737	(1,863)
Total other revenue	671,600	614,165	(57,435)
Total revenues	1,750,650	1,772,511	21,861
Expenditures			
Instructional Programs			
Regular	751,996	393,260	358,736
Special Populations	103,194	97,835	5,359
Alternative Programs	735,944	714,968	20,976
Co-curricular	30,000	10,213	19,787
School-based Support	196,972	136,773	60,199
Total instructional programs	1,818,106	1,353,049	465,057
System-wide support services			
Support and Development	47,196	40,586	6,610
Special Population	112,320	53,968	58,352
Operational Support	63,332	53,938	9,394
Financial and Human Resource	203,220	162,935	40,285
Accountability	49,739	38,118	11,621
Total support services	475,807	349,545	126,262

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, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
Expenditures, continued			
Total expenditures	<u>\$ 2,293,913</u>	<u>\$ 1,702,594</u>	<u>\$ 591,319</u>
Revenue over (under) expenditures	<u>(543,263)</u>	<u>69,917</u>	<u>613,180</u>
Other financing sources			
Transfers out	(3,399)	(3,399)	-
Appropriated fund balance	<u>546,662</u>	<u>-</u>	<u>(546,662)</u>
Total other financing sources	<u>543,263</u>	<u>(3,399)</u>	<u>(546,662)</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>66,518</u>	<u>\$ 66,518</u>
Fund balance at beginning of year, July 1		<u>950,651</u>	
Fund balance at end of year, June 30		<u>\$ 1,017,169</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, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
Operating revenues, food sales	\$ 820,000	\$ 713,302	\$ (106,698)
Operating expenditures			
Business support services			
Food cost		1,115,120	
Salaries and benefits		1,194,739	
Indirect costs		139,794	
Materials and supplies		123,176	
Contracted services		144,180	
Other		32,485	
Capital Outlay		8,421	
Total operating expenditures	<u>3,061,000</u>	<u>2,757,915</u>	<u>303,085</u>
Operating income (loss)	<u>(2,241,000)</u>	<u>(2,044,613)</u>	<u>196,387</u>
Nonoperating revenues			
Federal reimbursements	1,900,000	1,978,501	78,501
Federal commodities	290,000	121,390	(168,610)
State reimbursements	-	5,394	5,394
Interest earned	1,000	778	(222)
Miscellaneous local revenue	5,000	11,887	6,887
Total nonoperating revenues	<u>2,196,000</u>	<u>2,117,950</u>	<u>(78,050)</u>
Excess of revenues over (under) expenditures before other financing sources	<u>(45,000)</u>	<u>73,337</u>	<u>118,337</u>
Other financing sources			
Transfers in	45,000	45,693	693
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>119,030</u>	<u>\$ 119,030</u>
Reconciliation of modified accrual to full accrual basis			
Excess of revenues and other sources over expenditures			
Reconciling items			
Depreciation		(50,274)	
Equipment purchases		8,421	
Increase in accrued vacation pay		(1,864)	
Unearned revenue		8,429	
Decrease in inventory		(63,543)	
Change in net assets (full accrual)		<u>\$ 20,199</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, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Child care fees	\$ 31,600	\$ 27,955	\$ (3,645)
Expenditures			
Current			
Salaries and benefits	29,900	29,870	30
Materials and supplies	1,700	791	909
Total expenditures	31,600	30,661	939
Excess of revenues over expenditures before other financing sources	-	(2,706)	(2,706)
Other financing sources			
Transfer - In	-	2,706	2,706
Excess of revenues and other sources over expenditures	\$ -	\$ -	\$ -



**Independent Auditors' Report 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 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") as of and for the year ended June 30, 2012, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 1, 2012. 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.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, we did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses as defined above. However, we identified a deficiency in internal control over financial reporting as described in the accompanying schedule of findings and questioned costs at item 12-01 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a 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.

