



CRISP COUNTY BOARD OF EDUCATION CORDELE, GEORGIA

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015
(Including Independent Auditor's Reports)**



CRISP COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

	<u>Page</u>
SECTION I	
FINANCIAL	
INDEPENDENT AUDITOR'S REPORT	
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	i
EXHIBITS	
BASIC FINANCIAL STATEMENTS	
DISTRICT-WIDE FINANCIAL STATEMENTS	
A STATEMENT OF NET POSITION	1
B STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
C BALANCE SHEET	
GOVERNMENTAL FUNDS	3
D RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	4
E STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	
GOVERNMENTAL FUNDS	5
F RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	6
G STATEMENT OF FIDUCIARY NET POSITION	
FIDUCIARY FUNDS	7
H STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	
FIDUCIARY FUNDS	8
I NOTES TO THE BASIC FINANCIAL STATEMENTS	9
SCHEDULES	
REQUIRED SUPPLEMENTARY INFORMATION	
1 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHERS' RETIREMENT SYSTEM OF GEORGIA	30
2 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA	31
3 SCHEDULE OF CONTRIBUTIONS - TEACHERS' RETIREMENT SYSTEM OF GEORGIA	32
4 SCHEDULE OF CONTRIBUTIONS - EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA	34
5 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION	36

CRISP COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

	<u>Page</u>
SECTION I	
FINANCIAL	
SCHEDULES	
REQUIRED SUPPLEMENTARY INFORMATION	
6 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND	37
SUPPLEMENTARY INFORMATION	
7 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	38
8 SCHEDULE OF STATE REVENUE	40
9 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS	41
10 ALLOTMENTS AND EXPENDITURES GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS (QBE) BY PROGRAM	43
SECTION II	
COMPLIANCE AND INTERNAL CONTROL REPORTS	
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133	
SECTION III	
AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS	
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS	
SECTION IV	
FINDINGS AND QUESTIONED COSTS	
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	

SECTION I

FINANCIAL



DEPARTMENT OF AUDITS AND ACCOUNTS

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Greg S. Griffin
STATE AUDITOR
(404) 656-2174

March 25, 2016

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Crisp County Board of Education

INDEPENDENT AUDITOR'S REPORT

Ladies and Gentlemen:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crisp County Board of Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements (Exhibits A through I), which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Crisp County Board of Education, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2015, the Crisp County Board of Education adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The School District restated beginning Net Position for the cumulative effect of these accounting changes. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Proportionate Share of the Net Pension Liability, Schedules of Contributions to Retirement Systems, Notes to the Required Supplementary Information and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual as presented on pages i through ix and pages 30 through 37, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Crisp County Board of Education's basic financial statements. The accompanying supplementary information, consisting of Schedules 7 through 10, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The accompanying supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 March 25, 2016, on our consideration of the Crisp County 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crisp County Board of Education's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record in the office of the State Auditor and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,



Greg S. Griffin
State Auditor

GSG:kt
2015ARL-11
March 25, 2016

CRISP COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

INTRODUCTION

As management of the Crisp County Board of Education (School District), we offer readers of the Crisp County Board of Education's financial statements this narrative overview and analysis of the financial activities of the Crisp County Board of Education for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the School District's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2015 are as follows:

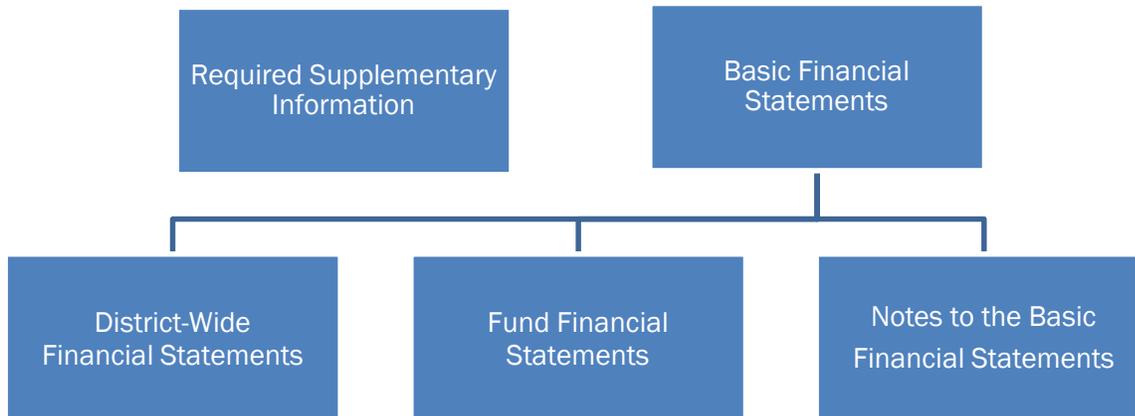
- District-wide beginning net position at July 1, 2014 was restated to \$32.8 million. This reflects a decrease of \$32.1 million, due to the implementation of GASB Statement 68 and Statement 71, as described in Note 2 of the Notes to the Basic Financial Statements.
- The District-wide net position at June 30, 2015 was approximately \$33.6 million. Net position reflects the difference between all assets, deferred outflows of resources, liabilities and deferred inflows of resources. The net position at June 30, 2015 of \$33.6 million represented an increase of approximately \$800 thousand when compared to the prior year restated balance.
- The School District had over \$43.6 million in expenses relating to governmental activities; only \$29.8 million of these expenses were offset by program specific charges for services, operating and capital grants and contributions. However, the general revenues (primarily property and sales taxes) of approximately \$17.1 million provided additional funding of these expenses.
- The District-wide special item of approximately -\$2.6 million resulted from the reduction of the carrying value of A.S Clark Elementary and Blackshear Trail Elementary as these assets were considered impaired. These schools became vacant due to the completion of a new Primary school.
- The governmental funds ending fund balance at June 30, 2015 was approximately \$8.2 million, with a net increase of \$.2 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately \$4.7 million, or 11.16% of total general fund expenditures for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Crisp County Board of Education's basic financial statements. The School District's basic financial statements consist of three components: (1) District-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements (see Table 1). The basic financial statements present two different views of the School District through the use of District-wide statements and fund financial statements. In addition to the basic financial statements, this report contains the management discussion and analysis (this section), required supplementary information and supplementary information that will enhance the reader's understanding of the financial condition of the Crisp County Board of Education.

CRISP COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Table 1
Required Components of Annual Financial Report



Basic Financial Statements

The first two statements (Exhibits A and B) of the basic financial statements are the District-wide financial statements. They provide both short term and long term information about the School District's financial status.

The next statements (Exhibits C through H) are the fund financial statements. These statements focus on the activities of the individual parts of the School District's government and provide more detail than the District-wide statements. There are two types of funds presented in the fund financial statements: (1) Governmental funds and (2) fiduciary funds.

The next section (Exhibit I) of the basic financial statements reflects the notes to the basic financial statements. The notes explain in detail some of the data contained in the District-wide and fund financial statements.

District-wide Financial Statements

The District-wide financial statements are designed to provide the reader with a broad overview of the School District's finances in a format similar to the financial statements of a private-sector business. The government-wide statements provide short-term and long-term information about the School District's financial status as a whole.

The two District-wide statements report the School District's net position and how it has changed. Net position is the difference between the School District's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the School District's financial condition.

These statements are presented using the economic resources measurement focus (accrual accounting), which is similar to the accounting used by most private-sector businesses. This basis of accounting includes all of the current year's revenues and expenditures regardless of when cash is received or paid.

CRISP COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The District-wide statements include the School District's basic services such as instruction, support services, food services, and enterprise operations. Property taxes and state and Federal grant funds finance most of these activities.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School District's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Crisp County Board of Education, like other governmental entities in Georgia, uses fund accounting to ensure and reflect compliance (or non-compliance) with legal, grant, etc. requirements.

The School District has two kinds of funds as discussed below:

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Board's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using the modified accrual method of accounting, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or fewer financial resources available to finance the School District's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reflected in a reconciliation, which is part of the fund financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for clubs, organizations and others within the principals' accounts for which the School District is the trustee, or fiduciary. The School District is responsible for ensuring that the assets reported in the funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

DISTRICT-WIDE FINANCIAL ANALYSIS

The total assets and deferred outflows of the Crisp County Board of Education exceeded the total liabilities and deferred inflows by over \$33.6 million (net position) at June 30, 2015. Current year net position decreased by approximately \$31.2 million from the prior year, primarily due to the implementation of GASB Statements No. 68 and No. 71. With the new reporting requirements of GASB 68 and GASB 71, the School District has recorded its proportionate share of the Teachers' Retirement System and Employees' Retirement System in net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. Decisions regarding the allocations were made by the administrators of the pension plans, not by Crisp County Board of Education's management.

The largest portion of net position is the School District's investment in capital assets (net of related debt) of approximately \$55.4 million. The School District uses these capital assets (e.g., land, buildings, and equipment) to provide services to the students. Consequently, this net position is not available for future spending. An additional portion of the School District's net position totaling approximately \$2.6 million, represents resources that are subject to external restrictions regarding how they may be used. The remaining portion of the Board's net position is the unrestricted deficit

CRISP COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

balance of over \$24.4 million. This deficit balance is due to the implementation of GASB Statement 68 and GASB Statement 71, as described above.

