

ASHEBORO CITY BOARD OF EDUCATION
Regularly Scheduled Meeting
Professional Development Center
January 9, 2025
7:30 p.m.

6:00 p.m. Policy Committee
6:45 p.m. Finance Committee
7:00 p.m. Points of Pride (Scrolling)

I. Opening

- A. Call to Order
- B. Moment of Silence
- C. Pledge of Allegiance – Asheboro High School
- *D. Approval of Agenda

II. Special Recognitions

- A. School Spotlight – Dr. Ryan Moody, Principal, Asheboro High School
- B. Community Partner Spotlight –Dr. Ryan Moody, Principal, Asheboro High School
- C. Points of Pride – Ms. Chandra Manning, Director of Communications & Talent Development Coordinator
- D. National Board Certified Teachers – Ms. Chandra, Manning, Director of Communications & Talent Development Coordinator
- E. Board Appreciation Presentation – Dr. Aaron Woody, Superintendent

III. Superintendent’s Report – Dr. Aaron Woody, Superintendent

IV. Public Comments

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

V. *Action Items

- A. 2023-2024 Audit Report – Ms. Sandra Spivey Ayers, Chief Financial Officer, and Adam Scepurek, Anderson, Smith & Wike PLLC

VI. *Consent Agenda

- A. Approval of Minutes for December 12, 2024, Board of Education Meeting
- B. Policies Recommended for Approval:
 - Policy 4231/5021/7263 – Face Coverings
- C. Personnel

VII. Information, Reports, and Recommendations

- A. Policies for Review – Ms. Gayle Higgs, Director of Support Services
 - Policy 3470/4305 – Alternative Learning Programs
 - Policy 4140 – Foreign Exchange Students
- B. Asheboro City Schools Calendar 2026-2027 – Ms. Gayle Higgs, Director of Support Services

VIII. Board Operations – Chairman Baxter Hammer

- A. Board Committee Assignments 2025

B. Calendar of Events

IX. Adjournment

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

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
Regularly Schedule Meeting
Professional Development Center
January 9, 2025
7:30 p.m.

Addendum

6:00 p.m. Policy Committee
6:45 p.m. Finance Committee
7:00 p.m. Points of Pride (Scrolling)

- I. Opening**
- II. Special Recognitions**
- III. Superintendent's Report**
- IV. Public Comments**
- V. *Action Items**
- VI. *Consent Agenda**
C. Personnel (addendum added)
- VII. Information, Reports, and Recommendations**
- VIII. Board Operations**
B. Calendar of Events (updated)
- IX. Adjournment**

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

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 High School

Board Spotlight

January 9, 2025



#OneAndOnly



Improving Parent / Community Engagement

AHS 2024 / 2025 SIP GOAL 3:

By the end of the 2024-25 school year, we will increase parent engagement within our school community.

Measure of Successful Implementation: By the end of the 2024-25 school year, we will increase attendance at family engagement nights to at least 20%. We will measure by using sign-in logs.

When goal is complete:

- Family engagement has been shown to positively affect student performance. With more families involved, there will likely be a noticeable improvement in student motivation, attendance, and academic success.
- The use of sign-in logs to measure attendance will provide concrete data on which events are most effective, allowing the school to refine its approach and focus on what works best for engaging families in the future.

AHS Revamp of Parent Engagement Nights

AHS DECA / Junior Civitans Winter Market

On December 10th we had our most recent parent engagement night. Members of the AHS DECA / Junior Civitans hosted our first AHS Winter Market in the Old Gym.

- Vendors were invited to this event to sell their Christmas gifts.
- Student vendors were also invited.
- The entire event was student organized and led.
- Members of our AHS DECA Program: Jayden Hernandez and Luis Garcia de Luna are here to share their experience...



Asheboro High School Community Partner Spotlight



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First Baptist Church

Tonight we would like to recognize our AHS Community Partner for this year:

First Baptist Church and Pastor Aldrich

- Providing assistance to our students / families in need.
- Christmas list for students.
- Providing funds for our staff Christmas Gifts for this year.
- Working collaboratively with our school staff to ensure student needs are met.
- Working with our staff as Blue Comet Fellow Mentors and active in our FCA.



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ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

November 25, 2024

To the Board of Education – Asheboro City Schools
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 Asheboro City Schools Board of Education (the Board) for the year ended June 30, 2024, and have issued our report thereon dated November 25, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 25, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Board are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management's estimate of depreciation expense is based on the assets' respective estimated useful lives. We evaluated the methods, assumptions and data used to develop the accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimates for the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB plans, and pension and OPEB plan expense are based upon guidance provided by independent third parties. We have evaluated the methods, assumptions and data used by the third parties to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 25, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

Auditing standards generally accepted in the United States of America and Government Auditing Standards requires independence for all audits. The two main principles of independence are: (1) do not perform nonattest services that involve making management decisions; and (2) do not audit your own work. No events have occurred to impair our independence during this year's audit. We have assisted management in the preparation of the Board's basic financial statements and the Schedule of Expenditures of Federal and State Awards. Management has reviewed and approved the basic financial statements and the Schedule of Expenditures of Federal and State Awards.

We applied certain limited procedures to Management Discussion and Analysis, the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liabilities (Assets) and the Schedules of Board Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the individual fund budgetary schedules and the schedule of expenditures of federal and State awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the

supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the information and use of members of the Asheboro City Schools Board of Education and management of the Board and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to express our appreciation for the assistance and cooperation given our representatives during our audit. Should you have any questions concerning the matters presented herein, we would be pleased to discuss them with you further at your convenience.

Very truly yours,

Anderson Smith & Wike PLLC

*Anderson Smith & Wike PLLC
West End, North Carolina*

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

*Financial Statements
For the Fiscal Year Ended
June 30, 2024*

**ASHEBORO CITY BOARD OF EDUCATION
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ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Asheboro City Board of Education
Asheboro, North Carolina

Report on the Audit of the Financial Statements

Opinions

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, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Asheboro City Board of Education's basic financial statements as listed in the table of contents.

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 Asheboro City Board of Education, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School and Federal Grants and Other Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Asheboro City Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Asheboro City Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Asheboro City Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Asheboro City Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB liability and the Schedules of Board Contributions on pages 49 through 54, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Asheboro City Board of Education's basic financial statements. The accompanying individual fund budgetary schedules, other schedules and schedule of expenditures of federal and State awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 individual fund budgetary schedules and schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024, on our consideration of the Asheboro City Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Asheboro City Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Asheboro City Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

November 25, 2024
West End, North Carolina
(910) 603-0508

ASHEBORO CITY BOARD OF EDUCATION 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, 2024. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- For the fiscal year ended June 30, 2024, the Board's total government-wide net position increased by \$4.2 million. Governmental activities net position increased by \$4.1 million or 19.7%, and business-type activities net position increased by \$78,000 or 2.7%.
- The Board's average daily membership (ADM) for the fiscal year ended June 30, 2024 was 4,345 students, a decrease of 33 students from the 2023 ADM of 4,378.
- The Board's governmental funds reported a combined fund balance of \$6.3 million at June 30, 2024, a decrease of \$1.9 million from the amount reported at June 30, 2023.

Overview of the Financial Statements

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

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*
- *Supplementary section that presents individual fund statements and budgetary schedules for governmental and enterprise funds.*

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

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary funds are presented on the full accrual basis of accounting.

The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

ASHEBORO CITY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

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

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

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the County's and City's property tax bases 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 and city funding along with 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 services are included here.

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

Fund Financial Statements

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

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

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 – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) 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 fund statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Federal Grants Fund, the Other Special Revenue Fund, the Capital Outlay Fund and the Individual Schools Fund.

The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

**ASHEBORO CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Proprietary funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The 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 7, 8, and 9 of this report.

Financial Analysis of the Board as a Whole

Net position is an indicator of the fiscal health of the Board. Assets and deferred outflows exceeded Liabilities and deferred inflows by \$28.1 million as of June 30, 2024 as compared to assets and deferred outflows exceeding liabilities and deferred inflows by \$23.9 million as of June 30, 2023, an increase of \$4.2 million. The largest component of net position is net investment in capital assets of \$83.3 million. Following is a summary of the Statement of Net Position at June 30, 2024 and 2023:

**Table 1
Condensed Statement of Net Position
As of June 30, 2024 and 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Current and other assets	\$ 6,560,934	\$ 9,466,460	\$ 3,105,451	\$ 2,957,674	\$ 9,666,385	\$ 12,424,134
Capital assets	83,014,910	79,862,663	254,078	254,236	83,268,988	80,116,899
Total assets	89,575,844	89,329,123	3,359,529	3,211,910	92,935,373	92,541,033
Deferred outflows of resources	24,011,557	21,507,323	114,697	73,374	24,126,254	21,580,697
Current liabilities	1,508,235	2,673,160	58,433	69,312	1,566,668	2,742,472
Long-term liabilities	72,166,024	64,781,042	352,114	224,318	72,518,138	65,005,360
Total liabilities	73,674,259	67,454,202	410,547	293,630	74,084,806	67,747,832
Deferred inflows of resources	14,826,311	22,415,668	70,822	76,472	14,897,133	22,492,140
Net investment in capital assets	83,014,910	79,862,663	254,078	254,236	83,268,988	80,116,899
Restricted net position	2,721,448	3,727,550	-	-	2,721,448	3,727,550
Unrestricted net position (deficit)	(60,649,527)	(62,623,637)	2,738,779	2,660,946	(57,910,748)	(59,962,691)
Total net position	\$ 25,086,831	\$ 20,966,576	\$ 2,992,857	\$ 2,915,182	\$ 28,079,688	\$ 23,881,758

**ASHEBORO CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The net position of the Board's governmental activities increased \$4.1 million during the year, from \$21.0 million at June 30, 2023 to \$25.1 million at June 30, 2024. Restricted net position decreased by \$1.0 million, primarily due to a decrease in the Capital Outlay fund balance and the decrease in the General fund encumbrances. Unrestricted net position increased \$2.0 million compared to the prior year, due primarily to an increase in revenues in the State Public School fund because of increased allotments and an increase in the allocation from the County. Net investment in capital assets increased \$3.2 million due to an excess of capital additions over depreciation for the year resulting from federal funded HVAC projects and renovations conducted at the high school. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities increased \$78,000 from \$2.9 million at June 30, 2023 to \$3.0 million at June 30, 2024. This increase is the net profit generated by our school food service fund and the child care operations during the 2024 fiscal year. The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

**ASHEBORO CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2024 and 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Revenues:						
Program revenues:						
Charges for services	\$ 1,889,424	\$ 1,499,237	\$ 368,870	\$ 456,002	\$ 2,258,294	\$ 1,955,239
Operating grants and contributions	42,659,256	41,119,802	3,489,706	2,978,084	46,148,962	44,097,886
General revenues:						
County and City appropriations	14,325,016	20,521,234	-	-	14,325,016	20,521,234
State appropriations	2,328,608	2,178,110	-	-	2,328,608	2,178,110
Other revenues	984,610	591,162	22,544	20,708	1,007,154	611,870
Total revenues	<u>62,186,914</u>	<u>65,909,545</u>	<u>3,881,120</u>	<u>3,454,794</u>	<u>66,068,034</u>	<u>69,364,339</u>
Expenses:						
Governmental activities:						
Instructional services	47,654,127	40,532,509	-	-	47,654,127	40,532,509
System-wide support services	9,459,831	10,218,094	-	-	9,459,831	10,218,094
Ancillary services	18,195	6,453	-	-	18,195	6,453
Non-programmed charges	724,661	685,682	-	-	724,661	685,682
Unallocated depreciation	164,845	120,016	-	-	164,845	120,016
Business-type activities:						
School food service	-	-	3,668,596	3,397,155	3,668,596	3,397,155
Child care	-	-	179,849	213,778	179,849	213,778
Total expenses	<u>58,021,659</u>	<u>51,562,754</u>	<u>3,848,445</u>	<u>3,610,933</u>	<u>61,870,104</u>	<u>55,173,687</u>
Transfers in (out)	<u>(45,000)</u>	<u>(45,000)</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	4,120,255	14,301,791	77,675	(111,139)	4,197,930	14,190,652
Beginning net position	<u>20,966,576</u>	<u>6,664,785</u>	<u>2,915,182</u>	<u>3,026,321</u>	<u>23,881,758</u>	<u>9,691,106</u>
Ending net position	<u>\$ 25,086,831</u>	<u>\$ 20,966,576</u>	<u>\$ 2,992,857</u>	<u>\$ 2,915,182</u>	<u>\$ 28,079,688</u>	<u>\$ 23,881,758</u>

For the year ended June 30, 2024, total governmental activities generated revenues of \$62.2 million, expenses of \$58.0 million and transfers out of \$45,000 resulting in an increase in net position of \$4.1 million. Comparatively, revenues were \$65.9 million, expenses totaled \$51.6 million and transfers out were \$45,000 for the year ended June 30, 2023, resulting in an increase in net position of \$14.3 million. The decrease in revenues is a result of decreases in the Capital funds received from the County to fund construction. The increase in expenses is due to the increase in pension and OPEB related expenses of \$4.3 million.

**ASHEBORO CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Board's primary sources of revenues were funding from the State of North Carolina, Randolph County, and the United States Government, which respectively comprised 59.0%, 16.8% and 11.9% of our total revenues. As would be expected, the major component of our expenditures was instructional services which accounted for 82.1% of our total expenditures during the most recent fiscal year. Of the remaining 17.9% of our total expenditures, 16.3% was attributable to system-wide support services.

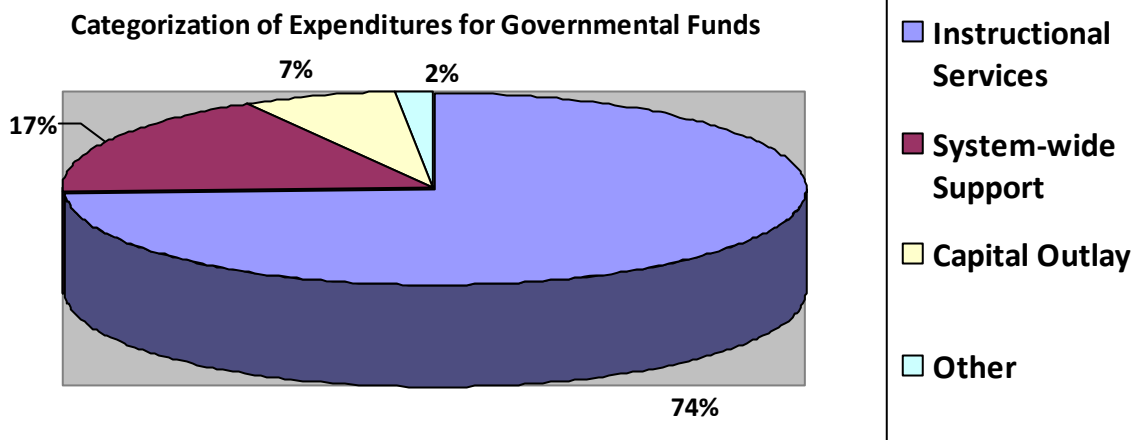
Our business-type activities generated revenues of \$3.9 million, while expenses in this category totaled \$3.8 million for the year ended June 30, 2024. For the year, net position increased by \$78,000 (including transfers in of \$45,000). Comparatively, revenues and expenses were \$3.5 million and \$3.6 million respectively with transfers in of \$45,000 for the year ended June 30, 2023, resulting in a decrease in net position of \$111,000.