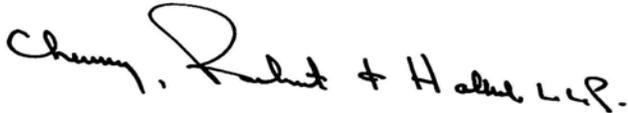
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of 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*.

We noted certain other matters that we reported to management of the Board in a separate letter dated December 1, 2012.

The Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the entity, 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.

A handwritten signature in black ink that reads "Cherry, Ruchel + Halden LLP." The signature is written in a cursive, flowing style.

Asheboro, North Carolina
December 1, 2012



**Independent Auditors' Report on Compliance With Requirements
Applicable to Each Major Federal Program and on 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

Compliance

We have audited Asheboro City Board of Education (the "Board"), compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (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, 2012. The Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

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. Our audit does not provide a legal determination on the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, and which are described in the accompanying schedule of findings and questioned costs as item 12-02.

Internal Control Over Compliance

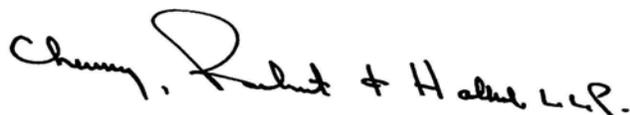
Management of the Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Board's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Board's response and, accordingly, we express no opinion on the response.

This report 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 those specified parties.



Asheboro, North Carolina
December 1, 2012



**Independent Auditors' Report on Compliance With Requirements
Applicable to Each Major State Program and on Internal Control
Over Compliance in Accordance With Applicable Sections of OMB Circular A-133
and the State Single Audit Implementation Act**

Asheboro City Board of Education
Asheboro, North Carolina

Compliance

We have audited 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 its major State programs for the year ended June 30, 2012. The Board's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

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, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of 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 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. Our audit does not provide a legal determination of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the 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, 2012.

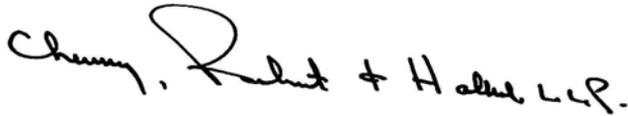
Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered the Board's internal control over compliance with the requirements that could have a direct and material effect on a major State program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report 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.

A handwritten signature in black ink that reads "Cherry, Robert + Halden LLP." The signature is written in a cursive, flowing style.

Asheboro, North Carolina
December 1, 2012

ASHEBORO CITY BOARD OF EDUCATION

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2012

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant Deficiency(ies) 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 weaknesses identified? Yes No
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditors' report issued on compliance for major federal programs: Unqualified

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:

CFDA Numbers

Names of Federal Program or Cluster

10.553	Child Nutrition Cluster
10.555	School Breakfast Program
10.555	National School Lunch Program (Non-cash Assistance)
10.559	National School Lunch Program (Cash Assistance)
	Summer Food Service Program for Children
84.394	ARRA - Education Stabilization Funds
84.410	ARRA - Education Job Funds
81.128	ARRA – Energy Efficiency and Conservation Block Grants
	Race to the Top
84.395	ARRA – Race to the Top
84.395	ARRA – Race to the Top – Recruitment Incentive Low Achieving Schools
84.395	ARRA – Race to the Top – Regional Leadership Academies

ASHEBORO CITY BOARD OF EDUCATION

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2012

I. Summary of Auditors' Results (Continued)

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 weaknesses identified? Yes X No

• Significant Deficiency(ies) identified that are
not considered to be material weaknesses? Yes X None reported

Type of auditors' report issued on compliance
for major State programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with the State Single Audit
Implementation Act? Yes X No

Identification of major state programs:

Program Name

State Public School Fund

ASHEBORO CITY BOARD OF EDUCATION**Schedule of Findings and Questioned Costs****For the Year Ended June 30, 2012****II – Financial Statement Finding****Finding 12-01**

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.