As noted above, net position may serve, over time, as one useful indicator of a government's financial condition. Table 2 provides a summary of the School District's net position for the current year as compared to the prior fiscal year.

**Table 2
Net Position**

	Governmental Activities	
	Fiscal Year 2015	Fiscal (1) Year 2014
Current and Other Assets	\$ 15,708,051	\$ 13,460,010
Capital Assets	55,419,506	56,114,975
Deferred Outflows of Resources	3,018,022	
	74,145,579	69,574,985
Total Assets and Deferred Outflows of Resources		
Current and Other Liabilities	6,289,283	4,592,867
Long Term Liabilities	25,440,254	136,206
Deferred Inflows of Resources	8,811,256	
	40,540,793	4,729,073
Total Liabilities and Deferred Inflows of Resources		
Net Position		
Investment in Capital Assets	55,419,506	56,114,975
Restricted	2,590,629	2,861,988
Unrestricted	-24,405,349	5,868,949
	33,604,786	64,845,912
Total Net Position	\$ 33,604,786	\$ 64,845,912

(1) Though this is not reflected in the analysis above, net position at July 1, 2014 has been restated to approximately \$32.8 million due to the implementation of GASB Statements 68 and 71. Based on this restated beginning net position, total net position increased by \$827.6 thousand from the prior year. This change in net position is detailed in Table 3 as presented on the following page.

CRISP COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Table 3
Change in Net Position

	Governmental Activities	
	Fiscal Year 2015	Fiscal Year 2014 (1)
Revenue		
Program Revenues:		
Charges for Services	\$ 332,855	\$ 356,589
Operating Grants and Contributions	29,510,780	28,569,601
Capital Grants and Contributions		606,250
Total Program Revenues	<u>29,843,635</u>	<u>29,532,440</u>
General Revenues:		
Property Taxes	10,262,889	9,389,873
Sales Taxes	4,085,731	3,992,470
Grants and Contributions not Restricted to Specific Programs	2,187,047	1,961,732
Other	571,606	406,871
Total General Revenues	<u>17,107,273</u>	<u>15,750,946</u>
Total Revenues	<u>46,950,908</u>	<u>45,283,386</u>
Program Expenses		
Instruction	26,046,113	27,623,519
Support Services		
Pupil Services	1,532,336	1,397,471
Improvement of Instructional Services	1,922,831	1,767,986
Educational Media Services	797,615	783,878
General Administration	689,400	912,262
School Administration	2,457,210	2,688,913
Business Administration	326,756	332,334
Maintenance and Operation of Plant	3,585,682	3,487,425
Student Transportation Services	2,056,330	2,018,043
Central Support Services	158,878	157,334
Other Support Services	600,582	614,079
Operations of Non-Instructional Services		
Enterprise Operations	118,341	135,391
Food Services	3,275,144	3,148,998
Total Expenses	<u>43,567,218</u>	<u>45,067,633</u>
Special Items		
Loss on Impairment	-2,556,071	0
Change in Net Position	<u>\$ 827,619</u>	<u>\$ 215,753</u>

(1) Fiscal Year 2014 balances do not reflect the effects of the Restatement of Net Position. See Note 2 in the Notes to the Basic Financial Statements for additional information.

CRISP COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The increase in net position of \$827.6 thousand was the result of a concerted effort to control costs and manage expenditures. The School District's management acknowledges that fiscal year 2015 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health.

Several particular aspects of the School District's financial operations positively influenced the total unrestricted governmental net position:

- Increased state revenues of approximately \$1.0 million primarily due to a reduction of the amended formula adjustment.
- The School District's ability to operate with no debt.
- The addition of the Striving Readers Federal grants for the High School, Middle School, Elementary School and the Pre-Kindergarten Programs.

Cost of Providing Services

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting these services. Table 4 shows, for governmental activities, the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net costs reflects the financial burden on the School District's taxpayers by each activity as compared to the prior fiscal year.

Table 4
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2013	2014 (1)	2013	2014 (1)
Instruction	\$ 26,046,112	\$ 27,623,519	\$ 5,253,779	\$ 7,238,688
Support Services:				
Pupil Services	1,532,336	1,397,471	1,179,205	1,074,907
Improvement of Instructional Services	1,922,831	1,767,986	519,670	488,055
Educational Media Services	797,615	783,878	298,288	294,730
General Administration	689,400	912,262	-8,500	267,180
School Administration	2,457,210	2,688,913	1,398,439	1,561,421
Business Administration	326,756	332,334	324,654	312,758
Maintenance and Operation of Plant	3,585,682	3,487,425	2,235,462	2,108,468
Student Transportation Services	2,056,330	2,018,043	1,439,156	1,271,171
Central Support Services	158,878	157,334	155,517	153,085
Other Support Services	600,582	614,079	440,659	399,288
Operations of Non-Instructional Services:				
Enterprise Operations	118,341	135,391	118,341	135,391
Food Services	3,275,144	3,148,998	368,913	230,051
Total Expenses	<u>\$ 43,567,217</u>	<u>\$ 45,067,633</u>	<u>\$ 13,723,583</u>	<u>\$ 15,535,193</u>

(1) Fiscal Year 2014 balances do not reflect the effects of the Restatement of Net Position. See Note 2 in the Notes to the Basic Financial Statements for additional information.

CRISP COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

At June 30, 2015, the governmental funds of Crisp County Board of Education reported a combined fund balance of approximately \$8.2 million, which represents a net increase in fund balance of \$159,640. The fund balance available in the general fund was approximately \$5.6 million and the Capital Projects was \$2.6 million. The Crisp County Board of Education has determined that the School District should maintain an available fund balance of 10% of general fund expenditures in case unforeseen needs or opportunities arise in addition to meeting the cash flow needs of the School District. The School District currently has an available general fund balance of 13.27% of general fund expenditures, and total governmental fund balance represents 17.73% of total governmental expenditures.

Table 5 provides a summary of the School District's governmental fund balances for this fiscal year as compared to the prior fiscal year.

**Table 5
Governmental Fund Balances**

	Governmental Funds	
	Fiscal Year 2015	Fiscal Year 2014
	General Fund	\$ 5,640,817
Capital Projects Fund	2,597,679	2,570,346
Total	\$ 8,238,496	\$ 8,081,365

General Fund Budgeting Highlights

The Crisp County Board of Education adopts an annual budget for its general fund, as required by Georgia Law. The budget is a legally adopted document that incorporates input from the citizens of the School District, the management of the School District, and the decisions of the School District regarding the services to provide and how to pay for them. It also authorizes the School District to obtain funds from identified sources to finance these current period activities. The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual provided for the general fund demonstrates how well the School District complied with the budget policy and whether or not the School District succeeded in providing the services planned when the budget was adopted. The schedule shows four columns: (1) The original budget as adopted by the School District; (2) the final budget as amended by the School District; (3) the actual revenues, expenditures and ending fund balances in the general fund; and 4) the difference or variance between the final budget and the actual revenues and expenditures.

During the fiscal year, the School District revised the budget on one occasion. Generally, budget amendments fall into one of three categories: (1) Amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2)

CRISP COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

amendments made to recognize new funding amounts from external sources, such as Federal and state grants; and (3) increases in appropriations that become necessary to maintain services. In the current year, the School District revised its budget to move funds from one category to a different category due to the transition of employees from two elementary schools and two primary schools to one elementary school and one primary school. The amended budget total remained close to the same level as the original budget total.

For the general fund, the final actual revenues of \$42.6 million were more than the final budgeted amount of \$42.1 million by approximately \$.5 million. This can be attributed to receiving more property taxes than originally expected.

The general fund's final actual expenditures of \$42.5 million were less than the final budget amount of \$42.7 million by approximately \$.2 million. The District believes it effectively managed its budget during the fiscal year. Additionally, the School District did not include revenues and expenditures for school activity accounts in the final budget.

CAPITAL ASSETS

At fiscal year ended June 30, 2015, the School District had \$55.4 million invested in capital assets, net of accumulated depreciation, all in governmental activities. These assets are made up of a broad range of items including buildings; land; land improvements; and food service, transportation and maintenance equipment. Table 6 reflects a summary of these balances, net of accumulated depreciation, as compared to the prior fiscal year.

Table 6
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year	Fiscal Year
	2015	2014
Land	\$ 2,238,317	\$ 2,238,317
Construction in Progress	1,894,832	25,427
Building and Building Improvements	45,779,881	48,701,786
Equipment	3,251,556	2,649,916
Land Improvements	2,254,920	2,499,528
Total	\$ 55,419,506	\$ 56,114,974

Major capital asset transactions during the year include the following:

- Construction in progress includes renovations for the high school and the elementary school.
- The net book values of all assets associated with A.S. Clark Elementary School and Blackshear Trail Elementary School have been reduced by \$1,908,823 and \$647,248, respectively. This reduction is the result of an impairment related to the fact that the building was vacant due to the construction of the new primary school in March 2014.

CRISP COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Additional information about the School District's capital assets can be found in the Notes of the Basic Financial Statements.