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 \$6.3 million at June 30, 2024, a decrease of \$1.9 million from the amount reported at June 30, 2023. The Board's General, Other Special Revenue and Capital Outlay funds all reported expenditures over revenues for the year ended June 30, 2024 of \$1.0 million, \$238,000, and \$655,000, respectively. The Board's Individual School fund reported revenues over expenditures of \$7,000. Overall, total governmental fund revenues decreased by \$3.9 million or 5.9%, from the prior year, while total expenditures decreased by \$3.1 million, or 4.5%, the change from the previous year is primarily due to decreased Capital Outlay related to County funded capital renovations at the High School offset by an increase in the State Public School fund allocations.

The following chart summarizes governmental fund expenditures:



Expenditures presented on modified accrual basis of accounting.

Proprietary Funds: The Board's business-type funds, the School Food Service Fund and the Child Care Fund, reported a combined increase in net position of \$78,000 for the fiscal year ended June 30, 2024, compared to a decrease of \$111,000 for the same 2023 period. The net income in the School Food Service Fund (including transfers in) was \$31,000 for the fiscal year ended June 30, 2024, compared to a net loss of \$103,000 for 2023, an improvement of \$134,000 resulting from an increase in revenues due to an increase in participation. The increase in federal reimbursement was partially offset by an increase in both food costs due to inflation and salaries and benefits as minimum wages paid by the contractor that staffs the program increased. The Child Care Fund reported a net income of \$46,000 in 2024 compared

**ASHEBORO CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

to a net loss of \$8,000 in 2023, an improvement of \$55,000, due to a decrease in salaries and benefits and a reduction in the contracted services expenses paid to staff the program.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are necessary throughout the year to recognize these adjustments.

Capital Assets

Total primary government capital assets were \$83.3 million at June 30, 2024 compared to \$80.1 million at June 30, 2023, an increase of \$3.2 million due to an excess of capital additions over depreciation expense for the year. More detailed information about the Board's capital assets is contained in the notes to the basic financial statements. The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2024 and 2023.

**Table 3
Summary of Capital Assets
As of June 30, 2024 and 2023**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/24</u>	<u>6/30/23</u>
Land	\$ 3,038,935	\$ 3,038,935	\$ -	\$ -	\$ 3,038,935	\$ 3,038,935
Construction in progress	34,000	484,255	-	-	34,000	484,255
Buildings and improvements	78,733,861	75,621,117	-	-	78,733,861	75,621,117
Equipment and furniture	989,318	458,734	254,078	254,236	1,243,396	712,970
Vehicles	218,796	259,622	-	-	218,796	259,622
Total	<u>\$ 83,014,910</u>	<u>\$ 79,862,663</u>	<u>\$ 254,078</u>	<u>\$ 254,236</u>	<u>\$ 83,268,988</u>	<u>\$ 80,116,899</u>

Economic Factors

County and Supplemental Tax funding are a major source of income for the Board; therefore, the local area's economic outlook directly affects that of the Board's. Asheboro and Randolph County continue to feel the effects of the pandemic. Our unemployment rate was 4.3% at June 30, 2024 while the State and national rates were 4.1% and 3.6%, respectively.

Our local school district's supplemental tax provides approximately 28.5% of our funding for local budgets. These funds are critical for the effective operation of the school district. The Board has maintained a healthy fund balance over the years, but the long-term financial impact of the Coronavirus pandemic remains unknown, the district will continue to face some challenging funding decisions in the future.

**ASHEBORO CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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:

Sandra Annette Spivey, CPA
Chief Financial Officer
Asheboro City Board of Education
1126 S. Park St.
Asheboro, NC 27203

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2024

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 6,148,050	\$ 2,941,615	\$ 9,089,665
Due from other governments	92,897	81,788	174,685
Receivables	315,872	934	316,806
Internal balances	4,115	(4,115)	-
Inventories	-	85,229	85,229
Capital assets:			
Land and construction in progress	3,072,935	-	3,072,935
Other capital assets, net of depreciation	79,941,975	254,078	80,196,053
Total capital assets	<u>83,014,910</u>	<u>254,078</u>	<u>83,268,988</u>
 Total assets	 <u>89,575,844</u>	 <u>3,359,529</u>	 <u>92,935,373</u>
 Deferred Outflows of Resources	 <u>24,011,557</u>	 <u>114,697</u>	 <u>24,126,254</u>
 Liabilities			
Accounts payable and accrued expenses	309,487	37,380	346,867
Unearned revenue	-	16,322	16,322
Long-term liabilities:			
Due within one year	1,198,748	4,731	1,203,479
Due in more than one year	1,973,600	16,825	1,990,425
Net pension liability	28,901,207	138,053	29,039,260
Net OPEB liability	<u>41,291,217</u>	<u>197,236</u>	<u>41,488,453</u>
 Total liabilities	 <u>73,674,259</u>	 <u>410,547</u>	 <u>74,084,806</u>
 Deferred Inflows of Resources	 <u>14,826,311</u>	 <u>70,822</u>	 <u>14,897,133</u>
 Net position			
Investment in capital assets	83,014,910	254,078	83,268,988
Restricted for:			
Stabilization by State statute	412,884	-	412,884
School capital outlay	1,761,340	-	1,761,340
Programs	129,396	-	129,396
Individual schools activities	282,565	-	282,565
DIPNC OPEB plan	135,263	-	135,263
Unrestricted (deficit)	<u>(60,649,527)</u>	<u>2,738,779</u>	<u>(57,910,748)</u>
 Total net position	 <u>\$ 25,086,831</u>	 <u>\$ 2,992,857</u>	 <u>\$ 28,079,688</u>

The notes to the basic financial statements are an integral part of this statement.

ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 27,370,613	\$ -	\$ 23,113,723	\$ -	\$ (4,256,890)	\$ -	\$ (4,256,890)
Special populations	7,585,459	-	7,478,621	-	(106,838)	-	(106,838)
Alternative programs	4,124,129	-	3,301,710	-	(822,419)	-	(822,419)
School leadership	3,294,884	-	2,512,134	-	(782,750)	-	(782,750)
Co-curricular	1,524,403	1,244,396	-	-	(280,007)	-	(280,007)
School-based support	3,754,639	-	2,750,997	-	(1,003,642)	-	(1,003,642)
System-wide support services:							
Support and development	460,414	-	337,055	-	(123,359)	-	(123,359)
Special population support and development	208,905	-	49,702	-	(159,203)	-	(159,203)
Alternative programs and services							
support and development	65,122	-	59,407	-	(5,715)	-	(5,715)
Technology support	680,084	-	180,189	-	(499,895)	-	(499,895)
Operational support	5,565,650	-	1,480,451	-	(4,085,199)	-	(4,085,199)
Financial and human resource services	1,072,213	645,028	527,958	-	100,773	-	100,773
Accountability	95,629	-	23,264	-	(72,365)	-	(72,365)
System-wide pupil support	217,678	-	126,294	-	(91,384)	-	(91,384)
Policy, leadership and public relations	1,094,136	-	379,061	-	(715,075)	-	(715,075)
Ancillary services	18,195	-	10,904	-	(7,291)	-	(7,291)
Non-programmed charges	724,661	-	327,786	-	(396,875)	-	(396,875)
Unallocated depreciation expense**	164,845	-	-	-	(164,845)	-	(164,845)
Total governmental activities	58,021,659	1,889,424	42,659,256	-	(13,472,979)	-	(13,472,979)
Business-type activities:							
School food service	3,668,596	142,527	3,489,706	-	-	(36,363)	(36,363)
Child care	179,849	226,343	-	-	-	46,494	46,494
Total business-type activities	3,848,445	368,870	3,489,706	-	-	10,131	10,131
Total primary government	\$ 61,870,104	\$ 2,258,294	\$ 46,148,962	\$ -	(13,472,979)	10,131	(13,462,848)
General revenues:							
					10,777,966	-	10,777,966
					3,547,050	-	3,547,050
					2,328,608	-	2,328,608
					74,039	22,544	96,583
					910,571	-	910,571
					(45,000)	45,000	-
					<u>17,593,234</u>	<u>67,544</u>	<u>17,660,778</u>
					4,120,255	77,675	4,197,930
					<u>20,966,576</u>	<u>2,915,182</u>	<u>23,881,758</u>
					<u>\$ 25,086,831</u>	<u>\$ 2,992,857</u>	<u>\$ 28,079,688</u>

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

FUND FINANCIAL STATEMENTS

ASHEBORO CITY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

Exhibit 3

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Assets							
Cash and cash equivalents	\$ 3,956,561	\$ -	\$ -	\$ 146,084	\$ 1,762,840	\$ 282,565	\$ 6,148,050
Due from other governments	60,763	-	-	32,134	-	-	92,897
Accounts receivable	6,672	-	-	309,200	-	-	315,872
Due from other funds	-	-	-	4,115	-	-	4,115
Total assets	\$ 4,023,996	\$ -	\$ -	\$ 491,533	\$ 1,762,840	\$ 282,565	\$ 6,560,934
Liabilities and Fund balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 291,299	\$ -	\$ -	\$ 16,688	\$ 1,500	\$ -	\$ 309,487
Total liabilities	291,299	-	-	16,688	1,500	-	309,487
Fund balances:							
Restricted:							
Stabilization by State statute	67,435	-	-	345,449	-	-	412,884
School capital outlay	-	-	-	-	1,761,340	-	1,761,340
Programs	-	-	-	129,396	-	-	129,396
Individual schools	-	-	-	-	-	282,565	282,565
Assigned:							
Subsequent year's expenditures	1,250,000	-	-	-	-	-	1,250,000
Unassigned	2,415,262	-	-	-	-	-	2,415,262
Total fund balances	3,732,697	-	-	474,845	1,761,340	282,565	6,251,447
Total liabilities and fund balances	\$ 4,023,996	\$ -	\$ -	\$ 491,533	\$ 1,762,840	\$ 282,565	\$ 6,560,934

The notes to the basic financial statements are an integral part of this statement.

ASHEBORO CITY BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2024

Exhibit 3 (continued)

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

Total fund balance (All Governmental Funds)	\$ 6,251,447
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	83,014,910
Deferred outflows of resources related to pensions	16,537,231
Deferred outflows of resources related to OPEB	7,474,326
Some liabilities, including those for compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(3,172,348)
Net pension liability	(28,901,207)
Net OPEB liability	(41,291,217)
Deferred inflows of resources related to pensions	(1,175,213)
Deferred inflows of resources related to OPEB	<u>(13,651,098)</u>
Net position of governmental activities	<u>\$ 25,086,831</u>

**ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024**

Exhibit 4

	Major Funds				Non-major Fund	Total Governmental Funds	
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay		Individual Schools
Revenues:							
State of North Carolina	\$ -	\$ 36,681,369	\$ -	\$ 174,850	\$ -	\$ -	\$ 36,856,219
Randolph County							
Local current expense	6,925,310	-	-	-	-	-	6,925,310
Other	-	-	-	-	3,547,050	-	3,547,050
U.S. Government	-	-	7,384,895	68,159	-	-	7,453,054
Other	4,207,268	-	-	2,152,979	128,424	1,244,396	7,733,067
Total revenues	11,132,578	36,681,369	7,384,895	2,395,988	3,675,474	1,244,396	62,514,700
Expenditures:							
Current:							
Instructional services:							
Regular instructional	2,729,456	20,414,289	2,981,822	205,133	-	-	26,330,700
Special populations	711,170	5,674,658	1,144,062	500,704	-	-	8,030,594
Alternative programs	288,445	942,948	2,368,569	749,183	-	-	4,349,145
School leadership	405,370	3,100,192	20,190	-	-	-	3,525,752
Co-curricular	290,086	-	-	-	-	1,237,065	1,527,151
School-based support	590,961	2,846,338	245,148	270,312	-	-	3,952,759
System-wide support services:							
Support and development	110,093	291,482	93,194	-	-	-	494,769
Special population support and development	98,949	48,673	1,029	75,143	-	-	223,794
Alternative programs and services support and development	10,326	59,407	-	-	-	-	69,733
Technology support	203,130	389,694	93,221	31,546	-	-	717,591
Operational support	4,910,904	1,334,521	100,930	776,329	-	-	7,122,684
Financial and human resource services	379,549	761,723	-	-	-	-	1,141,272
Accountability	10,909	82,198	8,725	-	-	-	101,832
System-wide pupil support	54,877	175,573	-	-	-	-	230,450
Policy, leadership and public relations	617,049	514,673	219	7,899	-	-	1,139,840
Ancillary services	784	-	-	17,411	-	-	18,195
Non-programmed charges	724,661	-	327,786	-	-	-	1,052,447
Capital outlay	-	-	-	-	4,330,272	-	4,330,272
Total expenditures	12,136,719	36,636,369	7,384,895	2,633,660	4,330,272	1,237,065	64,358,980
Revenues over (under) expenditures	(1,004,141)	45,000	-	(237,672)	(654,798)	7,331	(1,844,280)
Other financing sources (uses):							
Transfers from (to) other funds	-	(45,000)	-	-	-	-	(45,000)
Net change in fund balance	(1,004,141)	-	-	(237,672)	(654,798)	7,331	(1,889,280)
Fund balances:							
Beginning of year	4,736,838	-	-	712,517	2,416,138	275,234	8,140,727
End of year	\$ 3,732,697	\$ -	\$ -	\$ 474,845	\$ 1,761,340	\$ 282,565	\$ 6,251,447

The notes to the basic financial statements are an integral part of this statement.

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 Fiscal Year Ended June 30, 2024

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ (1,889,280)
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 capital outlays exceeded depreciation in the current period.	3,152,247
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	5,117,143
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	2,104,327
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	54,191
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.	
Net OPEB (expense) benefit	2,704,945
Pension (expense) benefit	(6,676,388)
Compensated absences	<u>(446,930)</u>
Total changes in net position of governmental activities	<u>\$ 4,120,255</u>

The notes to the basic financial statements are an integral part of this statement.

ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

Exhibit 6

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Randolph County	6,922,413	6,922,413	6,925,310	2,897
U.S. Government	-	-	-	-
Other	3,940,000	4,115,000	4,207,268	92,268
Total revenues	<u>10,862,413</u>	<u>11,037,413</u>	<u>11,132,578</u>	<u>95,165</u>
Expenditures:				
Current:				
Instructional services				
Regular instructional	2,550,000	2,730,073	2,729,456	617
Special populations	942,950	784,950	711,170	73,780
Alternative programs	463,900	463,900	288,445	175,455
School leadership	559,300	569,227	405,370	163,857
Co-curricular	225,000	291,000	290,086	914
School-based support	740,000	674,000	590,961	83,039
Instructional services	<u>5,481,150</u>	<u>5,513,150</u>	<u>5,015,488</u>	<u>497,662</u>
System-wide support services				
Support and development	120,000	120,000	110,093	9,907
Special population support and development	157,100	157,100	98,949	58,151
Alternative programs and services	25,000	25,000	10,326	14,674
Technology support	190,000	205,000	203,130	1,870
Operational support	3,064,163	4,932,163	4,910,904	21,259
Financial and human resource services	850,000	380,000	379,549	451
Accountability	195,000	11,000	10,909	91
System-wide pupil support services	150,000	150,000	54,877	95,123
Policy, leadership and public relations	980,000	718,000	617,049	100,951
System-wide support services	<u>5,731,263</u>	<u>6,698,263</u>	<u>6,395,786</u>	<u>302,477</u>
Ancillary services				
Community	-	-	-	-
Nutrition	-	1,000	784	216
Ancillary services	-	1,000	784	216
Nonprogrammed charges	650,000	650,000	724,661	(74,661)
Total expenditures	<u>11,862,413</u>	<u>12,862,413</u>	<u>12,136,719</u>	<u>725,694</u>
Revenues over (under) expenditures	(1,000,000)	(1,825,000)	(1,004,141)	820,859
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	1,000,000	1,825,000	-	(1,825,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,004,141)</u>	<u>\$ (1,004,141)</u>
Fund balances:				
Beginning of year			4,736,838	
End of year			<u>\$ 3,732,697</u>	

The notes to the basic financial statements are an integral part of this statement.

ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

Exhibit 6 (continued)

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ 36,895,000	\$ 38,340,819	\$ 36,681,369	\$ (1,659,450)
Randolph County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	<u>36,895,000</u>	<u>38,340,819</u>	<u>36,681,369</u>	<u>(1,659,450)</u>
Expenditures:				
Current:				
Instructional services				
Regular instructional	20,282,500	20,997,731	20,414,289	583,442
Special populations	6,405,000	5,767,389	5,674,658	92,731
Alternative programs	700,000	1,104,765	942,948	161,817
School leadership	3,455,000	3,527,478	3,100,192	427,286
Co-curricular	-	-	-	-
School-based support	<u>1,865,000</u>	<u>2,935,470</u>	<u>2,846,338</u>	<u>89,132</u>
Instructional services	<u>32,707,500</u>	<u>34,332,833</u>	<u>32,978,425</u>	<u>1,354,408</u>
System-wide support services				
Support and development	384,300	362,376	291,482	70,894
Special population support and development	6,800	49,631	48,673	958
Alternative programs and services	119,200	59,620	59,407	213
Technology support	446,500	463,893	389,694	74,199
Operational support	1,716,700	1,431,616	1,334,521	97,095
Financial and human resource services	715,000	771,091	761,723	9,368
Accountability	75,000	84,556	82,198	2,358
System-wide pupil support services	138,000	202,959	175,573	27,386
Policy, leadership and public relations	<u>541,000</u>	<u>537,244</u>	<u>514,673</u>	<u>22,571</u>
System-wide support services	<u>4,142,500</u>	<u>3,962,986</u>	<u>3,657,944</u>	<u>305,042</u>
Ancillary services				
Community	-	-	-	-
Nutrition	-	-	-	-
Ancillary services	-	-	-	-
Nonprogrammed charges	-	-	-	-
Total expenditures	<u>36,850,000</u>	<u>38,295,819</u>	<u>36,636,369</u>	<u>1,659,450</u>
Revenues over (under) expenditures	45,000	45,000	45,000	-
Other financing uses:				
Transfers to other funds	(45,000)	(45,000)	(45,000)	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

The notes to the basic financial statements are an integral part of this statement.

ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

Exhibit 6 (continued)

	Federal Grants Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Randolph County	-	-	-	-
U.S. Government	8,835,752	9,577,964	7,384,895	(2,193,069)
Other	-	-	-	-
Total revenues	<u>8,835,752</u>	<u>9,577,964</u>	<u>7,384,895</u>	<u>(2,193,069)</u>
Expenditures:				
Current:				
Instructional services				
Regular instructional	3,661,683	3,329,980	2,981,822	348,158
Special populations	1,334,711	1,435,204	1,144,062	291,142
Alternative programs	2,682,129	2,638,067	2,368,569	269,498
School leadership	25,279	59,301	20,190	39,111
Co-curricular	-	-	-	-
School-based support	<u>351,544</u>	<u>1,266,863</u>	<u>245,148</u>	<u>1,021,715</u>
Instructional services	<u>8,055,346</u>	<u>8,729,415</u>	<u>6,759,791</u>	<u>1,969,624</u>
System-wide support services				
Support and development	80,000	93,225	93,194	31
Special population support and development	12,265	1,952	1,029	923
Alternative programs and services	-	-	-	-
Technology support	72,204	94,235	93,221	1,014
Operational support	104,276	136,420	100,930	35,490
Financial and human resource services	-	-	-	-
Accountability	-	8,725	8,725	-
System-wide pupil support services	-	-	-	-
Policy, leadership and public relations	-	219	219	-
System-wide support services	<u>268,745</u>	<u>334,776</u>	<u>297,318</u>	<u>37,458</u>
Ancillary services				
Community	-	-	-	-
Nutrition	-	-	-	-
Ancillary services	-	-	-	-
Nonprogrammed charges	<u>511,661</u>	<u>513,773</u>	<u>327,786</u>	<u>185,987</u>
Total expenditures	<u>8,835,752</u>	<u>9,577,964</u>	<u>7,384,895</u>	<u>2,193,069</u>
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

The notes to the basic financial statements are an integral part of this statement.

ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

Exhibit 6 (continued)

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ 157,850	\$ 174,850	\$ 174,850	\$ -
Randolph County	-	-	-	-
U.S. Government	52,000	71,357	68,159	(3,198)
Other	2,070,278	3,672,353	2,152,979	(1,519,374)
Total revenues	<u>2,280,128</u>	<u>3,918,560</u>	<u>2,395,988</u>	<u>(1,522,572)</u>
Expenditures:				
Current:				
Instructional services				
Regular instructional	92,000	1,403,851	205,133	1,198,718
Special populations	359,340	738,896	500,704	238,192
Alternative programs	640,628	748,204	749,183	(979)
School leadership	-	-	-	-
Co-curricular	-	-	-	-
School-based support	578,300	330,122	270,312	59,810
Instructional services	<u>1,670,268</u>	<u>3,221,073</u>	<u>1,725,332</u>	<u>1,495,741</u>
System-wide support services				
Support and development	-	-	-	-
Special population support and development	87,360	100,793	75,143	25,650
Alternative programs and services	-	-	-	-
Technology support	-	31,138	31,546	(408)
Operational support	522,500	1,048,145	776,329	271,816
Financial and human resource services	-	-	-	-
Accountability	-	-	-	-
System-wide pupil support services	-	-	-	-
Policy, leadership and public relations	-	-	7,899	(7,899)
System-wide support services	<u>609,860</u>	<u>1,180,076</u>	<u>890,917</u>	<u>289,159</u>
Ancillary services				
Community	-	-	-	-
Nutrition	-	17,411	17,411	-
Ancillary services	-	17,411	17,411	-
Nonprogrammed charges	-	-	-	-
Total expenditures	<u>2,280,128</u>	<u>4,418,560</u>	<u>2,633,660</u>	<u>1,784,900</u>
Revenues over (under) expenditures	-	(500,000)	(237,672)	262,328
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	500,000	-	(500,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(237,672)</u>	<u>\$ (237,672)</u>
Fund balances:				
Beginning of year			712,517	
End of year			<u>\$ 474,845</u>	

The notes to the basic financial statements are an integral part of this statement.

ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
June 30, 2024

Exhibit 7

	Enterprise		Totals
	Major Funds		
	School Food Service	Child Care	
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,735,620	\$ 205,995	\$ 2,941,615
Due from other governments	81,788	-	81,788
Receivables	-	934	934
Due from other funds	11,186	-	11,186
Inventories	85,229	-	85,229
Total current assets	<u>2,913,823</u>	<u>206,929</u>	<u>3,120,752</u>
Noncurrent assets:			
Capital assets:			
Furniture, equipment and vehicles, net	254,078	-	254,078
Total noncurrent assets	<u>254,078</u>	<u>-</u>	<u>254,078</u>
Total assets	<u>3,167,901</u>	<u>206,929</u>	<u>3,374,830</u>
Deferred Outflows of Resources	<u>114,697</u>	<u>-</u>	<u>114,697</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	37,380	-	37,380
Due to other funds	4,115	11,186	15,301
Compensated absences	3,427	1,304	4,731
Unearned revenue	16,322	-	16,322
Total current liabilities	<u>61,244</u>	<u>12,490</u>	<u>73,734</u>
Noncurrent liabilities:			
Net pension liability	138,053	-	138,053
Net OPEB liability	197,236	-	197,236
Compensated absences	4,825	12,000	16,825
Total noncurrent liabilities	<u>340,114</u>	<u>12,000</u>	<u>352,114</u>
Total liabilities	<u>401,358</u>	<u>24,490</u>	<u>425,848</u>
Deferred Inflows of Resources	<u>70,822</u>	<u>-</u>	<u>70,822</u>
Net position			
Net investment in capital assets	254,078	-	254,078
Unrestricted	2,556,340	182,439	2,738,779
Total net position	<u>\$ 2,810,418</u>	<u>\$ 182,439</u>	<u>\$ 2,992,857</u>

The notes to the basic financial statements are an integral part of this statement.

ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2024

Exhibit 8

	Enterprise		Totals
	Major Fund		
	School Food Service	Child Care	
Operating revenues:			
Food sales	\$ 142,527	\$ 22,492	\$ 165,019
Child care fees	-	203,851	203,851
Total operating revenues	<u>142,527</u>	<u>226,343</u>	<u>368,870</u>
Operating expenses:			
Food cost:			
Purchase of food	1,398,434	22,802	1,421,236
Donated commodities	203,534	-	203,534
Salaries and benefits	1,373,338	94,718	1,468,056
Indirect costs	105,514	-	105,514
Materials and supplies	6,952	17,686	24,638
Depreciation	37,720	-	37,720
Contracted services	509,556	44,643	554,199
Other	33,548	-	33,548
Total operating expenses	<u>3,668,596</u>	<u>179,849</u>	<u>3,848,445</u>
Operating income (loss)	<u>(3,526,069)</u>	<u>46,494</u>	<u>(3,479,575)</u>
Nonoperating revenues:			
Federal reimbursements	3,286,172	-	3,286,172
Federal commodities	203,534	-	203,534
Interest earned	22,544	-	22,544
Total nonoperating revenues	<u>3,512,250</u>	<u>-</u>	<u>3,512,250</u>
Income (loss) before transfers	(13,819)	46,494	32,675
Transfers from other funds	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Change in net position	31,181	46,494	77,675
Net position, beginning of year	<u>2,779,237</u>	<u>135,945</u>	<u>2,915,182</u>
Net position, end of year	<u>\$ 2,810,418</u>	<u>\$ 182,439</u>	<u>\$ 2,992,857</u>

The notes to the basic financial statements are an integral part of this statement.

ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2024

Exhibit 9

	Enterprise		Totals
	Major Fund	Non-major Fund	
	School Food Service	Child Care	
Cash flows from operating activities:			
Cash received from customers	\$ 141,928	\$ 232,541	\$ 374,469
Cash paid for goods and services	(2,078,708)	(85,131)	(2,163,839)
Cash paid to employees for services	(1,255,969)	(86,136)	(1,342,105)
Net cash used by operating activities	<u>(3,192,749)</u>	<u>61,274</u>	<u>(3,131,475)</u>
Cash flows from noncapital financing activities:			
Due to other funds	(12,515)	11,186	(1,329)
Due from other funds	(4,733)	-	(4,733)
Federal and State reimbursements	3,309,511	-	3,309,511
Net cash provided by noncapital activities	<u>3,292,263</u>	<u>11,186</u>	<u>3,303,449</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(37,562)	-	(37,562)
Cash flows from investing activities:			
Interest earned on investments	22,544	-	22,544
Net increase (decrease) in cash and cash equivalents	84,496	72,460	156,956
Cash and cash equivalents, beginning of year	<u>2,651,124</u>	<u>133,535</u>	<u>2,784,659</u>
Cash and cash equivalents, end of year	<u>\$ 2,735,620</u>	<u>\$ 205,995</u>	<u>\$ 2,941,615</u>
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income (loss)	\$ (3,526,069)	\$ 46,494	\$ (3,479,575)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Depreciation	37,720	-	37,720
Donated commodities	203,534	-	203,534
Salaries paid by special revenue fund	45,000	-	45,000
Changes in assets and liabilities:			
Increase in accounts receivable	-	6,198	6,198
Increase in inventories	(14,296)	-	(14,296)
Decrease in accounts payable and accrued liabilities	(10,408)	-	(10,408)

The notes to the basic financial statements are an integral part of this statement.

ASHEBORO CITY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2024

Exhibit 9 (continued)

	Enterprise		Totals
	Major Fund	Non-major Fund	
	School Food Service	Child Care	
Reconciliation of operating (income) loss to net cash used by operating activities (continued):			
Decrease in unearned revenue	(599)	-	(599)
Increase in pension liability	48,430	-	48,430
Increase in OPEB liability	70,553	-	70,553
Increase in deferred outflow	(41,323)	-	(41,323)
Decrease in deferred inflow	(5,650)	-	(5,650)
Increase in compensated absences payable	359	8,582	8,941
Total adjustments	<u>333,320</u>	<u>14,780</u>	<u>348,100</u>
Net cash provided (used) by operating activities	<u>\$ (3,192,749)</u>	<u>\$ 61,274</u>	<u>\$ (3,131,475)</u>

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$203,534 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

The State Public School Fund paid salaries and benefits of \$45,000 to personnel of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and an operating expense on Exhibit 8.

The notes to the basic financial statements are an integral part of this statement.

**ASHEBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of 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 (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Asheboro, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. 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. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The Board reports the following major governmental funds:

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

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

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

ASHEBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

Other Special Revenue Fund. The Other Special Revenue Fund is used to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal and State grants restricted as to use, federal and State appropriations made directly to local school administrative units, funds received for prekindergarten programs and special programs.

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 trust funds). It is mandated by State law [G.S.115C-426]. Capital projects are funded by Randolph County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds as well as certain State assistance.

The Board reports the following nonmajor governmental funds:

Individual Schools Fund. The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

The Board reports the following major enterprise funds:

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

Child Care Fund. The Child Care Fund is used to account for the before and after school child care program within the school system.

C. Measurement Focus and Basis of Accounting

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

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 leases qualifying as other than short-term are reported as other financing sources.

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

**ASHEBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024**

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 fund level for all annually budgeted funds. The budget is presented in the accompanying financial statements and schedules at the purpose level for informational purposes only. The Board has authorized the Superintendent to move moneys 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 Board of Education. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

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. The STIF consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

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

2. Cash and Cash Equivalents

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

3. Inventories

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

**ASHEBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024**

4. Capital Assets

Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1990 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of 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 and improvements	20 - 50
Equipment and furniture	3 - 12
Vehicles	6
Technology equipment	5

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

5. Deferred outflows and inflows of resources

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

6. Long-term Obligations

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

ASHEBORO CITY BOARD OF EDUCATION
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For the Fiscal Year Ended June 30, 2024

7. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2024 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

8. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Restricted for Programs – revenue sources restricted in purpose in accordance with specified grants or donors, and not intended for general K-12 expenditures.

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

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

ASHEBORO CITY BOARD OF EDUCATION
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Special revenues – portion of fund balance that represents the residual amount of revenues from tuition and fees, reimbursements, indirect costs and other financial resources in excess of related expenditures that the Board of Education has assigned to be expended within assigned purpose codes.

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

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will pay expenditures from restricted revenue sources first and then from general unrestricted revenues. 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.

9. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$18,835,384 consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets at historical cost on government-wide statement in governmental activities column)	\$ 125,132,666
Less Accumulated Depreciation	<u>(42,117,756)</u>
Net capital assets	83,014,910
Pension related deferred outflows of resources	16,537,231
OPEB related deferred outflows of resources	7,474,326
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Compensated absences	(3,172,348)
Net pension liability	(28,901,207)
Net OPEB liability	(41,291,217)
Deferred inflows of resources related to pensions	(1,175,213)
Deferred inflows of resources related to OPEB	<u>(13,651,098)</u>
Total adjustment	<u>\$ 18,835,384</u>

ASHEBORO CITY BOARD OF EDUCATION
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b. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$6,009,535 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 5,854,141
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	(2,701,894)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	5,117,143
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	2,104,327
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	54,191
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Pension (expense) benefit	(6,676,388)
Net OPEB (expense) benefit	2,704,945
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(446,930)
Total adjustment	<u>\$ 6,009,535</u>

10. Defined Benefit Pension Plan and OPEB Plans

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

**ASHEBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2024, the Board had deposits with banks and savings and loans with a carrying amount of \$9,089,635 and with the State Treasurer of \$-0-. Cash on hand was \$30 at June 30, 2024. The bank balances with the financial institutions and the State Treasurer were \$9,788,625 and \$762,214, respectively. Of these balances, \$803,463 was covered by federal depository insurance and \$9,747,376 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2024, the Board had \$-0- invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2024. The Board had \$-0- invested in the NCCMT as of June 30, 2024. The Board has no policy for managing interest rate risk or credit risk. All investments are measured using the market approach. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

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3. Accounts Receivable

Receivables at the government-wide level at June 30, 2024 are as follows:

	Due from other funds (Internal Balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ -	\$ 60,763	\$ 6,672	\$ 67,435
Other governmental activities	<u>4,115</u>	<u>32,134</u>	<u>309,200</u>	<u>345,449</u>
Total governmental activities	<u>\$ 4,115</u>	<u>\$ 92,897</u>	<u>\$ 315,872</u>	<u>\$ 412,884</u>
Business-type activities:				
School Food Service Fund	\$ 7,071	\$ 81,788	\$ -	\$ 88,859
Child Care Fund	<u>(11,186)</u>	<u>-</u>	<u>934</u>	<u>(10,252)</u>
Total business-type activities	<u>\$ (4,115)</u>	<u>\$ 81,788</u>	<u>\$ 934</u>	<u>\$ 78,607</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 60,763	Operating funds from County
Other Special Revenue Fund	<u>32,134</u>	Medicaid & County receivable
Total	<u>\$ 92,897</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 81,788</u>	Federal reimbursement funds

ASHEBORO CITY BOARD OF EDUCATION
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4. Capital Assets

Capital asset activity for the year ended June 30, 2024 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	484,255	34,000	484,255	34,000
Total capital assets not being depreciated	<u>3,523,190</u>	<u>34,000</u>	<u>484,255</u>	<u>3,072,935</u>
Capital assets being depreciated:				
Buildings	108,634,612	5,589,139	-	114,223,751
Land improvements	1,522,503	30,300	-	1,552,803
Furniture and equipment	4,635,008	665,665	-	5,300,673
Vehicles	963,212	19,292	-	982,504
Total capital assets being depreciated	<u>115,755,335</u>	<u>6,304,396</u>	<u>-</u>	<u>122,059,731</u>
Less accumulated depreciation for:				
Buildings	33,248,951	2,476,931	-	35,725,882
Land improvements	1,287,047	29,764	-	1,316,811
Furniture and equipment	4,176,274	135,081	-	4,311,355
Vehicles	703,590	60,118	-	763,708
Total accumulated depreciation	<u>39,415,862</u>	<u>2,701,894</u>	<u>-</u>	<u>42,117,756</u>
Total capital assets being depreciated, net	<u>76,339,473</u>			<u>79,941,975</u>
Governmental activity capital assets, net	<u>\$ 79,862,663</u>			<u>\$ 83,014,910</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment	\$ 1,442,012	\$ 37,562	\$ -	\$ 1,479,574
Vehicles	26,707	-	-	26,707
Total capital assets being depreciated	<u>1,468,719</u>	<u>37,562</u>	<u>-</u>	<u>1,506,281</u>
Less accumulated depreciation for:				
Equipment	1,187,776	37,720	-	1,225,496
Vehicles	26,707	-	-	26,707
Total accumulated depreciation	<u>1,214,483</u>	<u>37,720</u>	<u>-</u>	<u>1,252,203</u>
School Food Service capital assets, net	<u>\$ 254,236</u>			<u>\$ 254,078</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 2,506,695
System-wide support services	60,118
Unallocated depreciation	<u>135,081</u>
Total	<u>\$ 2,701,894</u>

ASHEBORO CITY BOARD OF EDUCATION
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B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2024, was 17.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$5,141,586 for the year ended June 30, 2024.

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

At June 30, 2024, the Board reported a liability of \$29,039,260 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2023 and at June 30, 2022, the Board's proportion was .17418% and .17760%, respectively.

For the year ended June 30, 2024, the Board recognized pension expense of \$6,724,630. At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,367,387	\$ 214,330
Changes of assumptions	1,019,820	-
Net difference between projected and actual earnings on pension plan investments	8,087,432	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	966,497
Board contributions subsequent to the measurement date	5,141,586	-
Total	<u>\$ 16,616,225</u>	<u>\$ 1,180,827</u>

\$5,141,586 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 3,095,124
2026	1,793,710
2027	5,059,507
2028	345,471
2029	-
Thereafter	-
Total	<u>\$ 10,293,812</u>

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Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.05 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rates used to measure the total pension liability reported at June 30, 2023 and 2022 was 6.50% for both years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that

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

Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Discount Rate</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 49,853,605	\$ 29,039,260	\$ 11,868,101

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

b. Other Postemployment Benefits

Healthcare Benefits

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

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

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

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

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

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the year ended June 30, 2024, the Board contributed 7.14% of covered payroll, which amounted to \$2,082,299 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$35.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$54,450.

At June 30, 2024, Board reported a liability of \$41,447,961 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and at June 30, 2022, the Board's proportion was .15554% and .15671%, respectively.

\$2,082,299 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year ended June 30:

2025	\$ (3,347,714)
2026	(3,563,449)
2027	(2,067,065)
2028	594,236
2029	-
Thereafter	-
Total	<u>\$ (8,383,992)</u>

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

Inflation	2.50%
Salary increases	3.25-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	6.50%

Healthcare cost trend rates:

Medical	5.00-6.50%
Prescription drug	5.00-10.00%
Administrative costs	3.00%
Post-retirement mortality rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

Discount rate. The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2024 and 2023 were 3.65% and 3.54%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.65% was used as the discount rate used to measure the total OPEB liability. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65 percent) or 1-percentage point higher (4.65 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	(2.65%)	(3.65%)	(4.65%)
Net OPEB liability	\$ 48,895,103	\$ 41,447,961	\$ 35,381,752

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

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	1% Decrease (Medical- 4.00-5.50%, Pharmacy- 4.00-9.00%, Medicare Advantage - 4.00%, Administrative - 2.00%)	Healthcare Trend Rates (Medical - 5.00-6.50%, Pharmacy - 5.00-10.00%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% Increase (Medical- 6.00-7.50%, Pharmacy- 6.00-11.00%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 34,218,550	\$ 41,447,961	\$ 50,768,866

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

Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2024,

ASHEBORO CITY BOARD OF EDUCATION
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employers made a statutory contribution of 0.11% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$32,080 for the year ended June 30, 2024.

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

At June 30, 2024, Board reported an OPEB liability of \$40,492 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and at June 30, 2022, the Board's proportion was .15225% and .15580%, respectively.

\$32,080 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$	19,999
2026		12,127
2027		18,254
2028		6,459
2029		3,575
Thereafter		<u>2,922</u>
Total	\$	<u>63,336</u>

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

Inflation	2.50%
Salary increases	3.25%-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.00 percent) or 1-percentage point higher (4.00 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(2.00%)</u>	<u>Discount Rate</u> <u>(3.00%)</u>	<u>1% Increase</u> <u>(4.00%)</u>
Net OPEB asset	\$ 48,677	\$ 40,492	\$ 32,158

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement

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date of June 30, 2023. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2015 through December 31, 2019.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2023. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2023 is 1.3%.

Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2024:

	RHBF	DIPNC	Total
OPEB Expense (Benefit)	\$ (2,703,143)	\$ 56,717	\$ (2,646,426)
OPEB Liability (Asset)	41,447,961	40,492	41,488,453
Proportionate share of the net OPEB liability (asset)	0.15554%	0.15225%	
Deferred Outflows of Resources			
Differences between expected and actual experience	456,423	35,486	491,909
Changes of assumptions	4,490,076	2,951	4,493,027
Net difference between projected and actual earnings on plan investments	331,108	52,889	383,997
Changes in proportion and differences between Board contributions and proportionate share of contributions	21,837	4,880	26,717
Board contributions subsequent to the measurement date	<u>2,082,299</u>	<u>32,080</u>	<u>2,114,379</u>
Total Deferred Outflows of Resources	<u><u>7,381,743</u></u>	<u><u>128,286</u></u>	<u><u>7,510,029</u></u>
Deferred Inflows of Resources			
Differences between Expected and actual experience	40,611	22,428	63,039
Changes of assumptions	11,057,982	6,912	11,064,894
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>2,584,843</u>	<u>3,530</u>	<u>2,588,373</u>
Total Deferred Inflows of Resources	<u><u>13,683,436</u></u>	<u><u>32,870</u></u>	<u><u>13,716,306</u></u>

**ASHEBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024**

2. Accounts Payable

Accounts payable as of June 30, 2024 are as follows:

	<u>Vendors</u>
Governmental activities:	
General Fund	\$ 291,299
Other governmental activities	<u>18,188</u>
Total governmental activities	<u>\$ 309,487</u>
Business-type activities:	
School Food Service Fund	<u>\$ 37,380</u>

3. Unearned Revenues

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

Business-type activities:	
Prepayments of meals (School Food Service Fund)	<u>\$ 16,322</u>

4. Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,859,296	\$ 277,369
Changes of assumptions	5,512,847	11,064,894
Net difference between projected and actual earnings on pension and OPEB plan investments	8,471,429	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	26,717	3,554,870
Board contributions subsequent to the measurement date	<u>7,255,965</u>	<u>-</u>
Total	<u>\$ 24,126,254</u>	<u>\$ 14,897,133</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 both general liability and errors and omissions of \$2,550,000 each. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage. Statutory workers' compensation coverage is purchased

**ASHEBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024**

through a private insurer 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 also participates in the State Public Education Property Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, business interruption and extra expense. \$10 million per occurrence is provided on increased cost of construction.

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

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, 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. The Board pays most of the cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time 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.

6. Long-Term Obligations

Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2024:

ASHEBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Current Portion</u>
Governmental activities:					
Net pension liability	\$ 26,270,192	\$ 2,631,015	\$ -	\$ 28,901,207	\$ -
Net OPEB liability	37,132,859	4,158,358	-	41,291,217	-
Compensated absences	<u>2,725,418</u>	<u>2,373,787</u>	<u>1,926,857</u>	<u>3,172,348</u>	<u>1,198,748</u>
Total	<u>\$ 66,128,469</u>	<u>\$ 9,163,160</u>	<u>\$ 1,926,857</u>	<u>\$ 73,364,772</u>	<u>\$ 1,198,748</u>
Business-type activities:					
Net pension liability	\$ 89,623	\$ 48,430	\$ -	\$ 138,053	\$ -
Net OPEB liability	126,683	70,553	-	197,236	-
Compensated absences	<u>12,615</u>	<u>16,248</u>	<u>7,307</u>	<u>21,556</u>	<u>4,731</u>
Total	<u>\$ 228,921</u>	<u>\$ 135,231</u>	<u>\$ 7,307</u>	<u>\$ 356,845</u>	<u>\$ 4,731</u>

Compensated absences, net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General and other governmental funds.

C. Interfund Balances and Activity

1. Interfund balances

The composition of interfund balances as of June 30, 2024 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Special Revenue Fund	School Food Service Fund	\$ 4,115
School Food Service Fund	Child Care Fund	\$ 11,186

The amounts above represents unpaid indirect cost to the Other Special Revenue fund from the School Food Service fund, and food costs owed from the Child Care fund to the School Food Service fund. These amounts are expected to be paid prior to June 30, 2025.

2. Transfers to/from other Funds

Transfers to/from other funds at June 30, 2024 consist of the following:

From the State Public School Fund to the School Food Service Fund for personnel costs	<u>\$ 45,000</u>
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**ASHEBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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D. Fund Balance

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

Total fund balance - General Fund	\$ 3,732,697
Less:	
Stabilization by State statute	(67,435)
Appropriated Fund Balance in the 2024-2025 budget	<u>(1,250,000)</u>
Remaining fund balance	<u>\$ 2,415,262</u>

NOTE 3 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2024 in the Other Special Revenue Fund consists of the following:

Local sales tax	\$ 46,279
Medicaid reimbursement program	561,985
Other reimbursements and refunds	303,784
Contributions and donations	2,800
Indirect costs allocated	433,300
Rental of school property	5,471
Tuition and fees	639,557
Private grants and programs	129,106
Other	<u>30,697</u>
Total other revenues	<u>\$ 2,152,979</u>

NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Board's Proportionate Share of the Net Pension Liability
Teachers' and State Employees' Retirement System

Schedule of Board Contributions
Teachers' and State Employees' Retirement System

Schedule of the Board's Proportionate Share of the Net OPEB Liability (Asset)
Retiree Health Benefit Fund

Schedule of Board Contributions
Retiree Health Benefit Fund

Schedule of the Board's Proportionate Share of the Net OPEB Liability (Asset)
Disability Income Plan of North Carolina

Schedule of Board Contributions
Disability Income Plan of North Carolina

**ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2024	2023	2022	2021	2020
Board's proportion of the net pension liability (asset)	0.17418%	0.17760%	0.17733%	0.18937%	0.18977%
Board's proportionate share of the net pension liability (asset)	\$ 29,039,260	\$ 26,359,815	\$ 8,303,656	\$ 22,879,678	\$ 19,673,374
Board's covered payroll	\$ 28,424,620	\$ 27,436,940	\$ 26,719,044	\$ 26,893,371	\$ 26,959,571
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	102.16%	96.07%	31.08%	85.08%	72.97%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	85.98%	87.56%
	2019	2018	2017	2016	2015
Board's proportion of the net pension liability (asset)	0.19100%	0.19600%	0.19400%	0.20600%	0.20800%
Board's proportionate share of the net pension liability (asset)	\$ 18,967,345	\$ 15,557,058	\$ 17,855,420	\$ 7,588,928	\$ 2,440,043
Board's covered payroll	\$ 25,836,697	\$ 25,319,199	\$ 24,177,624	\$ 25,340,684	\$ 25,170,272
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	73.41%	60.21%	73.85%	29.95%	9.69%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	89.51%	87.32%	94.64%	98.24%

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

**ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 5,141,586	\$ 4,914,263	\$ 4,494,171	\$ 3,949,073	\$ 3,488,070
Contributions in relation to the contractually required contribution	<u>5,141,586</u>	<u>4,914,263</u>	<u>4,494,171</u>	<u>3,949,073</u>	<u>3,488,070</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 29,163,173	\$ 28,424,620	\$ 27,436,940	\$ 26,719,044	\$ 26,893,371
Contributions as a percentage of covered payroll	17.63%	17.38%	16.38%	14.78%	12.97%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,313,332	\$ 2,785,196	\$ 2,526,360	\$ 2,212,253	\$ 2,318,673
Contributions in relation to the contractually required contribution	<u>3,313,332</u>	<u>2,785,196</u>	<u>2,526,360</u>	<u>2,212,253</u>	<u>2,318,673</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 26,959,571	\$ 25,836,697	\$ 25,319,199	\$ 24,177,624	\$ 25,340,684
Contributions as a percentage of covered payroll	12.29%	10.78%	9.98%	9.15%	9.15%

**ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
LAST EIGHT FISCAL YEARS***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board's proportion of the net OPEB liability/asset	0.15554%	0.15671%	0.15618%	0.16525%	0.16567%
Board's proportionate share of the net OPEB liability (asset)	\$ 41,447,961	\$ 37,213,195	\$ 48,282,533	\$ 45,841,671	\$ 52,418,497
Board's covered payroll	\$ 28,424,620	\$ 27,436,940	\$ 26,719,044	\$ 26,893,371	\$ 26,959,571
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	145.82%	135.63%	180.70%	170.46%	194.43%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	10.73%	10.58%	7.72%	6.92%	4.40%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Board's proportion of the net OPEB liability/asset	0.16900%	0.18100%	0.17100%		
Board's proportionate share of the net OPEB liability (asset)	\$ 48,037,418	\$ 59,406,863	\$ 74,274,206		
Board's covered payroll	\$ 25,836,697	\$ 25,319,199	\$ 24,177,624		
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	185.93%	234.63%	307.20%		
Plan fiduciary net position as a percentage of the total OPEB liability/asset	4.40%	3.52%	2.41%		

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only eight of data presented.

**ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
LAST TEN FISCAL YEARS**

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	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,082,299	\$ 1,983,554	\$ 1,725,784	\$ 1,784,832	\$ 1,740,001
Contributions in relation to the contractually required contribution	<u>2,082,299</u>	<u>1,983,554</u>	<u>1,725,784</u>	<u>1,784,832</u>	<u>1,740,001</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 29,163,173	\$ 28,424,620	\$ 27,436,940	\$ 26,719,044	\$ 26,893,371
Contributions as a percentage of covered payroll	7.14%	6.89%	6.29%	6.68%	6.47%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,690,365	\$ 1,563,120	\$ 1,471,045	\$ 1,353,947	\$ 1,391,204
Contributions in relation to the contractually required contribution	<u>1,690,365</u>	<u>1,563,120</u>	<u>1,471,045</u>	<u>1,353,947</u>	<u>1,391,204</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 26,959,571	\$ 25,836,697	\$ 25,319,199	\$ 24,177,624	\$ 25,340,684
Contributions as a percentage of covered payroll	6.27%	6.05%	5.81%	5.60%	5.49%

**ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST EIGHT FISCAL YEARS***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board's proportion of the net OPEB liability/asset	0.15225%	0.15580%	0.15650%	0.16713%	0.16807%
Board's proportionate share of the net OPEB liability (asset)	\$ 40,492	\$ 46,347	\$ (25,563)	\$ (82,218)	\$ (72,522)
Board's covered payroll	\$ 28,424,620	\$ 27,436,940	\$ 26,719,044	\$ 26,893,371	\$ 26,959,571
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.14%	0.17%	0.10%	0.31%	0.27%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.61%	90.34%	105.18%	115.57%	113.00%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Board's proportion of the net OPEB liability/asset	0.16800%	0.17500%	0.17500%		
Board's proportionate share of the net OPEB liability (asset)	\$ (51,108)	\$ (106,691)	\$ (108,750)		
Board's covered payroll	\$ 25,836,697	\$ 25,319,199	\$ 24,177,624		
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.20%	0.42%	0.45%		
Plan fiduciary net position as a percentage of the total OPEB liability/asset	108.47%	116.23%	116.06%		

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only eight years of data presented.

**ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 32,080	\$ 28,789	\$ 24,693	\$ 24,047	\$ 26,893
Contributions in relation to the contractually required contribution	<u>32,080</u>	<u>28,789</u>	<u>24,693</u>	<u>24,047</u>	<u>26,893</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 29,163,173	\$ 28,424,620	\$ 27,436,940	\$ 26,719,044	\$ 26,893,371
Contributions as a percentage of covered payroll	0.11%	0.10%	0.09%	0.09%	0.10%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 37,743	\$ 36,171	\$ 96,213	\$ 99,128	\$ 103,897
Contributions in relation to the contractually required contribution	<u>37,743</u>	<u>36,171</u>	<u>96,213</u>	<u>99,128</u>	<u>103,897</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 26,959,571	\$ 25,836,697	\$ 25,319,199	\$ 24,177,624	\$ 25,340,684
Contributions as a percentage of covered payroll	0.14%	0.14%	0.38%	0.41%	0.41%

INDIVIDUAL FUND SCHEDULES

ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Randolph County			
County appropriation	\$ 6,922,413	\$ 6,925,310	\$ 2,897
Other:			
Fines and forfeitures	250,000	293,446	43,446
Supplemental school taxes	3,800,000	3,852,656	52,656
Interest earned on investment	65,000	59,479	(5,521)
Miscellaneous	-	1,687	1,687
Total other	<u>4,115,000</u>	<u>4,207,268</u>	<u>92,268</u>
Total revenues	<u>11,037,413</u>	<u>11,132,578</u>	<u>95,165</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	2,730,073	2,729,456	617
Special populations	784,950	711,170	73,780
Alternative programs	463,900	288,445	175,455
School leadership	569,227	405,370	163,857
Co-curricular	291,000	290,086	914
School-based support	674,000	590,961	83,039
Total instructional services	<u>5,513,150</u>	<u>5,015,488</u>	<u>497,662</u>
System-wide support services:			
Support and development	120,000	110,093	9,907
Special population support and development	157,100	98,949	58,151
Alternative programs and services support and development	25,000	10,326	14,674
Technology support	205,000	203,130	1,870
Operational support	4,932,163	4,910,904	21,259
Financial and human resource services	380,000	379,549	451
Accountability	11,000	10,909	91
System-wide pupil support	150,000	54,877	95,123
Policy, leadership and public relations	718,000	617,049	100,951
Total system-wide support services	<u>6,698,263</u>	<u>6,395,786</u>	<u>302,477</u>

ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures: (Continued)			
Current:			
Nutrition	<u>1,000</u>	<u>784</u>	<u>216</u>
Nonprogrammed charges:			
Payments to other governments	<u>650,000</u>	<u>724,661</u>	<u>(74,661)</u>
Total expenditures	<u>12,862,413</u>	<u>12,136,719</u>	<u>725,694</u>
Revenues over (under) expenditures	(1,825,000)	(1,004,141)	820,859
Fund balance appropriated	<u>1,825,000</u>	-	<u>(1,825,000)</u>
Net change in fund balance	<u>\$ -</u>	(1,004,141)	<u>\$ (1,004,141)</u>
Fund balance:			
Beginning of year		<u>4,736,838</u>	
End of year		<u>\$ 3,732,697</u>	

ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
For the Fiscal Year Ended June 30, 2024

	<u>Revenues</u>	<u>Expenditures</u>	<u>Net change in fund balance</u>	<u>Fund balances June 30, 2023</u>	<u>Fund balances June 30, 2024</u>
Asheboro High	\$ 628,428	\$ 614,428	\$ 14,000	\$ 100,213	\$ 114,213
Balfour Elementary	103,709	99,963	3,746	13,558	17,304
Charles W. McCray Elementary	39,302	39,648	(346)	13,411	13,065
Donna Lee Loflin Elementary	77,918	71,427	6,491	10,466	16,957
Early Childhood Dev. Center	41,119	41,188	(69)	3,511	3,442
Guy B. Teachey Elementary	48,424	58,704	(10,280)	22,162	11,882
Lindley Park Elementary	51,674	51,641	33	15,767	15,800
North Asheboro Middle	121,118	134,974	(13,856)	55,264	41,408
South Asheboro Middle	<u>132,704</u>	<u>125,092</u>	<u>7,612</u>	<u>40,882</u>	<u>48,494</u>
Totals	<u>\$ 1,244,396</u>	<u>\$ 1,237,065</u>	<u>\$ 7,331</u>	<u>\$ 275,234</u>	<u>\$ 282,565</u>

ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget
Revenues:			
State of North Carolina:			
Public School Capital Fund - Needs Based Lottery	\$ 29,728,490	\$ -	\$ (29,728,490)
Randolph County:			
Bond proceeds	2,466,274	2,466,273	(1)
County appropriations	5,763,752	1,080,777	(4,682,975)
Total Randolph County	8,230,026	3,547,050	(4,682,976)
Other:			
Interest earned on investments	25,000	14,560	(10,440)
Contributions	105,000	103,348	(1,652)
Miscellaneous	-	10,516	10,516
Total other	130,000	128,424	(1,576)
Total revenues	38,088,516	3,675,474	(34,413,042)
Expenditures:			
Capital outlay:			
Real property and buildings:			
Asheboro High School	-	2,600,433	-
Various HVAC Projects	-	888,452	-
Other real property and buildings	-	334,926	-
Total real property and buildings	38,448,516	3,823,811	34,624,705
Furnishings and equipment	610,000	487,169	122,831
Buses and motor vehicles	30,000	19,292	10,708
Total capital outlay	39,088,516	4,330,272	34,758,244
Revenues over (under) expenditures	(1,000,000)	(654,798)	345,202
Fund balance appropriated	1,000,000	-	(1,000,000)
Net change in fund balance	\$ -	(654,798)	\$ (654,798)
Fund balance:			
Beginning of year		2,416,138	
End of year		\$ 1,761,340	

ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
SCHOOL FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget
Operating revenues - food sales	\$ 348,500	\$ 142,527	\$ (205,973)
Operating expenditures:			
Business support services:			
Purchase of food	-	1,412,730	-
Donated commodities	-	203,534	-
Salaries and benefits	-	1,300,969	-
Indirect costs	-	105,514	-
Materials and supplies	-	6,952	-
Contracted services	-	509,556	-
Other	-	33,548	-
Capital outlay	-	37,562	-
Total operating expenditures	<u>4,497,800</u>	<u>3,610,365</u>	<u>887,435</u>
Operating loss	<u>(4,149,300)</u>	<u>(3,467,838)</u>	<u>681,462</u>
Nonoperating revenues:			
Federal reimbursements	3,847,800	3,286,172	(561,628)
Federal commodities	220,000	203,534	(16,466)
State reimbursements	16,500	-	(16,500)
Interest earned	<u>20,000</u>	<u>22,544</u>	<u>2,544</u>
Total nonoperating revenues	<u>4,104,300</u>	<u>3,512,250</u>	<u>(592,050)</u>
Revenues over (under) expenditures before other financing sources	(45,000)	44,412	89,412
Other financing sources:			
Transfers from other funds	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>89,412</u>	<u>\$ 89,412</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(37,720)	
Net pension liability		(48,430)	
Net OPEB liability		(70,553)	
Deferred outflows		41,323	
Deferred inflows		5,650	
Equipment purchases		37,562	
Increase in compensated absences payable		(359)	
Increase in inventories		<u>14,296</u>	
Change in net position (full accrual)		<u>\$ 31,181</u>	

ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
CHILD CARE FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget
Operating revenues:			
Child care fees	\$ 227,000	\$ 203,851	\$ (23,149)
Food Sales	<u>23,000</u>	<u>22,492</u>	<u>(508)</u>
Total operating revenues	<u>250,000</u>	<u>226,343</u>	<u>23,657</u>
Operating expenditures:			
Regular community services:			
Purchase of food	-	22,802	-
Salaries and benefits	-	86,136	-
Contracted services	-	44,643	-
Materials and supplies	<u>-</u>	<u>17,686</u>	<u>-</u>
Total operating expenditures	<u>400,000</u>	<u>171,267</u>	<u>228,733</u>
Operating loss	(377,000)	55,076	432,076
Fund balance appropriated	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Expenditures over revenues	<u>\$ (227,000)</u>	55,076	<u>\$ 282,076</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Increase in compensated absences payable		<u>(8,582)</u>	
Change in net position (full accrual)		<u>\$ 46,494</u>	

COMPLIANCE SECTION



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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*

To the Asheboro City Board of Education
Asheboro, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Asheboro City Board of Education, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprises the Asheboro City Board of Education, North Carolina's basic financial statements and have issued our report thereon dated November 25, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Asheboro City Board of Education'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*.

Purpose of this Report

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

Anderson Smith & Wike PLLC

*November 25, 2024
West End, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Report On Compliance for Each Major Federal Program and Report on
Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit
Implementation Act

To the Asheboro City Board of Education
Asheboro, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Asheboro City Board of Education, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2024. The Asheboro City Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Asheboro City Board of Education 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Asheboro City Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Asheboro City Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Asheboro City Board of Education's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Asheboro City Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Asheboro City Board of Education's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Asheboro City Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Asheboro City Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Asheboro City Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Anderson Smith & Wike PLLC

*November 25, 2024
West End, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Report On Compliance for Each Major State Program and Report on
Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit
Implementation Act

To the Asheboro City Board of Education
Asheboro, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Asheboro City Board of Education, North Carolina's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Board's major State programs for the year ended June 30, 2024. The Asheboro City Board of Education's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Asheboro City Board of Education 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, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Asheboro City Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Asheboro City Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Asheboro City Board of Education's State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Asheboro City Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Asheboro City Board of Education's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Asheboro City Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Asheboro City Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Asheboro City Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Anderson Smith & Wike PLLC

*November 25, 2024
West End, North Carolina*

**ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements
Audited were prepared in accordance to GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *None Identified for Reporting*

Noncompliance material to financial statements noted *No*

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *None Identified for Reporting*

Type of auditors' report issued on compliance for
major federal programs *Unmodified*

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)? *No*

Identification of major federal programs:

AL Numbers	Names of Federal Programs or Clusters
84.425	COVID-19 - Education Stabilization Funds

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

Auditee qualified as low-risk auditee? *Yes*

**ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024**

Section I - Summary of Auditors' Results (Continued)

State Awards

Internal control over major State programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses None Identified for Reporting

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

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

Identification of major State program:

Program Name

State Public School Fund
Career and Technical Education – State Months of Employment

Dollar threshold used to distinguish between Major State Programs \$ 500,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

No findings were noted that are required to be reported under *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

No findings and questioned costs related to the audit of federal awards aggregating \$25,000 or more were noted.

Section IV - State Award Findings and Questioned Costs

No findings and questioned costs related to the audit of State awards aggregating \$25,000 or more were noted.

**ASHEBORO CITY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2024**

There were no audit findings reported in the prior year.

ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2024

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Federal Grants:			
<u>U.S. Department of Agriculture</u>			
Passed-through the N.C. Department of Agriculture:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 203,534
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	927,115
National School Lunch Program	10.555	PRC 035	2,092,899
After School Snack Program	10.555	PRC 035	33,422
Supply Chain Assistance Funds	10.555	PRC 035	107,098
Summer Food Service Program for Children	10.559	PRC 035	44,659
Cash Assistance Subtotal			<u>3,205,193</u>
Total Child Nutrition Cluster			<u>3,408,727</u>
Passed-through the N.C. Department of Health and Human Services:			
Child and Adult Care Food Program	10.558	PRC 035	<u>80,979</u>
Local Food for Schools Cooperative Agreement Program			<u>10,904</u>
Total U.S. Department of Agriculture			<u>3,500,610</u>
<u>U.S. Department of Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies	84.010	PRC 050	1,507,702
Supporting Effective Instruction	84.367	PRC 103	144,739
Language Acquisition Grant	84.365	PRC 104	87,406
Language Acquisition Grant - Significant Increase	84.365	PRC 111	1,147
Student Support and Academic Enrichment	84.424	PRC 108	24,783
Title IV, Stronger Connections Grant	84.424F	PRC 145	26,727

ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Education Stabilization Fund:			
CRRSA:			
COVID-19 - ESSER II - K-12 Emergency Relief Fund	84.425D	PRC 171	18,221
COVID-19 - CRRSA - ESSER II - Learning Loss Funding	84.425D	PRC 176	72,256
COVID-19 - CRRSA - ESSER II - Summer Career Accelerator Program	84.425D	PRC 177	2,506
ARP:			
COVID-19 - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	4,053,312
COVID-19 - ESSER III - Homeless	84.425W	PRC 183	8,428
COVID-19 - ESSER III - Homeless II	84.425W	PRC 184	3,978
COVID-19 - ESSER III - Summer Career Accel. Programs	84.425U	PRC 188	68,526
COVID-19 - ESSER III - Math Enrichment Programs	84.425U	PRC 189	102,999
COVID-19 - ESSER III - Cyberbullying & Suicide Prevention	84.425U	PRC 192	26,655
COVID-19 - ESSER III - Principal Retention Supplements	84.425U	PRC 206	5,258
Total COVID-19 - Education Stabilization Fund	84.425		<u>4,362,139</u>
Special Education Cluster:			
Grants to States - IDEA, Part B (611)	84.027	PRC 060	1,069,392
Special Needs Targeted Assistance	84.027	PRC 118	3,018
COVID-19 - ARP - Grants to States - IDEA, part B (611)	84.027	PRC 185	1,242
COVID-19 - ARP - Preschool Grants - IDEA, Part B (619)	84.173	PRC 186	22,263
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	35,879
Total Special Education Cluster			<u>1,131,794</u>
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	<u>98,458</u>
Total U.S. Department of Education			<u>7,384,895</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
ROTC	12.000	PRC 301	<u>57,255</u>
Total Federal Assistance			<u>10,942,760</u>

**ASHEBORO CITY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2024**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
State Grants:			
<u>N.C. Department of Public Instruction:</u>			
Cash Assistance:			
State Public School Fund		Various	34,770,138
Career and Technical Education:			
State Months of Employment		PRC 013	1,773,083
Program Support Funds		PRC 014	84,121
Driver Training		PRC 012	50,687
School Technology Fund		PRC 015	3,340
NC Student Health Advisory Council Award		PRC 467	<u>4,500</u>
Total N.C. Department of Public Instruction			<u>36,685,869</u>
<u>N.C. Wildlife Commission</u>			
Hunter Safety Grant		PRC 524	12,500
<u>N.C. Department of Health and Human Services</u>			
Division of Child Development:			
Smart Start		PRC 401	57,850
State School Nurse Initiative		PRC 615	100,000
Total NC Department of Health and Human Services			<u>157,850</u>
Total State Assistance			<u>36,856,219</u>
Total Federal and State Assistance			<u>\$ 47,798,979</u>

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

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Asheboro City Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Asheboro City Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Asheboro City Board of Education.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Asheboro City Board of Education has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

ASHEBORO CITY BOARD OF EDUCATION
Regularly Scheduled Meeting
Professional Development Center
December 12, 2024

Policy Committee

Committee Members Present:

Michael Smith, Chairman
Gidget Kidd, Policy Chair

Baxter Hammer, Vice Chairman
Adam Hurley

Committee Members Absent:

Hailey Lee

Linda Cranford

Other Board Members Present:

Melissa Calloway

Ryan Patton

Hilda DeCortez

Staff Members Present:

Dr. Aaron Woody

Gayle Higgs

Carla Freemyer

The meeting was called to order at 6:04 p.m. by Ms. Gidgett Kidd, Policy Chair. Ms. Gayle Higgs, Director of Support Services, reviewed the following policies:

- **3470/4305 Alternative Learning Programs**
 - Adds a new subsection C.3.b to address placement into an alternative learning program.
- **4140 Foreign Exchange Students**
 - New policy.

The meeting was adjourned at 6:31 p.m. by Gidget Kidd.

Finance Committee

Committee Members Present:

Michael Smith, Chairman
Baxter Hammer, Vice Chairman
Hilda DeCortez

Ryan Patton, Finance Chair
Phillip Cheek

Dr. Beth Knott
Melissa Calloway

Other Board Members Present:

Adam Hurley

Hailey Lee

Gidget Kidd

Staff Members Present:

Dr. Aaron Woody

Sandra Spivey Ayers

Mr. Ryan Patton, Finance Chair, opened the meeting at 6:47 p.m.

Ms. Spivey Ayers reviewed the information under the Consent Agenda. The Federal Interest Form Status Report is a requirement due to the use of ESSER funds to update HVAC needs at North Asheboro Middle School.

Ms. Spivey Ayers provided an update on state funding. Additional funds have been received due to our Average Daily Membership (ADM) exceeding the previously allotted amount.

Ms. Spivey Ayers shared an update on the South Asheboro Middle School project. Investigation is ongoing for the window replacement feasibility. Structurally it does not appear to be an option for us. Bobbitt Construction is researching other methods to increase the energy efficiency. Floor removal in some upstairs classrooms will take place as scheduled over the Christmas break.

There being no further business, Ryan Patton adjourned the meeting at 7:07 p.m.

Board of Education

Board Members Present:

Michael Smith, Chairman
Melissa Calloway
Dr. Beth Knott
Gidget Kidd
Scott Eggleston, Attorney

Vice Chairman Baxter Hammer
Linda Cranford
Adam Hurley
Hilda DeCortez

Hailey Lee
Ryan Patton
Phillip Cheek

Staff Members Present:

Dr. Aaron Woody
Chandra Manning
Gayle Higgs
Sarah Beth Cox
Blake Brewer
Erin Collins
Nick Arroyo
Claudia Marini

Dr. Wendy Rich
Christina Kinley
Kelly Patton
Jody Cox
Ivy Piansay
Dr. Ryan Moody
Victor Jacobo

Anthony Woodyard
Sandra Spivey Ayers
Angel Etheridge
Scott Bainville
Krista Stewart
Wes Berrier
Barb Skelly

Opening

Chairman Smith called the meeting to order at 7:30 p.m. and welcomed all in attendance. Chairman Smith opened the meeting with a moment of silence. Chairman Smith then invited students from Charles W. McCrary Elementary School to lead the Pledge of Allegiance.

Upon motion by Linda Cranford, and seconded by Ryan Patton, the board unanimously approved the meeting agenda.

Special Recognitions

- A. Ms. Kelly Patton, Principal, Charles W. McCrary Elementary School, along with staff, presented the School Spotlight titled *Student Engagement Through Clubs*. The presentation centered around various clubs offered at McCrary and how these clubs create a sense of belonging, improve social skills, build confidence, provide

academic support, and more. There are seasonal clubs and year-long clubs. Some of the year-long clubs shared were Mustangs on the Move-Girls Only Running Club, Musical Mustangs, UNITE Club, and Student Council.

- B. Ms. Kelly Patton, Principal, Charles W. McCrary Elementary recognized Zach Dunbar as their community partner spotlight. Ms. Patton shared various ways Dr. Dunbar has partnered with Charles W. McCrary to support students and staff. Also, Dr. Dunbar gave the staff free stress assessments.
- C. Ms. Barb Skelly, Director of Exceptional Children, recognized the Asheboro High School Theatre group for their outstanding work with the functional skills class to produce *Finding Nemo*. Asheboro High School teachers Ms. Kristen Stewart, Ms. Erin Collins, and Ms. Ivy Piansay were recognized for their incredible work with the students on the production. Asheboro High School student Ty Ford was also present and was recognized for winning the Acting Award. The *Finding Nemo* production earned Ensemble, Choreography and Acting awards.
- D. Ms. Gayle Higgs, Director of Support Services, along with Mr. Wes Berrier, Asheboro High School Athletic Director, recognized the Asheboro High School Soccer Team and the coaches. The team is the 3A West Regional Champions and placed second in the state this year. The Asheboro High School boys' soccer team was in attendance. A new sign commemorating the accomplishments of the soccer team was unveiled to be hung at Asheboro High School.
- E. Ms. Chandra Manning, Director of Communications & Talent Development, presented Points of Pride, which featured a variety of students, staff, and district highlights. These included

Toyota Donation: Toyota Battery Manufacturing of North Carolina generously donated nine robotic kits. These kits will empower secondary students in our Innovation Center to explore and develop essential skills for the future

NC FAME STEM Competition: Congratulations to Madison Hicks (NAMS) and Rosalee Lockamy (SAMS), who represented Asheboro City Schools at the first inaugural NC FAME STEM Competition at GTCC on November 21. These talented students earned their spot by winning the district competition.

Mayor's Fitness Challenge: The top three steppers in the Mayor's Fitness Challenge from September 28-November 10 were Balfour Elementary, Charles W. McCrary Elementary, and Lindley Park Elementary. There were also two staff members, both from Asheboro High School, who were celebrated for their steps: Brian Nance (780,519 steps, about 419 miles) and Dr. Ryan Moody (722,293 steps, about 455 miles).

Polar Express at NAMS: North Asheboro Middle School hosted a magical experience for elementary students across the district with a special viewing of The Polar Express throughout the week! Mr. Groseclose picked up students, decked out in cozy pajamas, each day from their home school. They had a special guest conductor in Steve Watson, making an appearance to punch their "golden tickets" and guide them on their festive adventure with a popcorn snack.

AHS Student Highlight: Calliope Farlow, a junior at Asheboro High School, is on a mission to bring joy to children in need this holiday season. Having endured a challenging journey through foster care before being adopted, she understands first-hand the struggles many children face, especially during the holiday months. Motivated by gratitude for her adoptive family, Calliope launched an initiative to collect toys, clothes, and essential items for four local kids.

SparkNC App Showcase: Two Asheboro High School SparkNC students represented the district well in the SparkNC App Showcase at the Apple campus in Cary, NC. They were presented with the "Pitch Perfect" Award for their app prototype.

National Technical Honor Society: The first group of Asheboro High School students, all seniors, were inducted into the National Technical Honor Society. NTHS honors students enrolled in CTE programs. It focuses on rewarding academic achievement, skill development, leadership, honesty, service, and good character within the technical field. They are thankful for support from Apprenticeship Randolph, Farm Bureau Randolph, Technimark, and Timken to make this event happen. Apprenticeship Randolph and Technimark also had information booths set up in the Walker Commons during the reception.

PTEC Annual Meeting: This morning Asheboro High School, along with Principal Dr. Ryan Moody, was recognized as a PTEC Signature School for achievements like improved graduation rate, increased

attendance, and the impactful Blue Comets Mentor Program. Dr. Woody was also honored and spoke as the 2025 Regional Superintendent of the Year.

- F. Ms. Chandra Manning, Director of Communications & Talent Development, along with Dr. Aaron Woody, Superintendent, recognized Ms. Angelica Hernandez, eighth grader at South Asheboro Middle School, for being chosen the winner of the Holiday Card Contest.
- G. Dr. Aaron Woody, Superintendent, recognized, outgoing board chairman, Mr. Michael Smith. Mr. Smith has served on the board since 2015 and served as board chairman for four years. Mr. Smith is a leader, and his connection to the community and to the Asheboro City School district is commendable. Dr. Woody presented Mr. Smith with a plaque and a book will be donated to North Asheboro Middle School in his honor.

Superintendent’s Report

Dr. Woody invited the board to the Superintendent’s Holiday Luncheon on Friday, December 13 and to the Central Office Holiday Brunch on December 19, both in the Professional Development Center.

Dr. Woody shared a Daktronics video showcasing the new electronic scoreboards and incredible work done by our students and staff at Asheboro High School. Daktronics will use the video as part of their marketing materials for their installations.

Public Comments

There were no public comments.

Consent Agenda

Upon motion by Ryan Patton and seconded by Linda Cranford, the board unanimously approved the following items:

- A. Approval of Minutes for November 14, 2024, Board of Education Meeting
- B. Policies Recommended for Approval:
 - Policy 1510/4200/7270 – School Safety
 - Policy 2127 – Board Member Technology Use
 - Policy 3220 – Technology in the Educational Program
 - Policy 3225/4312/7320 – Technology Acceptable Use
 - Policy 3620 – Extracurricular Activities and Student Organizations
 - Policy 5071/7351 – Electronically Stored Information Retention
- C. Personnel (see list below)
- D. Asheboro High School New Courses Request
- E. Real Property Status Report

**Asheboro City Schools
Personnel Transactions
December 12, 2024**

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

LAST	FIRST EFFECTIVE	SCHOOL	SUBJECT
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***B. APPOINTMENTS**

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Boyd	Madison	CO	Substitute Bus Safety Assistant	12/2/2024

***C. LEAVES OF ABSENCE**

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Kelly	Rodney	CO	Bus Driver	12/01/2024-06/05/2025

**Asheboro City Schools
Personnel ADDENDUM
December 12, 2024**

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

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Alvarez	Mariana	CO	Substitute Bus Driver	12/9/2024

***B. APPOINTMENTS**

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
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***C. LEAVES OF ABSENCE**

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Johnson Adkins	Brandi	GBT	4th Grade	1/3/25 - 6/12/25

Information, Reports, and Recommendations

- A. Ms. Gayle Higgs, Director of Support Services reviewed the following Policies for Review:
 - Policy 4231/5021/7263 – Face Coverings
- B. Dr. Wendy Rich, Chief Academic Officer/Assistant Superintendent, and Ms. Jennifer Smith, Asheboro City Schools Welcome Center Coordinator shared an update about the new Welcome Center. They shared various ways we communicate information about the Welcome Center with the community and shared the different events taking place in the Welcome Center.
- C. Ms. Christina Kinley, Director of Accountability & Student Information, and Ms. Gayle Higgs, Director of Support Services, shared a data update. This update covered attendance, absenteeism and intervention information.

***Action Items**

- A. Dr. Wendy Rich, Chief Academic Officer/Assistant Superintendent, and Dr. Ryan Moody, Principal, Asheboro High School, requested approval of a new alternative high school learning program, titled *Twilight*. *Twilight* is designed to provide students with a flexible pathway to allow them to earn their high school diploma in an alternative setting. Upon motion by Gidget Kidd, and seconded by Vice Chairman Baxter Hammer, the board unanimously approved the plans as presented.

Board Operations

- A. Chairman Smith reviewed information regarding upcoming events.
 - The next regularly scheduled board meeting will be on January 9, 2025, at 7:30 p.m. in the Professional Development Center, unless otherwise posted. This will be a joint meeting with the Randolph County Commissioners. There will also be a groundbreaking ceremony at South

Asheboro Middle School at 5:00 p.m. on February 13, 2025, before the joint meeting with the board.

- B. Ms. Gidget Kidd, board member, shared information from the NCSBA Delegate Assembly meeting on November 18, 2024.
- C. Dr. Aaron Woody, Superintendent, led the discussion about the new board chair and vice chair for 2025. The board unanimously voted for Baxter Hammer to be the new board chairman and for Ryan Patton to be the new vice chairman for 2025.

Adjournment

There being no further business and upon motion by Michael Smith, and seconded by Chairman Baxter Hammer, the board unanimously approved to adjourn at 10:01 p.m.

Chairman

Secretary

Policies
For
Approval

Policy Code: 4231/5021/7263 Face Coverings

The board is committed to providing an in-person learning and work environment that is as safe as reasonably possible during the COVID-19 pandemic. The board recognizes that the use of face coverings helps to reduce the spread of COVID-19 and limit the need for quarantining. The board also recognizes that the Centers for Disease Control, the American Academy of Pediatrics, the Occupational Safety and Health Administration, and the North Carolina Department of Health and Human Services recommend the use of face coverings in schools. Therefore, as part of its layered mitigation strategy to lower the risk of COVID-19 exposure and spread, the board requires face coverings to be worn by all students, employees, and visitors present on school campus during the 2021-2022 school year in accordance with this policy.