ASHEBORO CITY BOARD OF EDUCATION**Schedule of Findings and Questioned Costs****For the Year Ended June 30, 2012****III - Findings and Questioned Costs Related to the Audit of Federal Awards**

U.S. Department of Education
Passed through: N.C. Department of Public Instruction
Program Name: ARRA – Education Jobs Fund
CFDA # 84.410

Finding 12-02

NONMATERIAL NONCOMPLIANCE – ACTIVITIES ALLOWED

Criteria: The Board should have adequate monitoring controls to ensure that substitutes are paid at the appropriate rate based on their respective certifications.

Condition: We noted one instance in which a certified substitute was paid at a non-certified rate.

Context: The audit sampled 40 payroll expenditures paid from the ARRA - Education Jobs funding. Of the 40 payroll expenditures sampled, we noted that 1 certified substitute was paid at a non-certified rate of \$69 rather than at a certified rate of \$90.

Questioned Costs: The questioned costs were determined to be below the amount that must be reported.

Effect: One individual was underpaid.

Cause: The licensure documentation for this individual was received by payroll on December 13, 2011, but the effective date of the license was retroactive to July 1, 2011. The employee was paid based on the new license beginning in December, but due to the retroactive effective date, the individual should have been paid an additional \$21 per day for the 19 days worked between July 1, 2011 and December 13, 2011.

Recommendation: We recommend that the Board put procedures in place to ensure that the human resources department and the business department review all license documentation received for substitutes and note the effective date of the certification, so that any retroactive pay considered necessary can be addressed at the time the license documentation is received.

Views of responsible individuals: Management agrees with this finding.

IV - Findings and Questioned Costs Related to the Audit of State Awards

None reported.

ASHEBORO CITY BOARD OF EDUCATION

Corrective Action Plan

For the Year Ended June 30, 2012

II. Financial Statement Findings

Finding 12-01

Name of contact person: Harold Blair

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

Proposed completion date: Unknown

III. Federal Award Findings and Questioned Costs

Finding 12-02

Name of contact person: Harold Blair

Corrective Action: The business department and the human resources department will institute a process to designate changes in substitute licensure status that will highlight the effective date of any license change.

Proposed completion date: March 1, 2013

IV. State Award Findings and Questioned Costs

None reported.

ASHEBORO CITY BOARD OF EDUCATION
Summary Schedule of Prior Year Audit Findings

For the Year Ended June 30, 2012

II. Financial Statement Findings

Finding 11-01

Status: See current year finding 12-01

III. Federal Award Findings and Questioned Costs

None reported.

IV. State Award Findings and Questioned Costs

None reported.

Asheboro City Board of Education
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2012