CURRENT ISSUES

Currently known circumstances that are expected to have a significant effect on financial position or results of operations in future years are as follows:

- Bids have been opened for the sale of A.S. Clark Elementary School, and a sale is pending for this property.
- On November 3, 2015, the voters of Crisp County passed the continuance of the 1% Education Special Local Option Sales Tax for capital improvements and the issuance of up to \$15.0 million in general obligation debt.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Board's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Donna Beavers, Director of Finance, Crisp County Board of Education, 201 7th Street South, Cordele, GA 31015. One may also call (229) 276-3400, visit our website www.crispschools.org or send an email to dbeavers@crispschools.org.

CRISP COUNTY BOARD OF EDUCATION

CRISP COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2015

EXHIBIT "A"

		GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>		
Cash and Cash Equivalents	\$	2,221,151.03
Investments		7,372,387.32
Accounts Receivable, Net		
Interest		177.74
Taxes		1,807,114.38
State Government		2,972,143.88
Federal Government		1,167,413.40
Local		17,007.95
Other		102,886.36
Inventories		47,768.42
Capital Assets, Non-Depreciable		4,133,149.41
Capital Assets, Depreciable (Net of Accumulated Depreciation)		51,286,356.89
Total Assets		71,127,556.78
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Related to Defined Benefit Pension Plans		3,018,022.35
<u>LIABILITIES</u>		
Accounts Payable		278,055.98
Salaries and Benefits Payable		4,470,915.58
Payroll Withholdings Payable		5,398.89
Contracts Payable		1,324,097.10
Retainages Payable		167,636.70
Deposits and Unearned Revenues		43,178.62
Long-Term Liabilities		
Due in More Than One Year		155,997.63
Net Pension Liability		25,284,256.00
Total Liabilities		31,729,536.50
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to Defined Benefit Pension Plans		8,811,256.00
<u>NET POSITION</u>		
Investment in Capital Assets		55,419,506.30
Restricted for		
Continuation of Federal Programs		65,766.99
Capital Projects		2,524,862.12
Unrestricted (Deficit)		-24,405,348.78
Total Net Position	\$	33,604,786.63

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

CRISP COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUES AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 26,046,112.35	\$ 243,337.67	\$ 20,548,995.41	\$ -5,253,779.27
Support Services				
Pupil Services	1,532,335.46		353,130.58	-1,179,204.88
Improvement of Instructional Services	1,922,831.38		1,403,161.50	-519,669.88
Educational Media Services	797,614.91		499,327.00	-298,287.91
General Administration	689,400.20		697,899.82	8,499.62
School Administration	2,457,209.78		1,058,770.65	-1,398,439.13
Business Administration	326,755.91		2,102.14	-324,653.77
Maintenance and Operation of Plant	3,585,682.49	4,785.40	1,345,435.25	-2,235,461.84
Student Transportation Services	2,056,329.93		617,174.22	-1,439,155.71
Central Support Services	158,877.76		3,360.45	-155,517.31
Other Support Services	600,582.12		159,923.24	-440,658.88
Operations of Non-Instructional Services				
Enterprise Operations	118,341.26			-118,341.26
Food Services	3,275,143.96	84,731.50	2,821,499.75	-368,912.71
Total Governmental Activities	\$ 43,567,217.51	\$ 332,854.57	\$ 29,510,780.01	-13,723,582.93
General Revenues				
Taxes				
Property Taxes				
For Maintenance and Operations				10,208,929.05
Railroad Cars				53,959.59
Sales Taxes				
Special Purpose Local Option Sales Tax				
For Capital Projects				3,976,653.07
Other Sales Tax				109,077.62
Grants and Contributions not Restricted to Specific Programs				
Investment Earnings				2,187,047.00
Miscellaneous				11,553.33
Miscellaneous				560,052.61
Special Items				
Loss on Impairment				-2,556,070.99
Total General Revenues and Special Items				14,551,201.28
Change in Net Position				827,618.35
Net Position - Beginning of Year, Restated				32,777,168.28
Net Position - End of Year				\$ 33,604,786.63

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

CRISP COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

EXHIBIT "C"

	<u>GENERAL FUND</u>	<u>DISTRICT- WIDE CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,148,334.40	\$ 72,816.63	\$ 2,221,151.03
Investments	3,719,234.71	3,653,152.61	7,372,387.32
Accounts Receivable, Net			
Interest	177.74		177.74
Taxes	1,440,126.36	366,988.02	1,807,114.38
State Government	2,972,143.88		2,972,143.88
Federal Government	1,167,413.40		1,167,413.40
Local	17,007.95		17,007.95
Other	102,886.36		102,886.36
Inventories	47,768.42		47,768.42
Total Assets	<u>\$ 11,615,093.22</u>	<u>\$ 4,092,957.26</u>	<u>\$ 15,708,050.48</u>
 <u>LIABILITIES</u>			
Accounts Payable	\$ 274,511.27	\$ 3,544.71	\$ 278,055.98
Salaries and Benefits Payable	4,470,915.58		4,470,915.58
Payroll Withholdings Payable	5,398.89		5,398.89
Contracts Payable		1,324,097.10	1,324,097.10
Retainages Payable		167,636.70	167,636.70
Deposits and Unearned Revenue	43,178.62		43,178.62
Total Liabilities	<u>4,794,004.36</u>	<u>1,495,278.51</u>	<u>6,289,282.87</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue - Property Taxes	1,180,272.01		1,180,272.01
 <u>FUND BALANCES</u>			
Nonspendable	47,768.42		47,768.42
Restricted	17,998.57	2,524,862.12	2,542,860.69
Assigned	829,792.85	72,816.63	902,609.48
Unassigned	4,745,257.01		4,745,257.01
Total Fund Balances	<u>5,640,816.85</u>	<u>2,597,678.75</u>	<u>8,238,495.60</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,615,093.22</u>	<u>\$ 4,092,957.26</u>	<u>\$ 15,708,050.48</u>

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

CRISP COUNTY BOARD OF EDUCATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2015

EXHIBIT "D"

Total Fund Balances - Governmental Funds (Exhibit "C") \$ 8,238,495.60

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not financial resources and therefore are not reported as assets in governmental funds. These assets consist of:

Land	\$	2,238,317.21	
Construction in Progress		1,894,832.20	
Land Improvements		6,187,733.65	
Buildings		59,066,993.84	
Equipment		8,352,278.04	
Accumulated Depreciation		<u>-22,320,648.64</u>	
Total Capital Assets			55,419,506.30

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

Net Pension Liability -25,284,256.00

Deferred Outflows and Inflows of Resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

-5,793,233.65

Taxes that are not available to pay for current period expenditures are deferred in the governmental funds.

Property Taxes 1,180,272.01

Long-Term Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.
 Long-Term Liabilities consisted of:

Compensated Absences Payable -155,997.63

Net Position of Governmental Activities (Exhibit "A") \$ 33,604,786.63

CRISP COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

EXHIBIT "E"

	GENERAL FUND	DISTRICT- WIDE CAPITAL PROJECTS FUND	TOTAL
<u>REVENUES</u>			
Property Taxes	\$ 9,868,394.21		\$ 9,868,394.21
Sales Taxes	109,077.62	\$ 3,976,653.07	4,085,730.69
State Funds	24,329,561.26		24,329,561.26
Federal Funds	7,438,633.77		7,438,633.77
Charges for Services	332,854.57		332,854.57
Investment Earnings	7,312.92	4,240.41	11,553.33
Miscellaneous	558,978.57		558,978.57
	42,644,812.92	3,980,893.48	46,625,706.40
Total Revenues			
<u>EXPENDITURES</u>			
Current			
Instruction	25,346,197.20	141,974.16	25,488,171.36
Support Services			
Pupil Services	1,469,047.87	35,034.00	1,504,081.87
Improvement of Instructional Services	1,992,961.66		1,992,961.66
Educational Media Services	780,588.64		780,588.64
General Administration	666,484.58	3,663.54	670,148.12
School Administration	2,468,127.30	39,466.21	2,507,593.51
Business Administration	315,761.56	1,287.00	317,048.56
Maintenance and Operation of Plant	3,501,052.24	422,124.71	3,923,176.95
Student Transportation Services	1,850,399.10	488,920.00	2,339,319.10
Central Support Services	165,179.97		165,179.97
Other Support Services	621,252.72	450.00	621,702.72
Enterprise Operations	118,341.26		118,341.26
Food Services Operation	3,218,186.28		3,218,186.28
Capital Outlay		2,820,640.69	2,820,640.69
	42,513,580.38	3,953,560.31	46,467,140.69
Total Expenditures			
Excess of Revenues over (under) Expenditures	131,232.54	27,333.17	158,565.71
<u>OTHER FINANCING SOURCES</u>			
Transfers In	1,074.04		1,074.04
	132,306.58	27,333.17	159,639.75
Net Change in Fund Balances			
Fund Balances - Beginning	5,511,018.95	2,570,345.58	8,081,364.53
Inventory - Net Change in Period	-2,508.68		-2,508.68
	5,508,510.27	2,570,345.58	8,078,855.85
Fund Balances - Ending	\$ 5,640,816.85	\$ 2,597,678.75	\$ 8,238,495.60

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

CRISP COUNTY BOARD OF EDUCATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 JUNE 30, 2015

EXHIBIT "F"

Total Net Change in Fund Balances - Governmental Funds (Exhibit "E") \$ 159,639.75

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital Outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of Capital Assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlay	\$	3,939,062.28	
Depreciation Expense		<u>-2,078,459.82</u>	
Excess of Capital Outlay over Depreciation Expense			1,860,602.46