A. Face Coverings Required

All individuals, including students, employees, and visitors, regardless of vaccination status, must wear face coverings at all times while inside of school buildings or on school transportation vehicles, including school buses, vans, and other group school transportation. Generally, individuals are not required to wear face coverings while outdoors or while in personal vehicles on school grounds.

B. Face Covering Exemptions

1. Individuals Exempted

The following individuals are exempted from face covering requirements:

- a. children under two years of age;
- b. individuals who should not wear a face covering due to a medical or behavioral condition or disability (including, but not limited to, any person who has trouble breathing, or is unconscious or incapacitated, or is otherwise unable to put on or remove the face covering without assistance); and
- c. children who are unable to wear the face covering safely.

2. Situations Exempted

Face coverings do not need to be worn in the following situations:

- a. when seeking to communicate with someone who is hearing-impaired in a way that requires the mouth to be visible;
- b. when giving a speech for a broadcast or to an audience if at least 20 feet away from the audience;

~~c. if temporarily removing the face covering to secure medical services or for identification purposes;~~

~~d. when wearing a face covering at work would put the individual at risk, as determined by local, state, or federal regulations or workplace safety guidelines;~~

~~e. if the face covering would impede visibility while operating equipment or a vehicle;~~

~~f. while sleeping, actively participating in sanctioned athletic events in adherence with procedures recommended by the North Carolina High School Athletic Association, swimming, or playing in water; and~~

~~g. while actively eating or drinking. Because face coverings cannot be worn consistently during mealtimes, students should maintain physical distancing of a minimum of three feet to the fullest extent possible when actively eating. Principals are encouraged to arrange for students to eat meals outdoors if possible.~~

~~C. Proper Face Covering~~

~~To provide the greatest protection against the spread of COVID-19, face coverings must be worn properly. The face covering should completely cover the individual's nose and mouth and fit snugly around the face with no gaps. Face coverings that have a nose wire (a metal strip along the top of the mask that is bent over the nose to fit the face covering close to the face) are recommended in order to prevent air from leaking out the top of the face covering.~~

~~Face coverings may be either disposable masks (also called surgical masks or medical procedure masks) made of multiple layers of non-woven material or cloth masks made of at least two layers of tightly woven, washable, breathable fabric. For better fit and extra protection, a disposable mask may be worn underneath a cloth mask. Two disposable masks should not be worn together. Face shields, masks with exhalation valves or vents, single layer masks or masks made of thin fabric that don't block light, scarves, ski masks, bandannas, and turtleneck collars do not qualify as face coverings for purposes of this policy.~~

~~D. Failure to Wear a Face Covering~~

~~1. Students~~

~~Face coverings will be provided to students who need them, including students who forget to bring their face coverings to school and students who are unable to afford them. No disciplinary action will be taken against a student for failure to bring a face covering to school.~~

~~Refusing to wear, intentionally removing, or inappropriately wearing a face covering in violation of this policy may be considered noncompliance with directives. Disciplinary consequences will be handled in accordance with policy 4300, School Behavior Policies.~~

~~No discipline will be imposed on any student who has been granted an exemption to the face covering requirement as provided in Section B. Disciplinary action for a student with a disability who has not been granted an exemption as provided in Section B will be in accordance with policy 4307, Disciplinary Action for Exceptional Children/Students with Disabilities.~~

~~2. Employees~~

~~Face coverings will be provided to employees who need them. Refusal by an employee to wear a face covering in accordance with this policy will be considered insubordination and may result in disciplinary action, up to and including termination, unless the employee has been granted an exemption as provided in Section B.~~

~~3. Visitors~~

~~Visitors will not be admitted into a school building or onto a school vehicle without wearing a face covering unless an exemption, as described in Section B, applies.~~

E. Notice

~~The principal or designee shall notify all students, parents, and employees of this policy and provide guidance and information regarding the proper use, wearing, removal, and cleaning of cloth face coverings. In addition, the principal or designee shall post signs at entrances to school buildings to alert visitors to the face covering requirements.~~

F. Review of this Policy

~~This policy will remain in effect for the 2021-2022 school year only. At least once a month, the board will review this policy and consider the need for modifications. The board will vote to approve this policy, with any necessary modifications, at a regularly scheduled board meeting each month.~~

Legal References: [S.L. 2021-130, sec. 10](#)

Cross References: ~~Disciplinary Action for Exceptional Children/Students with Disabilities (policy 4307), Disruptive Behavior (policy 4315)~~

~~Other Resources: COVID-19 Guidance for Safe Schools, updated July 18, 2021, American Academy of Pediatrics, available at <https://www.aap.org/en/pages/2019-novel-coronavirus-covid-19-infections/clinical-guidance/covid-19-planning-considerations-return-to-in-person-education-in-schools/>; ED COVID-19 Handbook, Vol. 1: Strategies for Safely Reopening Elementary and Secondary Schools, updated April 2021, U.S. Department of Education, Office of Planning, Evaluation and Policy Development, available at <https://www2.ed.gov/documents/coronavirus/reopening.pdf>; Guidance for COVID-19 Prevention in K-12 Schools, updated August 5, 2021, Centers for Disease Control and Prevention, available at <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/k-12-guidance.html>; Protecting Workers: Guidance on Mitigating and Preventing the Spread of COVID-19 in the Workplace, updated August 13, 2021, Occupational Health and Safety Administration, available at <https://www.osha.gov/coronavirus/safework>; Requirement for Persons to Wear Masks While on Conveyances and at Transportation Hubs, Centers of Disease Control and Prevention, Department of Health and Human Services (February 3, 2021), available at <https://www.govinfo.gov/content/pkg/FR-2021-02-03/pdf/2021-02340.pdf>; StrongSchoolsNC Public Health Toolkit (K-12), Interim Guidance, updated August 26, 2021, North Carolina Department of Health and Human Services, available at <https://files.nc.gov/covid/documents/guidance/Strong-Schools-NC-Public-Health-Toolkit.pdf>; Your Guide to Masks, updated August 13, 2021, Centers for Disease Control and Prevention, available at <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/about-face-coverings.html>~~

Adopted: November 4, 2021

Asheboro City Schools

**Asheboro City Schools
Personnel ADDENDUM
2024-2025**

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

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Boyd	Madison	CO	Bus Safety Assistant	12/27/2024

***B. APPOINTMENTS**

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Grieshaber	Paul	CO	Bus Driver	1/6/2025
Nations	Samantha	GBT	4th Grade	2/10/2025

C. TRANSFERS

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Kidd	Robert	SAMS/CO	Non-Faculty Coach and Sub Bus Driver	1/21/2025

**ASHEBORO CITY SCHOOLS
CERTIFIED APPOINTMENTS
January 9, 2025**

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Nations, Samantha	UNC-Pembroke B: Interdisciplinary Studies	Elementary K-6

Ms. Samantha Nations is recommended to teach fourth grade at Guy B. Teachey Elementary School for the remainder of the 2024-2025 school year. Ms. Nations is an alternative pathway teacher who currently teaches fifth grade for Davidson County Schools. Her previous work for the Davidson County Department of Social Services helped her to realize working with students and families is her passion. She believes strongly in creating a positive and engaging learning environment for students. She also encourages teamwork and communicates regularly with families. We are pleased to welcome Ms. Nations to Guy B. Teachey and Asheboro City Schools. Welcome Ms. Nations!

Policies
For
Review

A. PURPOSES

The board is committed to the goal of providing a safe and orderly learning environment in each school. The educational program and the school student behavior management plans, school improvement plans, and numerous other strategies identified in board policy, are intended to create such an environment and to help each student be a successful and contributing member of the school community. As used in this policy and context, an alternative learning program may serve as the site to: (1) deliver educational services required by G.S. 115C-390.9 or -390.10 to a student who is serving a long-term or 365-day suspension; (2) provide concentrated support for students at risk of academic failure; and/or (3) deliver educational and other services to students who are or may be disruptive to a safe and orderly learning environment in the regular educational setting.

B. STANDARDS FOR ALTERNATIVE LEARNING PROGRAMS

Prior to implementing a new alternative learning program, the board will develop a program proposal that is consistent with the State Board of Education standards for alternative learning programs. The board then will submit the proposal to the State Board for its review. After the proposal has been reviewed by the State Board, the board will consider any recommendations from the State Board to modify the proposal before implementing the alternative learning program.

The board will review on a regular basis whether the school system's alternative learning programs comply with State Board standards.

C. ASSIGNMENT TO ALTERNATIVE LEARNING PROGRAMS**1. Basis for Transfer**

Students generally are assigned to a school based on attendance area. However, as provided by law, the board may assign any student to a school outside of his or her attendance area in order for the student to attend a specialized school or for any other reason the board, in its sole discretion, deems sufficient. In all cases, the assignment or transfer of a student with a disability will comply with applicable federal and/or state requirements for students with disabilities.

Students may be assigned to an alternative learning program on a voluntary or involuntary basis under any of the following circumstances:

- a. the student's parent or guardian and the principal agree, and a multi-disciplinary team agrees, that the assignment would be in the best interest

of the student and the efficient administration of the public schools;

- b. the student has been recommended for long-term suspension or expulsion;
- c. the student poses a significant disruption to the educational environment in the regular educational setting due to continuing social/behavioral problems;
- d. the student is at risk of dropping out or not meeting standards for promotion due to academic, developmental, and/or behavioral problems, and resources in addition to or different from those available in the regular educational setting are needed to address the issue;
- e. the student is a clear threat to the safety of other students or personnel;
or
- f. the student has been charged with a felony or with any crime that allegedly endangered the safety of others, and it is reasonably foreseeable that the student's continued presence will significantly disrupt the regular educational environment.

The board encourages parental involvement in decisions regarding the child's education and in identifying effective options for addressing concerns regarding the child's behavior or academic performance.

2. Responsibilities of Personnel at Referring School

In addition to any other procedures required by this policy, prior to referring a student to an alternative learning program, the principal of the referring school must:

- a. document the procedures that were used to identify the student as being at risk of academic failure or as being disruptive or disorderly;
- b. provide the reasons for referring the student to an alternative learning program or school; and
- c. provide to the alternative learning program all relevant student records, including anecdotal information.

3. Referral

- a. Students who are recommended for long-term suspension or expulsion and who receive due process through the disciplinary process for violations of the Code of Student Conduct do not require additional referral procedures prior to transfer.
- b. Students who violate a rule of the Code of Student Conduct that permits placement into an alternative learning program do not require additional referral procedures prior to transfer.
- c. Prior to assignment in circumstances where a student is experiencing academic or developmental difficulties or continuing social/behavioral problems, the principal or school-based committee of the referring school shall document the student's behavior and academic performance and efforts to assist the student in the regular educational environment. School administrators are encouraged to meet with the student's parents or guardians to try to reach a consensus how to address the student's difficulties at school.
- d. In all cases where a basis for assignment exists, other than where the student has received due process pursuant to a recommendation for long-term suspension or expulsion, the principal must refer the student to a multi-disciplinary team to determine whether the student should be assigned to an alternative program. The principal must provide in writing: (1) an explanation of the student's behavior or academic performance that is at issue; (2) documentation or a summary of the documentation of the efforts to assist the student in the student's regular educational setting, if applicable; and (3) documentation of the circumstances that support the referral. A copy of the referral and other documentation must be provided to the parents or guardian by certified mail or in person.

The multi-disciplinary team shall consist of the student's parent or guardian and at least three school system employees who are informed about the student's needs. The team shall meet to consider the principal's referral and determine whether the student will be assigned to an alternative program and shall perform all other duties assigned to it by State Board of Education policy. The student's parent or guardian shall be provided written notice of the time, place, and date of the meeting.

At the meeting, the multi-disciplinary team shall determine whether the student will be assigned to the alternative program. The student's parent or guardian shall be provided written notice of the team's decision, as well as notice of the parent or guardian's appeal and due process rights. If the student's parent or guardian attended the team meeting, such notice shall

be provided at the end of the meeting. If the student's parent or guardian did not attend the meeting, such notice shall be provided by certified mail within one business day of the meeting. If the multi-disciplinary team approves the assignment, the principal of the regular educational setting and the coordinator of the alternative program shall make all necessary arrangements.

4. Responsibilities of School Personnel at the Alternative Learning Program

Once a student is placed in an alternative learning program or school, the appropriate school personnel of the program must meet to review the student's records and any other documentation forwarded by the referring school. Based on these records and any input provided by the parent or guardian concerning the student's needs, the personnel at the alternative program shall determine the support services and intervention strategies that are recommended for the student.

If a student who is subject to G.S. 14-208.18 is assigned to an alternative school, the student must be supervised by school personnel at all times.

5. Assignment of Student with Disabilities to Alternative Programs

Students who receive services under the Individuals with Disabilities Education Act (IDEA) are entitled to all of the processes and protections pursuant to the IDEA. All additional requirements specific to the assignment of students with disabilities to an alternative program or school established by State Board of Education policy shall be observed.

D. APPEALS PROCESS

If the student's assignment is the result of an IEP team decision for a student with a disability, parents or guardians who are dissatisfied with the decision must comply with the due process procedures set forth in *Procedures Governing Policies and Services for Children with Disabilities*, as adopted by the State Board of Education.

In all other cases, within three business days of receiving written notice of the decision to assign the student to an alternative program,, the parent or guardian may appeal the decision in writing to the superintendent, who shall review the documentation and render a decision within five business days, absent extraordinary circumstances that require additional response time. Parents and guardians who are dissatisfied with the superintendent's decision may appeal to the board. The board will hear the appeal in closed session and will follow its procedures as provided in policy 2500, Hearings Before the Board. During the period of the appeal, the student may be transferred to the alternative learning program or school, except as prohibited by the IDEA.

E. ADMINISTRATIVE ASSIGNMENTS

1. Assignment During a Long-Term or 365-Day Suspension

Any student who receives a long-term or 365-day suspension must be offered alternative education services unless the superintendent provides a significant or important reason for declining to offer such services. Alternative education services include, but are not limited to, the alternative programs or schools established in this policy in accordance with G.S. 115C-105.47A.

2. Assignment of Student Sex Offenders

The board may decide, pursuant to G.S. 115C-390.11(a)(2), to assign a student who is subject to G.S. 14-208.18 to an alternative learning program or school.

F. TRANSITION FROM ALTERNATIVE LEARNING PROGRAMS

In most instances, the goal of the alternative learning program is to return the student to the regular educational setting with the skills necessary to succeed in that environment as soon as practicable. The personnel of the alternative learning program and those of the regular educational setting shall work together to help create a successful transition for the student.

If the student is not or will not be returned to the regular educational setting, the alternative learning program will assist in the student's transition to other educational settings, including other programs offered by the school system or a community college or vocational school.

For students identified as eligible under the IDEA, the student's IEP team shall make all transition decisions that would result in a change in placement.

G. EVALUATION OF ALTERNATIVE LEARNING PROGRAMS

1. State Accountability

The board will determine annually how each alternative p will participate in the State Alternative Schools' Accountability Model. The superintendent shall provide for this information to be reported to the North Carolina Department of Public Instruction by August 1 of each year.

2. Information to be Reported to the Board of Education

Each year, the board will evaluate each alternative learning program or school based upon reports provided by the superintendent and any other information the board wishes to consider.