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Federal Grants:			
<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>121,390</u>
<i>Total Non-cash Assistance</i>			<u>121,390</u>
Cash Assistance:			
Passed-through the N.C. Department of Public Instruction:			
School Breakfast Program	10.553	PRC 035	480,299
National School Lunch Program	10.555	PRC 035	1,476,759
Fresh Fruit and Vegetable Program	10.582	PRC 035	11,363
Passed-through the N.C. Department of Health and Human Services:			
Division of Public Health:			
Summer Food Service Program for Children	10.559	XXXX	<u>10,080</u>
<i>Total Cash Assistance</i>			<u>1,978,501</u>
Total Child Nutrition Cluster			<u>2,099,891</u>
Total U. S. Department of Agriculture			<u>2,099,891</u>
<u>U.S. Department of Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Grants to Local Education Agencies			
Even Start - Title I of IASA	84.213	PRC 065	24,581
Improving Teacher Quality, Title II, Part A	84.367A	PRC 103	209,188
ARRA - Education Stabilization Funds	84.394	PRC 140	353,781
ARRA - Education Job Funds	84.410	PRC 155	964,741
ARRA - Race to the Top	84.395	PRC 156	62,191
ARRA - Race to the Top - Recruitment Incentive Low Achieving Schools	84.395	PRC 158	58,548
Passed-through the University of North Carolina:			
ARRA - Race to the Top - Regional Leadership Academies	84.395	PRC 157	50,771
Improving Teacher Quality, Title II, Part A - NC Quest	84.367A	PRC 377	50,969
<u>Educational Technology State Grants Cluster:</u>			
- Education Technology State Grants, Title II, Part D - Competitive	84.318	PRC 108	40,133
- ARRA - Education Technology State Grants, Title II, Part D - Competitive	84.386	PRC 147	<u>41,019</u>
Total Educational Technology State Grants Cluster			<u>81,152</u>
<u>Title I, Part A Cluster</u>			
- Basic and Concentration, Title I	84.010	PRC 050	2,124,019
- School Improvements, Title I	84.010A	PRC 105	<u>58,882</u>
Total Title I, Part A Cluster			<u>2,182,901</u>
<u>Office of Postsecondary Education</u>			
Passed-through the University of North Carolina General Administration Trust Fund:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	PRC 311	37,201
<u>Office of English Language Acquisition</u>			
Passed-through the N.C. Department of Public Instruction:			
Comprehensive School Reform Demonstration	84.365	PRC 104	119,301
<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	863,313
- Special Needs Targeted Assistance	84.027A	PRC 118	10,798
- Capacity Building and Improvement	84.173	PRC 044	34,715
- Preschool Targeted Assistance	84.173A	PRC 119	66,626
- Preschool Handicapped	84.173	PRC 049	<u>32,236</u>
Total Special Education Cluster			<u>1,007,688</u>

Asheboro City Board of Education
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2012

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Expenditures</u>
IDEA VI B - Special Education State Improvement	84.323A	PRC 082	\$ 16,914
<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	85,012
- Tech Prep Education	84.243A	PRC 023	455
Total U. S. Department of Education			<u>5,305,394</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
ROTC	NONE	PRC 301	61,755
<u>U.S. Department of Energy</u>			
Passed through the N.C. Department of Commerce			
ARRA - Energy Efficiency and Conservation Block Grants	81.128	PRC 339	100,000
Total federal assistance			<u><u>7,567,040</u></u>
State Grants:			
Cash Assistance:			
<u>N.C. Department of Public Instruction:</u>			
State Public School Fund			24,051,753
Driver Training - SPSF		PRC 012	47,754
School Technology Fund - SPSF		PRC 015	17,508
Vocational Education			
- State Months of Employment		PRC 013	1,150,300
- Program Support Funds		PRC 014	188,822
Reduced-Price Breakfast		PRC 035	5,394
Passed-through Randolph County:			
Public School Building Capital Fund - Lottery		PRC 076	84,074
Total N.C. Department of Public Instruction			<u>25,545,605</u>
<u>N.C. Department of Health and Human Services:</u>			
Division of Child Development:			
Smart Start		PRC 401	139,050
More at Four		PRC 413	472,872
Department of Public Health Nurse Grant		PRC 615	93,938
Total N.C. Department of Health and Human Services			<u>705,860</u>
Noncash Assistance:			
<u>N.C. Department of Public Instruction:</u>			
Textbooks		PRC 130	11,674
Total State assistance			<u>26,263,139</u>
Total federal and State assistance			<u>\$ 33,830,179</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.

Asheboro High School Stadium Restrooms and Concession

Bid Opening - Tuesday, February 12, 2013, 4:00 P. M.

Upon review of bids, Asheboro City Schools recommends that low bidder S. E. Trogdon & Sons, License # 829, bid amount of \$423,600.00 be approved by The Asheboro City Schools Board of Education.