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position. -2,556,070.99

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 394,494.43

Food Inventories are expensed on the District-wide Statements using the consumption method while on the fund level Food Inventories are recorded as expenditures when purchased. In the current period this difference amounts to. -2,508.68

Some items 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. These net adjustments consist of:

Compensated Absences	\$	-19,791.97	
Pension Expense		<u>991,253.35</u>	
Total Additional Expenditures			<u>971,461.38</u>

Change in Net Position of Governmental Activities (Exhibit "B") \$ 827,618.35

CRISP COUNTY BOARD OF EDUCATION
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2015

EXHIBIT "G"

	PRIVATE PURPOSE TRUSTS	AGENCY FUNDS
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 46,554.38	\$ 74,675.59
Investments	118,515.75	
Accounts Receivable, Net		
Interest and Dividends	59.10	
Total Assets	\$ 165,129.23	\$ 74,675.59
 <u>LIABILITIES</u>		
Funds Held for Others		\$ 74,675.59
 <u>NET POSITION</u>		
Held in Trust for Private Purposes	\$ 165,129.23	

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

CRISP COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2015

EXHIBIT "H"

	<u>PRIVATE PURPOSE TRUSTS</u>
<u>ADDITIONS</u>	
Investment Earnings	
Interest	\$ <u>414.49</u>
<u>DEDUCTIONS</u>	
Scholarships	5,000.00
Other Deductions	<u>122.16</u>
Total Deductions	<u>5,122.16</u>
Change in Net Position	-4,707.67
Net Position - Beginning	<u>169,836.90</u>
Net Position - Ending	<u>\$ <u>165,129.23</u></u>

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

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

The Crisp County Board of Education (School District) was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters and a Superintendent appointed by the Board. The Board is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The School District's basic financial statements are collectively comprised of the District-wide financial statements, fund financial statements and notes to the basic financial statements of the Crisp County Board of Education.

District-wide Statements:

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District'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 expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include (a) 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, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the School District's funds, including fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. Separate statements for each category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

- General Fund is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- District-wide Capital Projects Fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST) that are restricted, committed or assigned to the expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The School District reports the following fiduciary fund types:

- Private Purpose Trust fund reports trust arrangements under which principal and income benefit may be expended for the purpose of refreshments at the Superintendent's discretion, and to fund scholarships awarded to graduating seniors of Crisp County High School.
- Agency funds account for assets held by the School District as an agent for various funds, governments or individuals.

BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported on the financial statements. The District-wide governmental and fiduciary 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. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, and grants. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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 School District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, both restricted and unrestricted resources are available to finance the program. It is the School District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

RESTATEMENT OF PRIOR YEAR NET POSITION

For fiscal year 2015, the School District made several prior period adjustments due to the adoption of GASB Statement No. 68 and GASB Statement No. 71, as described in "New Accounting Pronouncements" below, which require the restatement of the June 30, 2014, net position in Governmental Activities. The result is a decrease in Net Position at July 1, 2014 of \$32,068,743.00. This change is in accordance with generally accepted accounting principles.

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

Net Position, July 1, 2014, as previously reported		\$ 64,845,911.28
Prior Period adjustment - Implementation of GASB 68:		
Net Pension Liability (measurement date)		
TRS	\$ -34,144,401.00	
ERS	-435,137.00	-34,579,538.00
Deferred Outflows - School District's contribution made during fiscal year 2014		
TRS	2,477,434.00	
ERS	33,361.00	2,510,795.00
Net Position, July 1, 2014, as restated		<u>\$ 32,777,168.28</u>

NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2015, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The provisions of this statement establish accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. The adoption of this statement has a significant impact on the School District's financial statements. As noted above the School District restated beginning Fund Balance and/or beginning Net Position for the cumulative effect of this accounting change.

In fiscal year 2015, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This statement also requires that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The School District did not have any activities of this type during the fiscal year and the adoption of this statement does not have a significant impact on the School District's financial statements.

In fiscal year 2015, the School District adopted Governmental Accounting Standards Board (GASB) Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of statement. This statement amends paragraph 137 of Statement No. 68 which limited recognition of pension-related deferred inflows of resources at the transition to circumstances in which it is practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions. The adoption of this statement has a significant impact on the School District's financial statements. As noted above the School District restated beginning Net Position for the cumulative effect of this accounting change.

CASH AND CASH EQUIVALENTS

Composition of Deposits

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated Section 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

INVESTMENTS

Composition of Investments

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year are reported at fair value. The Official Code of Georgia Annotated Section 36-83-4 authorizes the School District to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following:

1. Obligations issued by the State of Georgia or by other states,
2. Obligations issued by the United States government,
3. Obligations fully insured or guaranteed by the United States government or a United States government agency,
4. Obligations of any corporation of the United States government,
5. Prime banker's acceptances,
6. The local government investment pool (Georgia Fund 1) administered by the State of Georgia, Office of the State Treasurer,
7. Repurchase agreements, and
8. Obligations of other political subdivisions of the State of Georgia.

The School District does not have a formal policy regarding investment policies that address credit risks, custodial credit risks, interest rate risks or foreign currency risks.

RECEIVABLES

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

PROPERTY TAXES

The Crisp County Board of Commissioners adopted the property tax levy for the 2014 tax digest year (calendar year) on July 28, 2014 (levy date) based on property values as of January 1, 2014. Taxes were due on December 20, 2014 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2014 tax digest are reported as revenue in the governmental funds for fiscal year 2015. The Crisp County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2015, for maintenance and operations amounted to \$9,348,919.48.

The tax millage rate levied for the 2014 tax year (calendar year) for the Crisp County Board of Education was as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	<u>17.45</u> mills
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CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$465,515.14 during fiscal year ended June 30, 2015.

SALES TAXES

Education Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to \$3,976,653.07 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

INVENTORIES

Food Inventories

On the District-wide financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased foods inventories are reported at cost (first-in, first-out). The School District uses the purchases method to account for inventories whereby expenditures are recorded at the time of purchase or when received. To conform to generally accepted accounting principles, all food inventories should be accounted for using the consumption method whereby an asset is recorded when foods are purchased/received and expenses are recorded at the time the food items are consumed. The effect of this deviation is deemed to be immaterial to the fair presentation of the basic financial statements.

On the fund statements, inventories of governmental funds are reported at cost (first-in, first-out). The School District uses the purchases method to account for inventories whereby expenditures are recorded at the time of purchase or when received.

CAPITAL ASSETS

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art. As indicated in Note 12, the School District recognized impaired assets. The impairment is reflected as a special item on Exhibit B. During the fiscal year under review, no other events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School District.

Capitalization thresholds and estimated useful lives of capital assets reported in the District-wide statements are as follows:

		Capitalization Policy	Estimated Useful Life
Land		ALL	N/A
Land Improvements	\$	10,000.00	10 to 40 years
Buildings and Improvements	\$	25,000.00	20 to 80 years
Equipment	\$	5,000.00	4 to 20 years
Intangible Assets	\$	50,000.00	10 to 20 years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives, with the exception of intangible assets which are amortized.

Amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, copyrights and internally generated software is computed using the straight-line method over the estimated useful lives of the assets, generally 10 to 20 years.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position and/or the balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. Under the full accrual method of accounting, the School District has reported deferred outflows of resources related to a defined benefit pension plan, as discussed in Note 17 – Retirement Plans.

In addition to liabilities, the statement of net position and/or the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. Under the full accrual method of accounting, the School District has reported deferred inflows of resources related to a defined benefit pension plan, as discussed in Note 17 – Retirement Plans. This item is reported only in the District-wide Statement of Net Position. Additionally, the School District has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and this amount is deferred and will be recognized as an inflow of resources in the period in which the amount becomes available.

COMPENSATED ABSENCES

Members of the Teachers' Retirement System of Georgia (TRS) may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the individual school districts. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School District's financial statements.

Vacation leave of 10 days is awarded on a basis to all full time personnel employed on a twelve month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 10 days.

PENSIONS

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' Retirement System of Georgia (TRS), the Employees' Retirement System of Georgia (ERS) and the Public School Employees' Retirement System (PSERS) and additions to/deductions from TRS/ERS/PSERS's fiduciary net position have been determined on the same basis as they are reported by TRS/ERS/PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 17 - Retirement Plans.

NET POSITION

The School District's net position in the District-wide Statements is classified as follows:

Investment in Capital Assets - This represents the School District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of investment in capital assets.

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

Restricted Net Position - This represents resources for which the School District is legally or contractually obligated to spend resources for continuation of Federal Programs and capital projects in accordance with restrictions imposed by external third parties.

Unrestricted Net Position - Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of Net Investment of Capital Assets and Restricted Net Position. Included in the net deficit reported is the School District's Net Pension Liability of \$25,284,256.00 which is required for financial reporting.

FUND BALANCES

The School District's fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Constraints are placed on the use of resources are either (1) externally imposed conditions by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The Board of Education is the School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (1) the Board of Education or (2) the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

Unassigned - The residual classification for the General Fund. This classification represents fund balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund.