Legal References: G.S. 14-208.18; 115C-47(32a), -105.27, -105.47A, -105.48, -276(r), -288, -367, -369, -390.7, -390.9, -390.10, -390.11; 16 N.C.A.C. 6G .0314; State Board of Education Policy ACCT-038, ALTP-002, DROP-001, EXCP-001; *Policies Governing Services for Children with Disabilities*, as amended (Public Schools of N.C.); *Policies and Procedures for Alternative Learning Programs and Schools* (NC Dept. of Public Instruction), available at <https://www.dpi.nc.gov/students-families/enhanced-opportunities/alternative-learning-programs#development,-implementation,-and-operations>

Cross References: Parental Involvement (policy 1310/4002), Hearings Before the Board (policy 2500), School Improvement Plan (policy 3430), Conflict Resolution (policy 3431), Student Sex Offenders (policy 4260), School Plan for Management of Student Behavior (policy 4302), Student Discipline Records (policy 4345), Long-Term Suspension, 365-Day Suspension, Expulsion (policy 4353), Assignments/Reassignments/Transfers (policy 7440)

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

Revised: May 11, 2000, February 8, 2007, January 8, 2009, October 13, 2011, July 9, 2012, October 5, 2017, June 13, 2019, August 13, 2020, September 12, 2021

The board embraces the cultural diversity that foreign exchange students bring to the school system. Foreign exchange students expose the school community to new perspectives and customs, facilitate cross-cultural understanding, and prepare all students for a future with increasing global interconnectivity. Foreign exchange students may be accepted for admission into the school system only through approved foreign exchange student programs in accordance with this policy.

A. APPROVAL OF FOREIGN EXCHANGE STUDENT PROGRAMS

The superintendent or designee may approve a foreign exchange student program upon receipt of documentation that the program:

1. has met the standards established by the Council on Standards for International Educational Travel (CSIET) and appears on the current CSIET J-1 Advisory List;
2. has a local representative residing in or in close proximity to the geographical area served by the school system; and
3. has educational goals and operating procedures compatible with those of the school system.

The superintendent or designee may revoke the approval of any program that does not maintain compliance with the requirements of this policy and any accompanying administrative procedures.

B. RESPONSIBILITIES OF FOREIGN EXCHANGE STUDENT PROGRAMS

Approved foreign exchange student programs will be responsible for facilitating all matters associated with the exchange, including, but not limited to:

1. screening and selecting students who are suitable for the program;
2. ensuring that the student has fulfilled all requirements for entry into the United States on a J-1 visa;
3. assuming all financial and legal responsibility for the student;
4. assuming responsibility for all matters associated with the student's living arrangements, such as selecting and orienting the student's host family and providing ongoing support for the host family and student;
5. preparing the student for the exchange, orienting the student to the community and the school system, monitoring the student's progress throughout the school year,

and responding to any issues that may arise; and

6. communicating with the student's principal or designee, including providing the principal or designee with written notification of (1) any changes related to the host family or the foreign exchange student program's local representative and (2) any need to transfer academic credit back to the student's school of origin and the process for doing so.

C. ADMISSION OF FOREIGN EXCHANGE STUDENTS

Foreign exchange student applications must be submitted to the superintendent or designee by July 31 prior to the school year in which the student wishes to enroll. The applications will be reviewed on a first-come, first-served basis. Foreign exchange students may be admitted for either a year-long course of study or a semester course of study. Tuition will be waived for all foreign exchange students admitted into the school system pursuant to this policy.

The board may admit a foreign exchange student only if the following conditions are met.

1. The student's admission application must be complete and include:
 - a. the host family's name and address, which must be located within the geographic area served by the school system;
 - b. the student's current official transcript translated in English;
 - c. results of a recent physical examination and proof of required immunizations translated in English;
 - d. proof of insurance for accident and medical coverage;
 - e. a copy of any special rules or requirements of the foreign exchange program; and
 - f. any other information or forms required by the school system.
2. The student must have adequate command of the English language, as measured by a nationally normed English language assessment, to function in a regular classroom. The student's English language ability must be documented as part of the application process.
3. The student must not have previously attended school in the United States in either F-1 or J-1 visa status. Students will not be accepted as transfers from any other school system in the United States unless by approval of the superintendent.
4. The student must possess a valid J-1 visa prior to attending school.

5. The board must have determined that space is available at the school to which the student will be assigned. Generally, school assignment will be based on the address of the student's host family. If a different school assignment is approved, the host family must agree to provide the student transportation to and from school. Foreign exchange students will not be permitted to transfer schools after initial enrollment.

D. SELECTION OF COURSES AND EXTRACURRICULAR ACTIVITIES

Each school that enrolls foreign exchange students will designate a faculty member to act as the Foreign Exchange Student Advisor serving as a liaison between each foreign exchange student and the school. The Foreign Exchange Student Advisor will facilitate the selection of the student's courses and extracurricular activities in consultation with the foreign exchange student program's local representative, the host family, school personnel, and the student.

Students will be allowed to participate in interscholastic athletics and other extracurricular activities if they meet all applicable eligibility requirements (see policy 3620, Extracurricular Activities and Student Organizations) and are not otherwise prohibited by restrictions of the foreign exchange student program.

As the fundamental purpose of the exchange program is cultural exchange, foreign exchange students are not eligible to receive diplomas. Students who were enrolled as 12th graders may participate in high school graduation exercises and associated ceremonies and be awarded honorary certificates.

The superintendent or designee shall develop any necessary administrative procedures to implement this policy.

Legal References: Mutual Educational and Cultural Exchange Act of 1961, as amended, Public Law 87-256, 22 U.S.C. 2451, *et seq.*; 22 C.F.R. Part 62

Cross References: Extracurricular Activities and Student Organizations (policy 3620), Immunizations and Health Requirements for School Admission (policy 4110)

Adopted:

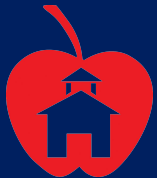


2026-2027 Calendar Proposal

Gayle Higgs

Director of Support Services

January 9, 2025



Calendar Committee



Board Members



**Parents /
Guardians**

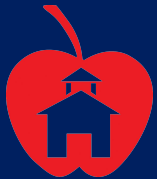


Teachers & Staff



District Admin

The committee met virtually on December 10 and December 16.

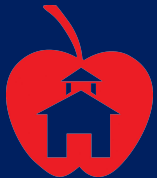


School Calendar Legislation

School Calendars must meet the following requirements:

***No new updates since June 30, 2020**

- Start date no earlier than the Monday closest to August 26
- Cover at least nine (9) calendar months
- Must have a minimum of 185 days or 1,025 hours of instruction
- Must have at least nine (9) teacher workdays
- Two (2) designated workdays on which teachers may take accumulated vacation leave
- Minimum of ten (10) annual vacation leave days
- Same or equivalent number of holidays as required by the State Personnel Commission for State Employees (11 Holidays + July 4)
- End date no later than the Friday closest to June 11
- Must include 215 Teacher/Staff days



Process & Feedback

The calendar committee started with 3 rough drafts with built in state legislation requirements.

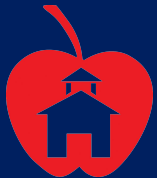
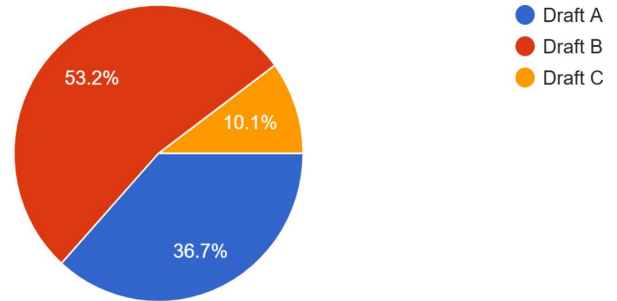
Feedback was discussed among the committee and a survey was sent out to collect additional feedback from stakeholders.

Focus areas in preferred draft:

- Beginning of the Year Workdays
- Winter Break
- Spring Break

Which calendar draft do you prefer?

79 responses



Two Proposed 2026-2027 Drafts

Asheboro City Schools Calendar 2026-2027 DRAFT 1

July 2026						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
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19	20	21	22	23	24	25
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August 2026						
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September 2026						
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October 2026						
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November 2026						
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December 2026						
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3 Holiday

August
13 Optional Teacher Workday

14-21 Required Workdays

24 First Day for Students

September
7 Holiday

23 Early Release Day/Staff PD

October
26 End of First Quarter

27 Required Workday

November
11 Holiday

25 Optional Teacher Workday

26-27 Holiday

December
18 Early Release Day/Winter Break

21-23 Vacation/Annual Leave

24,25,28 Holiday

29-31 Vacation/Annual Leave

January
1 Holiday

15 End of Second Quarter

18 Holiday

19-20 Required Workdays

February
17 Early Release Day/Staff PD

March
25 End of Third Quarter

26 Holiday

29-31 Vacation/Annual Leave

April
1 Vacation/Annual Leave

2 Optional Teacher Workday

28 Early Release Day/Staff PD

May
24 Holiday

June
4 Early Release Day/Last Day

7-8 Required Workdays

9 Optional Teacher Workday

January 2027						
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February 2027						
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March 2027						
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April 2027						
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June 2027						
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- Holidays
- Optional Teacher Workdays
- Required Teacher Workdays
- Vacation/Annual Leave
- Early Release

Asheboro City Schools Calendar 2026-2027 DRAFT 2

July 2026						
S	M	T	W	T	F	S
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August 2026						
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September 2026						
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October 2026						
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November 2026						
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December 2026						
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5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

3 Holiday

August
13-21 Required Workdays

24 First Day for Students

September
7 Holiday

23 Early Release Day/Staff PD

October
26 End of First Quarter

27 Required Workday

November
11 Holiday

25 Optional Teacher Workday

26-27 Holiday

December
18 Early Release Day/Winter Break

21 Optional Teacher Workday

22-23 Vacation/Annual Leave

24,25,28 Holiday

29-31 Vacation/Annual Leave

January
1 Holiday

15 End of Second Quarter

18 Holiday

19-20 Required Workdays

February
17 Early Release Day/Staff PD

March
24 End of Third Quarter

25 Optional Teacher Workday

26 Holiday

29-31 Vacation/Annual Leave

April
1-2 Vacation/Annual Leave

28 Early Release Day/Staff PD

May
24 Holiday

June
4 Early Release Day/Last Day

7-8 Required Workdays

9 Optional Teacher Workday

January 2027						
S	M	T	W	T	F	S
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February 2027						
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

March 2027						
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

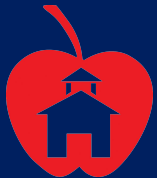
April 2027						
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May 2027						
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9	10	11	12	13	14	15
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June 2027						
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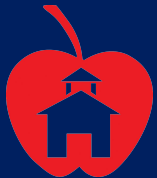
Proposed 2026-2027 Calendar Drafts

	Draft 1	Draft 2
Total Staff Days	215	215
Holidays	11	11
Annual Leave	10	10
Workdays	15	16
1st Quarter Days	45	45
2nd Quarter Days	44	44
3rd Quarter Days	46	45
4th Quarter Days	44	44
Total Student Days	179	178
Total Hours	1074	1068
5 Early Release Days	-15	-15
Net Hours	1059	1053
Banked Hours	34	28

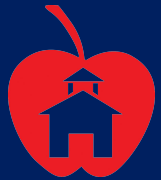


Key Elements of Proposed Calendar Drafts

- First Day for Staff: August 13
 - Draft 1 - Optional
 - Draft 2 - Required
- First Day for Students: August 24
- Early Release Days: 5 total, including Winter Break and Last Day
- Winter Break: December 21 - January 1
 - Draft 1 - Optional Workday
 - Draft 2 - Annual Leave Day
- Required Workdays in October, January, and June
- Spring Break:
 - Draft 1 - Begins on March 26 with a Holiday and Optional Day on April 2
 - Draft 2 - Begins on March 25 with an Optional Day and ends on April 2
- Last Day for Students and Graduation: Friday, June 4
- Last Day for Staff: June 9 - Optional Workday



Questions



Asheboro City Schools Calendar 2026-2027 DRAFT 1

July 2026						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2026						
S	M	T	W	T	F	S
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30	31					

September 2026						
S	M	T	W	T	F	S
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October 2026						
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25	26	27	28	29	30	31

November 2026						
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22	23	24	25	26	27	28
29	30					

December 2026						
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

July	
3	Holiday

August	
13	Optional Teacher Workday
14-21	Required Workdays

September	
24	First Day for Students

October	
7	Holiday
23	Early Release Day/Staff PD

November	
26	End of First Quarter
27	Required Workday

December	
11	Holiday
25	Optional Teacher Workday
26-27	Holiday

January	
18	Early Release Day/Winter Break

February	
21-23	Vacation/Annual Leave

March	
24,25,28	Holiday
29-31	Vacation/Annual Leave

April	
1	Holiday

May	
15	End of Second Quarter

June	
18	Holiday
19-20	Required Workdays

July	
17	Early Release Day/Staff PD

August	
25	End of Third Quarter

September	
26	Holiday
29-31	Vacation/Annual Leave

October	
1	Vacation/Annual Leave

November	
2	Optional Teacher Workday
28	Early Release Day/Staff PD

December	
24	Holiday

January	
4	Early Release Day/Last Day

February	
7-8	Required Workdays

March	
9	Optional Teacher Workday

April	
Holidays	
Optional Teacher Workdays	
Required Teacher Workdays	
Vacation/Annual Leave	
Early Release	

January 2027						
S	M	T	W	T	F	S
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February 2027						
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March 2027						
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April 2027						
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May 2027						
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June 2027						
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20	21	22	23	24	25	26
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Asheboro City Schools Calendar 2026-2027 DRAFT 2

July 2026						
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5	6	7	8	9	10	11
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August 2026						
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30	31					

September 2026						
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October 2026						
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November 2026						
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December 2026						
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24,25,28	Holiday
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April	
1-2	Vacation/Annual Leave
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May	
24	Holiday

June	
4	Early Release Day/Last Day
7-8	Required Workdays
9	Optional Teacher Workday

Holidays	
	Optional Teacher Workdays
	Required Teacher Workdays
	Vacation/Annual Leave
	Early Release

January 2027						
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February 2027						
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March 2027						
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April 2027						
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May 2027						
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30	31					

June 2027						
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26	27	28	29	30		

CALENDAR OF UPCOMING EVENTS - January 9, 2025 Board Meeting

DATE	TIME	EVENT	LOCATION
Monday, January 20	All Day	Holiday	All Schools
Tuesday, January 21 & Wednesday, January 22	All Day	Required Teacher Workdays	All Schools
Tuesday, January 28	4:00-6:00 p.m.	ECDC Family Engagement Night	Early Childhood Development Center
Monday, February 3	6:00 p.m.	Randolph County Commissioners Meeting	Old Historic Courthouse
Wednesday, February 5	9:00 a.m. - 3:30 p.m.	Board Officers Academy	NCSBA Office, Raleigh
Thursday, February 6	9:00 a.m. - 4:00 p.m.	Board Chair/Superintendent Seminar	NCSBA Office, Raleigh
Thursday, February 13	5:00 p.m.	South Asheboro Middle School Groundbreaking	South Asheboro Middle School
Thursday, February 13	6:00 p.m.	Board of Education Joint Meeting with Randolph County Commissioners	Professional Development Center
Thursday, February 13	7:30 p.m.	Board of Education Meeting	Professional Development Center
Monday, February 17	All Day	Required Workday	All Schools
Saturday, February 22	9:00 a.m. - 2:00 p.m.	ACS Board of Education Retreat	Professional Development Center