Asheboro City Schools
Asheboro High School - Restroom/Concessions
Project Budget
February 14, 2013

Project Budget

Construction Contract - S. E. Trogden & Sons	\$ 423,600
Design & Engineering fees	12,000
Testing & Inspections	6,762
Miscellaneous construction	25,000
Contingency	12,000
<u>Total Project Budget</u>	<u>\$ 479,362</u>

School/Location	Date	Event	Time
PDC	Monday, February 11, 2013	FAN Workshop - 8th grade parents	6:30pm
CO Board Room	Tuesday, February 12, 2013	Superintendent's PTO President's Round Table	6:30pm
PDC	Thursday, February 14, 2013	Board of Education Meeting	7:30pm
PDC	Tuesday, February 19, 2013	District Spelling Bee	7:00pm
AHS/PAC	Friday, February 22, 2013	Randolph/Asheboro All County Band Concert	7:30pm
PDC	Wednesday, February 27, 2013	Superintendent's Student Advisory Council	7:30am
AHS/PAC	Thursday, March 7, 2013	AHS Chorus Concert	7:30pm
Moring Center	Wednesday, March 6, 2013	Youth Art Display Reception	4:00pm - 6:00pm
AHS/PAC	Tuesday, March 12, 2013	MS Band Concert (pre-MPA)	7:30pm
PDC	Thursday, March 14, 2013	Board of Education Meeting	7:30pm
AHS/PAC	Thursday, March 14, 2013	AHS Band MPA Showcase Concert	7:30pm
AHS Gym	Friday, March 22, 2013	ACS Digital Learning Expo	1:30pm - 4:30pm
PDC	Monday, March 25, 2013	FAN Workshop - 5th grade parents	6:30pm
PDC	Wednesday, April 10, 2013	Superintendent's Student Advisory Council	7:30am
PDC	Thursday, April 11, 2013	Board of Education Meeting	7:30pm
AHS/PAC	Friday and Saturday, April 19-20, 2013	Spring Musical Production: "Hairspray"	7:00pm
AHS/PAC	Sunday, April, 21, 2013	Spring Musical Production: "Hairspray"	2:00pm
CO Board Room	Monday, April 29, 2013	Superintendent's PTO President's Round Table	6:30pm
AHS/PAC	Tuesday, April 30, 2013	AHS Percussion Concert	7:30pm
AHS/PAC	Monday, May 6, 2013	NAMS Spring Band Concert	7:30pm
PDC	Thursday, May 9, 2013	Board of Education Meeting	7:30pm
AHS/PAC	Thursday, May 9, 2013	SAMS Spring Band Concert	7:30pm
AHS/PAC	Thursday, May 16, 2013	AHS Spring Choral Concert	7:30pm
AHS/PAC	Tuesday, May 21, 2013	AHS Jazz & Percussion Concert	7:30pm
Pinewood Country Club	Wednesday, May 22, 2013	Teacher of the Year Banquet	6:00pm
AHS/PAC	Thursday, May 23, 2013	AHS Spring Band Concert	7:00pm
AHS/PAC	Friday, May 24, 2013	AHS Academic Awards Day	AM TBA

AHS/PAC	Tuesday, May 28, 2013	Senior Awards Night	7:00pm
AHS	Wednesday, May 29, 2013	Senior Board Night	7:00pm



Student Achievements:

- Six AHS Choral students were selected to participate in the NC High School All-State Chorus Festival
- NAMS students collected over 600 canned food items to donate to Communities in Schools and the Salvation Army
- 17 DECA students participated in the district competition in Burlington
- 5th graders at McCrary participated in a three day Sound to Sea program
- Two students from NAMS and four from AHS earned spots in the NC Bandmasters Association Central District Honor Bands
- Nine middle school students won honors at the district science fair
- SAMS's boys basketball team won the conference championship
- McCrary hosted a health fair which included information ranging from Internet safety to dental health

Staff Achievements:

- Jennifer Nulty-Brown was honored at the State Exceptional Children's Conference
- SAMS Media Center team, led by Rachel Marinucci, was awarded two Donors Choose grants
- Teachey earned district's safety award
- AHS was named the district's 2012 signature school

Board of Education Recognitions:

- Board members attended the Board Appreciation Luncheon at NAMS
- Board members participated in the Winter Board Retreat at AHS

Parent Involvement:

- FAN workshop for 8th grade parents

Events bringing community into our schools:

- Career day at NAMS
- Legislative breakfast
- US Air Force Rapid Strike simulator at AHS



Asheboro City Schools

...the subject is excellence!