Fund Balances of the Governmental Funds at June 30, 2015, are as follows:

Nonspendable		
Inventories	\$	47,768.42
Restricted		
Continuation of Federal Programs	\$	17,998.57
Capital Projects	<u>2,524,862.12</u>	2,542,860.69
Assigned		
Local Capital Outlay Projects	72,816.63	
Subsequent Period Expenditures	765,635.00	
School Activity Accounts	<u>64,157.85</u>	902,609.48
Unassigned		<u>4,745,257.01</u>
Fund Balance, June 30, 2015	\$	<u>8,238,495.60</u>

When multiple categories of fund balance are available for expenditure, the School District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

USE OF ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3: BUDGETARY DATA

The budget is a complete financial plan for the School District's fiscal year, and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared and adopted by fund. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the General Fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School District's administration presenting an initial budget for the Board's review. The administration makes revisions as necessary based on the Board's guidelines and a tentative budget is approved. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The approved budget is then submitted, in accordance with provisions of Official Code of Georgia Annotated section 20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

See Schedule 6 – General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual for a detail of any over/under expenditures during the fiscal year under review.

NOTE 4: DEPOSITS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

Official Code of Georgia Annotated (O.C.G.A.) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. Section 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance.

At June 30, 2015, \$558,620.74 of deposits were not secured by surety bond, insurance or collateral as specified above. The School District is working with the affected financial institutions to ensure appropriate levels of collateral are maintained for all of the School District's deposits.

Acceptable security for deposits consists of any one of or any combination of the following:

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
2. Insurance on accounts provided by the Federal Deposit Insurance Corporation,
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
7. Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2015, the School District had deposits with a carrying amount of \$2,666,192.99, which includes \$323,811.99 in Certificates of Deposit that are reported as Investments, and a bank balance of \$3,485,698.78. The bank balances insured by Federal depository insurance were \$554,046.88.

The amounts exposed to custodial credit risk are classified into three categories as follows:

- Category 1 - Uncollateralized,
- Category 2 - Cash collateralized with securities held by the pledging financial institution,
or
- Category 3 - Cash collateralized with securities held by the pledging financial institution's trust department or agent but not in the School District's name.

The School District's deposits by custodial risk category at June 30, 2015, are as follows:

Custodial Credit Risk Category	Bank Balance
1	\$ 558,620.74
2	2,172,662.79
3	200,368.37
Total	\$ 2,931,651.90

CATEGORIZATION OF INVESTMENTS

At June 30, 2015, the carrying value of the School District's total investments was \$7,490,903.07, which is materially the same as fair value. This includes \$323,811.99 invested in Certificates of Deposit, which are collateralized in the same manner as other cash deposits. This investment consisted entirely of funds invested in the Georgia Fund 1 (local government investment pool) administered by the State of Georgia, Office of the State Treasurer which is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1 (Primary Liquidity Portfolio) does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at <http://www.audits.ga.gov/SGD/cafr.html>.

The Primary Liquidity Portfolio consists of Georgia Fund 1 which is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

share. The pool is an AAf rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2015, was 56 days.

NOTE 5: NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. These commodities are recorded at their Federally assigned value. See Note 2 – Inventories.

NOTE 6: CAPITAL ASSETS

The following is a summary of changes in the Capital Assets during the fiscal year:

	Balances July 1, 2014	Increases	Decreases	Transfers	Balances June 30, 2015
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,238,317.21		\$ 0.00		\$ 2,238,317.21
Construction in Progress	25,427.42	\$ 3,210,020.56		\$ -1,340,615.78	1,894,832.20
Total Capital Assets Not Being Depreciated	2,263,744.63	3,210,020.56	0.00	-1,340,615.78	4,133,149.41
Capital Assets Being Depreciated					
Buildings and Improvements	62,482,860.66		4,391,069.69	975,202.87	59,066,993.84
Equipment	7,391,002.65	717,941.72	122,079.24	365,412.91	8,352,278.04
Land Improvements	6,314,479.00	11,100.00	137,845.35		6,187,733.65
Less Accumulated Depreciation for:					
Buildings and Improvements	13,781,074.65	1,348,286.21	1,842,248.25		13,287,112.61
Equipment	4,741,086.94	476,957.55	117,322.49		5,100,722.00
Land Improvements	3,814,950.52	253,216.06	135,352.55		3,932,814.03
Total Capital Assets, Being Depreciated, Net	53,851,230.20	-1,349,418.10	2,556,070.99	1,340,615.78	51,286,356.89
Governmental Activity Capital Assets - Net	\$ 56,114,974.83	\$ 1,860,602.46	\$ 2,556,070.99	\$ 0.00	\$ 55,419,506.30

Current year depreciation expense by function is as follows:

Instruction	\$ 1,487,848.55
Support Services	
Pupil Services	\$ 70,427.61
Improvements of Instructional Services	2,147.90
Educational Media Services	28,368.71
General Administration	29,628.71
School Administration	54,452.69
Business Administration	20,184.35
Maintenance and Operation of Plant	49,072.86
Student Transportation Services	240,014.81
Food Services	494,297.64
	96,313.63
	\$ 2,078,459.82

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

NOTE 7: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2015, consisted of the following:

<u>Transfer to</u>	<u>Transfer From Agency Fund</u>
General Fund	\$ <u>1,074.04</u>

Transfers are used to move school activity account funds between governmental and agency accounts.

NOTE 8: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; acts of God and unemployment compensation.

The School District participates in the Georgia School Boards Association Risk and Insurance Management System, a public entity risk pool organized on July 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, or property damage, including safety engineering and other loss prevention and control techniques, and to administer one or more groups of self-insurance funds, including the processing and defense of claims brought against members of the system. The School District pays an annual premium to the system for its general insurance coverage. Additional coverage is provided through agreements by the system with other companies according to their specialty for property, boiler and machinery (including coverage for flood and earthquake), general liability (including coverage for sexual harassment, molestation and abuse), errors and omissions, crime and automobile risks. Payment of excess insurance for the system varies by line of coverage.

For claims prior to fiscal year 2010, the School District has designated an independent contractor to operate a risk management program for Workers' compensation. The school District General fund reimburses claims paid by the contractor. During fiscal year 2014 and the year under review, the School District's General fund incurred no expenditures.

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the General Fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

Changes in the unemployment compensation claims liability during the last two fiscal years are as follows:

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
2014	\$ 0.00	\$ 11,277.00	\$ 11,277.00	\$ 0.00
2015	\$ 0.00	\$ 12,036.88	\$ 12,036.88	\$ 0.00

The School District participates in the Georgia School Boards Association Workers' Compensation Fund, a public entity risk pool organized on July 1, 1992, to develop, implement, and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Fund for its Workers' Compensation insurance coverage. Excess insurance coverage is provided through an agreement by the Fund with the Safety National Casualty Corporation to provide coverage for potential losses sustained by the Fund in excess of \$550

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

thousand loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided by Safety National Casualty Corporation to provide coverage for potential losses sustained by the Fund in excess of \$550 thousand loss per occurrence, up to \$2 million. In addition to the \$550,000 per occurrence retention, the Fund also retains an additional \$200,000 per year corridor retention.

The School District has purchased a surety bond to provide additional insurance coverage as follows:

Position Covered	Amount
Superintendent	\$ 100,000.00

NOTE 9: OPERATING LEASES

Crisp County Board of Education has entered into various leases as lessee for copiers. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2015, for governmental funds amounted to \$87,650.55. Future minimum lease payments for these leases are as follows:

Year Ending	Governmental Funds
2016	\$ 85,305.96
2017	41,445.29
2018	290.70
Total	\$ 127,041.95

NOTE 10: LONG-TERM LIABILITIES

COMPENSATED ABSENCES

Compensated absences represent obligations of the School District relating to employees' rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Typically, the General Fund is the fund used to liquidate this long-term debt. The School District uses the vesting method to compute compensated absences.

The changes in Long-Term Liabilities during the fiscal year ended June 30, 2015, were as follows:

	Governmental Activities				
	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015	Due Within One Year
Compensated Absences (1)	\$ 136,205.66	\$ 36,098.45	\$ 16,306.48	\$ 155,997.63	\$ 0.00

(1) The portion of Compensated Absences due within one year has been determined to be immaterial to the basic financial statements.

NOTE 11: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of \$131,255.01 for retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education
 Paid to the Teachers' Retirement System of Georgia
 For Teachers' Retirement System (TRS) Employer's Cost
 In the amount of \$37,008.01

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

Office of the State Treasurer
 Paid to the Public School Employees' Retirement System
 For Public School Employees' Retirement (PSERS) Employer's Cost
 In the amount of \$94,247.00

Funds paid on behalf of the School District are reported in governmental funds. See Note 17 - Retirement Plans for the State support related to the Net Pension Liability.

NOTE 12: SPECIAL ITEM

In fiscal year 2015, the Crisp County Board of Education closed two schools. The School District intended to sell one school and determined that the other school would not be used for any purpose at this time. Therefore, the buildings and all associated assets were no longer being used for their intended service utility and were considered impaired. The buildings were written down to their determined fair market value resulting in a loss of \$2,556,070.99. This activity is reported as a Special Item on the Statement of Activities.

NOTE 13: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2015, together with funding available:

Project	Unearned Executed Contracts	Funding Available From State
Crisp County School Modifications	\$ <u>3,358,798.82</u>	\$ <u>2,384,386.00</u>

The amounts described in this note are not reflected in the basic financial statements.

NOTE 14: SIGNIFICANT CONTINGENT LIABILITIES

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. The School District believes that such disallowances, if any, will be immaterial to its overall financial position.

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to be material to the basic financial statements.

NOTE 15: SUBSEQUENT EVENTS

On November 3, 2015, the voters of Crisp County approved the continuation of the Education Special Purpose Local Option Sales Tax of one percent to be imposed on all sales and uses in Crisp County for a period of time not to exceed 20 calendar quarters to raise not more than \$23,000,000.00. The proceeds are to be used as stated on the Official Ballot of Crisp County as follows:

“For the purposes of acquiring, constructing, repairing, improving, renovating, adding to, extending, upgrading, and equipping school buildings, athletic facilities, and support facilities in the Crisp County School District useful or desirable in connection therewith, including acquiring any necessary property therefor, both real and personal, specifically including the following: (i) acquiring, constructing and equipping a new middle school to include furniture, fixtures and equipment; (ii) roof replacements and repairs, mechanical system repairs and replacements, parking lot repairs and renovations, and improvements and renovations to physical education and athletic facilities; (iii) acquiring and installing system wide instructional and administrative technology, safety and security equipment; (iv) acquisition

of school buses, vehicles and transportation equipment; and (v) paying costs incident to accomplishing the foregoing.”

This vote also approved the issuance of general obligation debt of the Crisp County School District in the principal amount of \$15,000,000.00 for the above capital outlay purposes.

NOTE 16: POST-EMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL POST-EMPLOYMENT HEALTH BENEFIT FUND

Plan Description. The Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers eligible former employees of public school systems, libraries and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Benefit Plan administered by the Department of Community Health. The Official Code of Georgia Annotated (O.C.G.A.) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board). The Department of Community Health, which includes the School OPEB Fund, issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

Funding Policy. The contribution requirements of plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. For members with fewer than five years of service as of January 1, 2012, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2012, pay approximately 25 percent of the cost of the health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the State provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board of Community Health sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

Participating employers are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rates are established to fund all benefits due under the health insurance plans for both active and retired employees based on projected “pay-as-you-go” financing requirements. Contributions are not based on the actuarially calculated annual required contribution (ARC) which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended June 30, 2015:

For certificated teachers, librarians and regional educational service agencies and certain other eligible participants:

July 1, 2014 – June 30, 2015	\$945.00 per member per month
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For non-certificated school personnel:

July 1, 2014 – June 30, 2015	\$596.20 per member per month
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CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

No additional contribution was required by the Board for fiscal year 2015 nor contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School plan for other post-employment benefits and are subject to appropriation.

The School District's combined active and retiree contributions to the health insurance plans, which equaled the required contribution, for the current fiscal year and the preceding two fiscal years were as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2015	100%	\$ 4,748,166.20
2014	100%	\$ 4,571,666.20
2013	100%	\$ 4,053,834.28

NOTE 17: RETIREMENT PLANS

Crisp County Board of Education participates in various retirement plans administered by the State of Georgia, as further explained below.

TEACHERS' RETIREMENT SYSTEM OF GEORGIA (TRS)

Plan Description: All teachers of the School District as defined in §47-3-60 of the *Official Code of Georgia Annotated* (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided pension through the Teachers' Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. The Teachers' Retirement System of Georgia issues a publicly available separate financial audit report that can be obtained at www.trsga.com/publications.

Benefits Provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2015. The school district's contractually required contribution rate for the year ended June 30, 2015 was 13.15% of annual school district payroll.

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2015	100%	\$ 2,760,467.22
2014	100%	\$ 2,511,165.12
2013	100%	\$ 2,279,559.30

EMPLOYEES' RETIREMENT SYSTEM

Plan description: The Employees' Retirement System of Georgia (ERS) is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

Benefits provided: The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2015 was 21.96% of annual covered payroll for old and new plan members and 18.87% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2015	100%	\$ 39,746.79
2014	100%	\$ 33,361.17
2013	100%	\$ 31,615.67

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)

Plan description: PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers' Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

Benefits provided: A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

Upon retirement, the member will receive a monthly benefit of \$14.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions: The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees.

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

At June 30, 2015, the School District reported a liability of \$25,284,256.00 for its proportionate share of the Net Pension Liability for TRS \$24,983,231.00 and ERS \$301,025.00.

The TRS Net Pension Liability reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the Net Pension Liability, the related State of Georgia support, and the total portion of the Net Pension Liability that was associated with the School District were as follows:

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

School District's proportionate share of the Net Pension Liability	\$	24,983,231.00
State of Georgia's proportionate share of the Net Pension Liability associated with the School District		343,636.00
 Total	 \$	 <u>25,326,867.00</u>

The Net Pension Liability was measured as of June 30, 2014. The total pension liability used to calculate the Net Pension Liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The School District's proportion of the Net Pension Liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2014.

At June 30, 2014, the School District's TRS proportion was 0.197751%, which was an increase of 0.001799% from its proportion measured as of June 30, 2013. At June 30, 2014, the School District's ERS proportion was 0.008026%, which was a decrease of 0.000941% from its proportion measured as of June 30, 2013.

At June 30, 2015, the School District did not have a PSERS liability for a proportionate share of the Net Pension Liability because of a Special Funding Situation with the State of Georgia, which is responsible for the Net Pension Liability of the plan. The amount of the State's proportionate share of the Net Pension Liability associated with the School District is \$389,393.00.

The PSERS Net Pension Liability was measured as of June 30, 2014. The total pension liability used to calculate the Net Pension Liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The State's proportion of the Net Pension Liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2014.

For the year ended June 30, 2015, the School District recognized pension expense of \$1,770,526.00 for TRS, \$821.00 for ERS and \$33,816.00 for PSERS. Revenue of \$27,071.00 for TRS and \$33,816.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$	8,709,684.00	\$	73,471.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	\$	255,422.00		28,101.00
School District contributions subsequent to the measurement date	2,722,853.56	\$	39,746.79	
Total	\$ 2,978,275.56	\$ 8,709,684.00	\$ 39,746.79	\$ 101,572.00

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

Crisp County Board of Education contributions subsequent to the measurement date of June 30, 2014 for TRS and ERS are reported as deferred outflows of resources and will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2016	\$ -2,119,370.00	\$ -35,931.00
2017	\$ -2,119,370.00	\$ -28,906.00
2018	\$ -2,119,370.00	\$ -18,368.00
2019	\$ -2,119,372.00	\$ -18,367.00
2020	\$ 23,220.00	

Actuarial assumptions: The total pension liability as of June 30, 2014 was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers' Retirement System:

Inflation	3.00%
Salary increases	3.75 – 7.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females set back two years for males and set back three years for females.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

Employees' Retirement System

Inflation	3.00%
Salary increases	5.45 – 9.25%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

Public School Employees' Retirement System

Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

Mortality rates were based on the RP-2000 Combined Mortality Table set forward one year for males for the period after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back two years for males and set forward one year for females for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

The long-term expected rate of return on TRS, ERS and PSERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges 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 asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00%	3.00%
Domestic large stocks	39.70%	6.50%
Domestic mid stocks	3.70%	10.00%
Domestic small stocks	1.60%	13.00%
International developed market stocks	18.90%	6.50%
International emerging market stocks	6.10%	11.00%
Total	<u>100.00%</u>	

* Rates shown are net of the 3.00% assumed rate of inflation

Discount rate: The discount rate used to measure the total TRS, ERS and PSERS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, ERS, and PSERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of 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.

CRISP COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

EXHIBIT "I"

Sensitivity of the Crisp County Board of Education's proportionate share of the Net Pension Liability to changes in the discount rate: The following presents the School District's proportionate share of the Net Pension Liability calculated using the discount rate of 7.50%, as well as what the School District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

Teachers' Retirement System:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the Net Pension Liability	\$ 46,040,742.00	\$ 24,983,231.00	\$ 7,642,807.00

Employees' Retirement System:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the Net Pension Liability	\$ 438,954.00	\$ 301,025.00	\$ 183,615.00

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS, ERS and PSERS financial report which is publically available at www.trsga.com/publications and www.ers.ga.gov/formspubs/formspubs.

CRISP COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM OF GEORGIA
 FOR THE YEAR ENDED JUNE 30, 2015

SCHEDULE "1"

		2015
School District's proportion of the net pension liability		0.197751%
School District's proportionate share of the net pension liability	\$	24,983,231.00
State of Georgia's proportionate share of the net pension liability associated with the School District		343,636.00
Total	\$	25,326,867.00
School District's covered-employee payroll	\$	20,449,227.39
School District's proportionate share of the net pension liability as a percentage of its covered employee payroll		122.17%
Plan fiduciary net position as a percentage of the total pension liability		84.03%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available. Schedule includes all significant plans and funds administered by Crisp County Board of Education

CRISP COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
 FOR THE YEAR ENDED JUNE 30, 2015

SCHEDULE "2"

	2015
School District's proportion of the net pension liability	0.008026%
School District's proportionate share of the net pension liability	\$ 301,025.00
School District's covered-employee payroll	\$ 180,721.38
School District's proportionate share of the net pension liability as a percentage of its covered employee payroll	166.57%
Plan fiduciary net position as a percentage of the total pension liability	77.99%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
 Schedule includes all significant plans and funds administered by Crisp County Board of Education

CRISP COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 TEACHERS' RETIREMENT SYSTEM OF GEORGIA
 FOR THE YEAR ENDED JUNE 30

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,760,467.22	\$ 2,511,165.12	\$ 2,279,559.30
Contributions in relation to the contractually required contribution	<u>\$ 2,760,467.22</u>	<u>\$ 2,511,165.12</u>	<u>\$ 2,279,559.30</u>
Contribution deficiency (excess)	\$ 0.00	\$ 0.00	\$ 0.00
School District's covered-employee payroll	\$ 20,992,146.30	\$ 20,449,227.39	\$ 19,978,611.18
Contributions as a percentage of covered-employee payroll	13.15%	12.28%	11.41%

This schedule is intended to show information for 10 years. Due to the retention policy of the Crisp County Board of Education, the School District is only able to display six years of information. Additional years will be displayed as they become available.