Asheboro City Schools Strategic Plan Milestones

Board of Education Goals

2012-2013

Update—February, 2013

GOAL 1: Asheboro City Schools will produce globally competitive students.

1. Every student graduates college and career ready.

- Graduation rate for 5-year cohort at 84% or better.

AHS administrators are carefully monitoring dropouts and senior class graduation eligibility. At a meeting this week with the AHS school leadership team, Dr. Toth reported that the current senior class has 278 members. None of the seniors currently enrolled have elected to drop out this school year and only one senior will be ineligible to graduate in June. There are currently 21 students in the NOVA Academy with 18 students on track to graduate in June; one NOVA Academy student may graduate after summer school, and two are planning to graduate at the end of first semester 2013-14.

- 80% or more of students demonstrate proficiency on new Math I, Biology, and English II EOC exams.

New end-of-course exams were given at AHS at the end of first semester in Biology, English II, and Integrated Math I and II. The North Carolina Department of Public Instruction will validate the new exams, and final results will not be available until next October. However, DPI allowed each LEA to develop a grading scale to assign an exam grade for each student. Scores were assigned in Biology and Integrated Math and released on the student report cards on January 28. These scores were used for student final exam grades and counted 25% of the students' final grades. English II scores were delayed until early February, allowing for the hand scoring of the writing component at the DPI level. Students who took the English II exam will be issued updated report cards when they are available. Students and parents were notified of this information via a letter from Dr. Maerz.

2. Every student uses technology to access and demonstrate new knowledge and skills.

- Expand digital expo to increase student participation. Include a real world problem-solving theme.

The 2nd annual digital expo is scheduled for Friday, March 22, from 1:00-4:30pm. Please join us anytime to see our students showcasing their learning with technology tools! The expo will be held at AHS in the new and old gyms.

- Implement North Carolina online testing in grades 3-12.

All End-of-Course exams given at the end of first semester at AHS were given using the online format.

3. Expand opportunities for and increase student access to small learning communities.

- Develop internal Health Sciences small learning community with partners.

As Julie Pack and Shea Setzer-Grosch shared at the winter board retreat, we are making exciting progress toward launching a Health Sciences Academy for the 2013-14 school year. Our primary partners are Randolph Hospital and Randolph Community College. Planning is underway for communicating with students and parents about the academy, designing systems for students to apply and be selected for the Academy, and summer enrichment. Our next team meeting with partners is scheduled for March 28.

4. Increase the number of students reading on grade level by Grade 3 to 66%.

In addition to the update that Wendy Rich shared at our winter retreat, we continue to focus on our three literacy priorities (summarizing, discussion around grade level text, and argumentative writing and presenting) as well as the new common core standards. We are also analyzing the results of our summer reading programs from last summer to determine best practices. We have partnered with Communities in Schools to participate in a summer reading program conducted by researchers at Harvard University. This READS for Summer Learning Program is designed to reduce reading achievement gaps that exist between children of high versus low socioeconomic status (SES). The program provides children with books during the summer along with reading comprehension support from teachers, and promotes summer reading in ways that have been shown to be effective in reducing summer loss in low SES schools.

5. All students in grades 3-8 demonstrate yearly academic growth in reading and mathematics.

- Use common assessments to monitor student growth.

In our midyear meetings with each school's leadership teams that began this week, teachers are sharing examples of common assessments they have developed. Our teachers are making tremendous progress in the use of common assessments to consistently determine student mastery of learning targets/standards and to determine areas for re-teaching. We are also in the process of developing a system for collecting outstanding examples of common assessments to share across the district.

6. Implement innovative after school enrichment and intervention programs.

- Evaluate effectiveness of current intervention programs.