SCHEDULE "3"

<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 2,246,592.98	\$ 2,162,475.36	\$ 2,248,372.05
<u>\$ 2,246,592.98</u>	<u>\$ 2,162,475.36</u>	<u>\$ 2,248,372.05</u>
\$ 0.00	\$ 0.00	\$ 0.00
\$ 21,854,024.11	\$ 21,035,754.13	\$ 23,083,713.45
10.28%	10.28%	9.74%

CRISP COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS -
 EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
 FOR THE YEAR ENDED JUNE 30

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 39,746.79	\$ 33,361.17	\$ 31,615.67
Contributions in relation to the contractually required contribution	<u>\$ 39,746.79</u>	<u>\$ 33,361.17</u>	<u>\$ 31,615.67</u>
Contribution deficiency (excess)	\$ 0.00	\$ 0.00	\$ 0.00
School District's covered-employee payroll	\$ 180,996.28	\$ 180,721.38	\$ 212,130.24
Contributions as a percentage of covered-employee payroll	21.96%	18.46%	14.90%

This schedule is intended to show information for 10 years. Due to the retention policy of the Crisp County Board of Education, the School District is only able to display six years of information. Additional years will be displayed as they become available.

SCHEDULE "4"

<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 23,575.85	\$ 15,058.49	\$ 11,712.92
<u>\$ 23,575.85</u>	<u>\$ 15,058.49</u>	<u>\$ 11,712.92</u>
\$ 0.00	\$ 0.00	\$ 0.00
\$ 202,670.53	\$ 144,654.02	\$ 112,516.36
11.63%	10.41%	10.41%

Teachers' Retirement System

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2015 reported in that schedule:

Valuation date	June 30, 2012
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Seven-year smoothed market
Inflation rate	3.00%
Salary increases	3.75 - 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Employees' Retirement System

Changes of assumptions: There were no changes in assumptions or benefits that affect the measurement of the total pension liability since the prior measurement date.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2015 reported in that schedule:

Valuation date	June 30, 2012
Actuarial cost method	Entry age
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Seven-year smoothed market
Inflation rate	3.00%
Salary increases	2.725% - 4.625% for FY 2012-2013, 5.45% - 9.25% for FY2014+
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

CRISP COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

SCHEDULE " 6 "

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL (1)	FINAL (1)		
REVENUES				
Property Taxes	\$ 9,271,881.00	\$ 9,309,686.00	\$ 9,868,394.21	\$ 558,708.21
Sales Taxes	90,000.00	80,000.00	109,077.62	29,077.62
State Funds	22,183,874.00	24,109,140.65	24,329,561.26	220,420.61
Federal Funds	8,675,433.77	8,377,842.00	7,438,633.77	-939,208.23
Charges for Services	199,756.67	180,000.00	332,854.57	152,854.57
Investment Earnings	10,219.00	150.00	7,312.92	7,162.92
Miscellaneous	69,950.89	53,270.00	558,978.57	505,708.57
Total Revenues	<u>40,501,115.33</u>	<u>42,110,088.65</u>	<u>42,644,812.92</u>	<u>534,724.27</u>
EXPENDITURES				
Current				
Instruction	26,439,131.80	25,889,896.29	25,346,197.20	543,699.09
Support Services				
Pupil Services	1,367,377.00	1,428,660.36	1,469,047.87	-40,387.51
Improvement of Instructional Services	2,052,370.74	2,189,885.00	1,992,961.66	196,923.34
Educational Media Services	696,253.00	637,959.00	780,588.64	-142,629.64
General Administration	699,151.00	726,272.01	666,484.58	59,787.43
School Administration	2,282,042.00	2,558,858.00	2,468,127.30	90,730.70
Business Administration	265,627.00	338,378.95	315,761.56	22,617.39
Maintenance and Operation of Plant	3,141,390.00	3,601,165.41	3,501,052.24	100,113.17
Student Transportation Services	1,701,647.00	1,811,848.73	1,850,399.10	-38,550.37
Central Support Services	151,793.00	171,147.94	165,179.97	5,967.97
Other Support Services	436,128.89	444,905.47	621,252.72	-176,347.25
Enterprise Operations			118,341.26	-118,341.26
Food Services Operation	2,717,067.90	2,938,103.49	3,218,186.28	-280,082.79
Total Expenditures	<u>41,949,979.33</u>	<u>42,737,080.65</u>	<u>42,513,580.38</u>	<u>223,500.27</u>
Excess of Revenues over (under) Expenditures	<u>-1,448,864.00</u>	<u>-626,992.00</u>	<u>131,232.54</u>	<u>758,224.54</u>
OTHER FINANCING SOURCES (USES)				
Other Sources	400,000.00	400,000.00	1,074.04	-398,925.96
Other Uses	-400,000.00	-400,000.00		400,000.00
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>1,074.04</u>	<u>1,074.04</u>
Net Change in Fund Balances	-1,448,864.00	-626,992.00	132,306.58	759,298.58
Fund Balances - Beginning	5,797,107.08	5,509,940.58	5,511,018.95	1,078.37
Adjustments			-2,508.68	-2,508.68
Fund Balances - Ending	<u>\$ 4,348,243.08</u>	<u>\$ 4,882,948.58</u>	<u>\$ 5,640,816.85</u>	<u>\$ 757,868.27</u>

Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual

- (1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts. The actual revenues and expenditures of the various principal accounts are \$351,372.51 and \$365,071.38, respectively.

The accompanying schedule of revenues, expenditures and changes in fund balances budget and actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

See notes to the basic financial statements.

CRISP COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

SCHEDULE "7 "

FUNDING AGENCY PROGRAM/GRANT	<u>CFDA NUMBER</u>	<u>PASS- THROUGH ENTITY ID NUMBER</u>	<u>EXPENDITURES IN PERIOD</u>
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	* 10.553	N/A	(2)
National School Lunch Program	* 10.555	N/A	\$ <u>3,049,437.10</u> (1)
Total Child Nutrition Cluster			3,049,437.10
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	<u>18,500.00</u>
Total U. S. Department of Agriculture			<u>3,067,937.10</u>
Education, U. S. Department of			
Impact Aid Cluster			
Direct			
Impact Aid	84.041		(3)
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027	N/A	1,235,983.51
Preschool Grants	84.173	N/A	<u>31,142.92</u>
Total Special Education Cluster			<u>1,267,126.43</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	N/A	62,597.45
Improving Teacher Quality State Grants	84.367	N/A	251,432.65
Migrant Education - State Grant Program	84.011	N/A	99,041.03
Rural Education	84.358	N/A	79,881.45
Striving Readers	* 84.371	N/A	593,522.18
Title I Grants to Local Educational Agencies	84.010	N/A	2,301,234.09
Twenty-First Century Community Learning Centers	84.287	N/A	<u>6,475.22</u>
Total Other Programs			<u>3,394,184.07</u>
Total U. S. Department of Education			<u>4,661,310.50</u>
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program			<u>40,485.69</u>
Total Expenditures of Federal Awards			<u>\$ 7,769,733.29</u>

N/A = Not Available

CRISP COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

SCHEDULE "7 "

Notes to the Schedule of Expenditures of Federal Awards

- (1) Includes the Federally assigned value of donated commodities for the Food Donation Program in the amount of \$161,705.52.
- (2) Expenditures for the funds earned on the School Breakfast Program (\$653,009.54) were not maintained separately and are included in the 2015 National School Lunch Program.
- (3) Funds earned on the Impact Aid Program, in the amount of \$1,273.94, do not require reporting of expenditures.

Major Programs are identified by an asterisk (*) in front of the CFDA number.

The School District did not provide Federal Assistance to any Subrecipient.

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the Crisp County Board of Education and is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

See notes to the basic financial statements.

CRISP COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2015

SCHEDULE "8 "

<u>AGENCY/FUNDING</u>	GOVERNMENTAL FUND TYPE
	GENERAL FUND
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	\$ 1,216,731.27
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	698,181.00
Kindergarten Program - Early Intervention Program	878,130.00
Primary Grades (1-3) Program	2,226,617.00
Primary Grades - Early Intervention (1-3) Program	1,619,897.00
Upper Elementary Grades (4-5) Program	745,505.00
Upper Elementary Grades - Early Intervention (4-5) Program	1,403,824.00
Middle School (6-8) Program	2,265,458.00
High School General Education (9-12) Program	1,686,871.00
Vocational Laboratory (9-12) Program	840,185.00
Students with Disabilities	3,759,537.00
Gifted Student - Category VI	676,649.00
Remedial Education Program	399,878.00
Alternative Education Program	157,845.00
English Speakers of Other Languages (ESOL)	73,478.00
Media Center Program	433,482.00
20 Days Additional Instruction	127,914.00
Staff and Professional Development	86,191.00
Indirect Cost	
Central Administration	551,221.00
School Administration	810,197.00
Facility Maintenance and Operations	1,033,952.00
Mid-term Adjustment Hold-Harmless	161,212.00
Amended Formula Adjustment	-1,871,686.00
Categorical Grants	
Pupil Transportation	
Regular	525,904.00
Nursing Services	75,958.00
Education Equalization Funding Grant	2,187,047.00
Other State Programs	
Dual Enrollment Funding	
Food Services	69,025.93
GNETS State Grant	960,625.00
Math and Science Supplements	28,231.60
Preschool Handicapped Program	109,649.00
Teacher of the Year	1,014.25
Teachers' Retirement	37,008.01
Vocational Education	142,378.00
Human Resources, Georgia Department of	
Family Connection	45,000.00
Office of the State Treasurer	
Public School Employees Retirement	94,247.00
CONTRACT	
Governor's Office of Student Achievement	
Connections to Classrooms State Grant	72,204.20
	\$ 24,329,561.26

See notes to the basic financial statements.

CRISP COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2015

SCHEDULE '9 *

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED	ESTIMATED COMPLETION DATE
SPLOST II							
3. Acquiring new school equipment, including school buses and other school vehicles		\$ 2,351,990.14		\$ 2,351,990.14	\$ 2,351,990.14		Completed
5. Acquiring any property necessary or desirable therefore, both real and personal, including computer technology system-wide, the maximum amount of the projects to be paid with sales and use tax proceeds will be \$18,000,000	\$ 18,000,000.00	3,615,423.89	0.00	3,615,423.89	3,615,423.89	0.00	Completed
	<u>18,000,000.00</u>	<u>5,967,414.03</u>	<u>0.00</u>	<u>5,967,414.03</u>	<u>5,967,414.03</u>	<u>0.00</u>	
SPLOST III							
1. Funding for the purpose of the securing General Obligation bonds of \$15,000,000 and acquiring, constructing, and equipping a new K-1 Elementary school to include land, furniture, fixtures, and equipment	23,816,847.00	25,451,405.16		25,451,405.16	25,451,405.16		Completed
2. Acquiring, constructing and equipping additional classrooms for Blackshear Trail Elementary School and Southwestern Elementary School		144,894.34	144,894.34		144,894.34		Completed
3. Renovating, repairing, improving, and equipping existing schools and related facilities, including without limitation, roof replacements and repairs, mechanical system repairs and replacements, parking lot repairs and renovations, improvements and renovations to physical education and athletic facilities		183,153.00		183,153.00	183,153.00		Completed
4. Acquiring and installing systemwide instructional and administrative technology, safety, and security equipment						0.00	
5. Acquisition of school buses, vehicles and transportation equipment	183,153.00	183,153.00		183,153.00	183,153.00		Completed
6. Acquiring any necessary property, both real and personal, and paying cost incident to accomplishing the foregoing						0.00	
	<u>24,000,000.00</u>	<u>25,779,452.50</u>	<u>144,894.34</u>	<u>25,634,558.16</u>	<u>25,779,452.50</u>	<u>0.00</u>	
SPLOST IV							
1. Constructing, and equipping a new school to include furniture, fixtures and equipment	5,000,000.00	5,456,899.64	449,897.64	5,007,002.02			6/30/2015
2. Renovating, repairing, improving, and equipping existing schools and related facilities, including without limitation, roof replacements and repairs, mechanical system repairs and replacements, parking lot repairs and renovations, improvements and renovations to physical education and athletic facilities	12,000,000.00	14,343,100.36	2,792,887.97				12/31/2017
3. Acquiring and installing systemwide instructional and administrative technology, safety and security equipment	3,000,000.00	1,000,000.00	70,330.67	218,788.00			12/31/2017
4. Acquisition of school buses, vehicles and transportation equipment	2,000,000.00	2,000,000.00	488,920.00				12/31/2017
5. Acquiring any necessary property, and paying costs incident to accomplishing the foregoing	1,000,000.00	200,000.00					12/31/2017
	<u>23,000,000.00</u>	<u>23,000,000.00</u>	<u>3,602,036.28</u>	<u>5,225,790.02</u>	<u>0.00</u>	<u>0.00</u>	
	<u>\$ 65,000,000.00</u>	<u>\$ 54,746,866.53</u>	<u>\$ 3,946,930.62</u>	<u>\$ 36,827,762.21</u>	<u>\$ 31,746,866.53</u>	<u>\$ 0.00</u>	

- (1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- (2) The School District's current estimated cost for the projects includes all costs from project inception to completion.
- (3) The voters of Crisp County approved the imposition of a 1% sales tax to fund the above projects. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

See notes to the basic financial statements.

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CRISP COUNTY BOARD OF EDUCATION
 GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS (QBE)
 ALLOTMENTS AND EXPENDITURES - BY PROGRAM
 YEAR ENDED JUNE 30, 2015

SCHEDULE "10 "

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2)	ELIGIBLE QBE PROGRAM COSTS		
		SALARIES	OPERATIONS	TOTAL
Direct Instructional Programs				
Kindergarten Program	\$ 810,750.00	\$ 1,263,369.71	\$ 17,729.06	\$ 1,281,098.77
Kindergarten Program-Early Intervention Program	1,036,296.00	513,081.41	8,300.93	521,382.34
Primary Grades (1-3) Program	2,493,308.00	3,044,094.00	40,676.47	3,084,770.47
Primary Grades-Early Intervention (1-3) Program	1,926,000.00	733,112.91	10,028.88	743,141.79
Upper Elementary Grades (4-5) Program	859,685.00	897,006.60	13,033.07	910,039.67
Upper Elementary Grades-Early Intervention (4-5) Program	1,603,107.00	1,099,249.78	8,073.21	1,107,322.99
Middle School (6-8) Program	2,598,862.00	3,093,925.33	43,626.94	3,137,552.27
High School General Education (9-12) Program	1,924,088.00	2,666,222.71	116,670.87	2,782,893.58
Vocational Laboratory (9-12) Program	952,986.00	782,614.11	59,861.20	842,475.31
Students with Disabilities	4,304,556.00			
Category I		573,675.32	2,139.66	575,814.98
Category II		487,248.32	2,634.01	489,882.33
Category III		1,982,054.80	44,867.63	2,026,922.43
Category IV		449,594.04	3,658.67	453,252.71
Category V			2,775.10	2,775.10
Gifted Student - Category VI	780,913.00	826,822.11	3,066.58	829,888.69
Remedial Education Program	492,339.00	118,640.50		118,640.50
Alternative Education Program	180,433.00	463,219.80	19,052.41	482,272.21
English Speakers of Other Languages (ESOL)	82,844.00	91,883.09		91,883.09
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	20,046,167.00	19,085,814.54	396,194.69	19,482,009.23
Media Center Program	497,844.00	708,220.09	51,129.59	759,349.68
Staff and Professional Development	97,238.00	4,462.33	54,958.47	59,420.80
TOTAL QBE FORMULA FUNDS	\$ 20,641,249.00	\$ 19,798,496.96	\$ 502,282.75	\$ 20,300,779.71

(1) Comprised of State Funds plus Local Five Mill Share.

(2) Allotments do not include the impact of the State amended formula adjustment.

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

March 25, 2016

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Crisp County Board of Education

INDEPENDENT AUDITOR'S 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

Ladies and Gentlemen:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crisp County Board of Education as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Crisp County Board of Education's basic financial statements and have issued our report thereon dated March 25, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crisp County 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 Crisp County Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Crisp County Board of Education'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 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 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 to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted certain matters that we have reported to management of Crisp County Board of Education in a separate letter dated March 25, 2016.

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, not to provide an opinion on the effectiveness of the Crisp County Board of Education'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 Crisp County Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Greg S. Griffin
State Auditor

GSG:kt
2015YB-10



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

March 25, 2016

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Crisp County Board of Education

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Ladies and Gentlemen:

Report on Compliance for Each Major Federal Program

We have audited Crisp County Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Crisp County 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Crisp County Board of Education's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Crisp County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

2015SA-10

Opinion on Each Major Federal Program

In our opinion, the Crisp County Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Crisp County Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Crisp County Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Crisp County Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Greg S. Griffin
State Auditor

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

CRISP COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

SECTION IV

FINDINGS AND QUESTIONED COSTS

CRISP COUNTY BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2015

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issue: Governmental Activities; General Fund; Capital Projects Fund; Aggregate Remaining Fund Information	Unmodified
Internal control over financial reporting:	
▪ Material weakness identified?	No
▪ Significant deficiency identified?	None Reported
Noncompliance material to financial statements noted:	No

Federal Awards

Internal Control over major programs:	
▪ Material weakness identified?	No
▪ Significant deficiency identified?	None Reported
Type of auditor's report issued on compliance for major programs: All major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	No
Identification of major programs:	
<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.371	Striving Readers
Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000.00
Auditee qualified as low-risk auditee?	Yes

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

II FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.