7. Establish a rigorous and relevant CTE program.

- Implement CTE strategic plan.

GOAL 2: Asheboro City Schools will be led by 21st century professionals.

1. Every teacher and administrator will have the skills to deliver 21st century content in a 21st century context with 21st century tools and technology that guarantee student learning.

- Professional development focus areas: Literacy across the curriculum; Common Core state standards and new NC Essential Standards; develop and use common assessments aligned with CCSS/ES

2. Every teacher and administrator will use a 21st century assessment system to guide instruction and measure 21st century knowledge, skills, performance, and dispositions.

- Expand use of performance-based common assessments. Publish collection of exemplars.
- Each school develops a plan to implement student-led conferences.

School principals provided an update at our January 23 administrative leadership team meeting on their school's progress on implementing student-led conferences. Main themes from their updates include the positive impact of student-led conferences on students' personal ownership of their academic performance goals, professional development support that has helped teachers implement student-led conferences, and use of student-led conferences for special populations(e.g., exceptional children). As an example, at Lindley Park, each student has their own data notebook that they use to track their personal progress. These data notebooks provide information that students use in their student-led conferences.

- Revise K-2 report cards to implement standards-based grading practices.

3. Build leadership skills and capacity among all teachers and administrators, improve professional practice, and develop a culture of shared accountability and responsibility for the success of the district.

- Continue Teacher Leadership Academy for cohort #3. Evaluate effectiveness of TLA on past participants. Include past participants in leading professional development.
- Refine use of teacher evaluation system with new standard #6 (student performance).
- Teachers will use student performance data in professional learning communities (collaborative conversations) to improve teaching and learning.

GOAL 3: Asheboro City Schools will provide a safe and nurturing learning environment.

1. Every learning environment will be safe, inviting, respectful, supportive, inclusive, and flexible for student success.

- All schools will complete Level 3 Positive Behavior Support Training and score > 80% on the school evaluation tool (SET).

2. Every school provides an environment in which each child has positive, nurturing relationships with caring adults.

- Graduation Coach, CIS coordinator, UNC college advisor, Career Development Coordinator, school counselors, and school social workers collaborate to identify at-risk students, develop a plan of support, and monitor student progress.
- All staff focus on relationship building with students, assuring that every student has a caring adult in the school, and every student's passion is known by a caring adult.

3. Every school promotes a healthy, active lifestyle where students are encouraged to make responsible choices.

- Middle schools participate in Science of Healthful Living Physical Education project with UNCG.
- Asheboro City Schools staff and students participate in a fitness walk in the fall (JDRF on October 20, 2012) and/or in the spring (the Human Race in March or April).

4. Every school focuses on developing strong student character, personal responsibility, and community/world involvement.

- Each school conducts at least one service and/or academic project with community or global connections.

GOAL 4: Asheboro City Schools will collaborate with parents, community, and higher education partners to promote student success.

1. Provide web based parent portal to access grades, attendance, and other student data.

- All schools prepare for transition to Power School student information system.

2. Increase communication and outreach to parents.

- Continue to upgrade parent notification technology.
- All schools will develop and implement a plan for home visits.

3. Collaborate with community colleges and public and private universities and colleges to provide enhanced educational opportunities for students and staff.

- Continue to refine Career and College Promise program offerings with RCC.
- Collaborate with new STEM partners to enhance teacher and administrator capacity to prepare students for STEM careers.

4. Expand parent education opportunities through Family Alliance Network (FAN).

- Encourage expansion of wireless access in Asheboro.
- Hold at least 3 community FAN workshops.

GOAL 5: Asheboro City Schools facilities will be a point of pride.

1. Implement long range facilities plan.

- Continue to implement long range facility plans as funds permit. Complete ECDC project. Pursue athletic upgrades projects.

We will review our long range facility plans at the February 14 meeting. This information will be shared with the Randolph County Board of County Commissioners at their March 11 meeting.