

BRYAN COUNTY
BOARD OF EDUCATION
BLACK CREEK, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

(Including Independent Auditor's Reports)

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SECTION I

FINANCIAL

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DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
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Greg S. Griffin
STATE AUDITOR
(404) 656-2174

October 14, 2016

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Bryan 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 Bryan 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 H), 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

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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 Bryan 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 Bryan 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, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Contributions to Retirement Systems, the 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 vii, and pages 31 through 35 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 Bryan County Board of Education's basic financial statements. The accompanying supplementary information, consisting of Schedules 5 through 8, is presented for the

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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 October 14, 2016, on our consideration of the Bryan 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 Bryan 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

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2015ARL-11

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

The discussion and analysis of the Bryan County Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

In fiscal year 2015, the School District adopted the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contribution Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68.* The adoption of these statements had a significant impact on the School District's District-wide financial statements, rendering comparability of fiscal year 2015 financial statements with those of the prior year difficult. The School District's Governmental Financial Statements were not affected by implementation of GASB No. 68 or GASB No. 71.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- In total, Net Position decreased $36.2 million, which included a decrease of $49.9 million attributable to the implementation of GASB No. 68 and GASB No. 71. Excluding the impact of GASB 68 and GASB 71, the $13.6 million increase was primarily due to the increase in capital assets.

- General revenues accounted for $29.1 million in revenue or 36.6 percent of all revenues. Program specific revenues in the form of charges for services, operating and capital grants and contributions accounted for $50.4 million or 63.4 percent of total revenues. Total revenues were $79.5 million.

- The School District had $64.1 million in expenses related to governmental activities; only $50.4 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues, primarily taxes, of $29.1 million were adequate to provide for these programs.

- Among major funds, the general fund had $65.8 million in revenues, $62.9 million in expenditures, and a net change of $1.5 million in other financing uses. The general fund's balance increased from $14.9 million to $16.2 million.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Bryan County Board of Education as a financial whole, or as an entire operating entity. The basic financial statements include two levels of statements that present different views of the School District. These include the District-wide and Fund financial statements.

The District-wide financial statements include the *Statement of Net Position* and *Statement of Activities*. These statements provide information about the activities of the whole School District, presenting both short-term and long-term information about the School District's overall financial status.

The Fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The *Governmental Funds* statements disclose how basic services are financed in the short-term as well as what remains for future spending. The Fund financial statements reflect the School District's most significant funds. In the case of the Bryan County Board of Education, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and *Statement of Activities*

While these documents contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2015?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include *all assets and all liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's *net position* and changes in net position. The change in net position is important because it tells the reader whether, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

The Statement of Net Position and the Statement of Activities reflects the School District's governmental activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, the District-wide Capital Projects Fund, and the Debt Service Fund.

Governmental Funds Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the *modified accrual method of accounting*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Fiduciary Funds The School System is the trustee, or *fiduciary*, for assets that belong to others, such as school clubs and organizations within the school activity accounts. The School System is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School System excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the School District as a Whole

The perspective of the Statement of Net Position is of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2015 as compared to net position for fiscal year 2014.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2015	Fiscal Year 2014 (1)
Assets		
Current and Other Assets	$ 55,839,370	$ 66,808,412
Capital Assets, Net	105,906,810	83,237,656
Total Assets	161,746,180	150,046,068
Deferred Outflows of Resources		
Related to Defined Benefit Pension Plan	4,562,292	0
Liabilities		
Current and Other Liabilities	12,246,786	9,426,602
Long-Term Liabilities	19,942,460	24,717,524
Net Pension Liabilities	40,358,168	
Total Liabilities	72,547,414	34,144,126
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plan	14,069,713	0
Net Position		
Net Investment in Capital Assets	96,263,647	81,552,607
Restricted	8,746,288	9,152,794
Unrestricted (Deficit)	-25,318,590	25,196,541
Total Net Position	$ 79,691,345	$ 115,901,942

(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 more information.

Total Net Position decreased $36.2 million, due to the implementation of GASB No. 68 and GASB No. 71.

Table 2 shows the changes in net position for fiscal year 2015 as compared to fiscal year 2014.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2015	Fiscal Year 2014 (1)
Revenues		
Program Revenues:		
Charges for Services and Sales	$ 2,893,875	$ 2,831,145
Operating Grants and Contributions	39,458,633	36,875,314
Capital Grants and Contributions	8,034,007	396,687
Total Program Revenues	50,386,515	40,103,146
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	18,444,379	18,623,121
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects and Debt Services	5,608,955	5,036,621
Other Taxes	2,400,758	1,990,930
Grants and Contributions Not Restricted to		
Specific Programs	1,601,879	1,786,157
Investment Earnings	102,271	74,650
Miscellaneous	752,594	727,880
Special Items	197,102	
Total General Revenues and Special Items	29,107,938	28,239,359
Total Revenues	79,494,453	68,342,505
Program Expenses:		
Instruction	40,454,309	40,286,577
Support Services		
Pupil Services	2,387,941	2,222,188
Improvement of Instructional Services	1,535,401	1,222,269
Educational Media Services	1,110,572	1,037,316
General Administration	526,178	516,132
School Administration	3,522,238	3,482,106
Business Administration	474,949	634,011
Maintenance and Operation of Plant	5,442,703	5,333,268
Student Transportation Services	2,990,467	2,784,950
Central Support Services	198,354	143,354
Other Support Services	148,537	146,837
Operations of Non-Instructional Services		
Enterprise Operations	280,281	269,644
Community Services	691,668	784,673
Food Services	4,035,044	3,658,006
Interest on Short-Term and Long-Term Debt	320,671	270,941
Total Expenses	64,119,313	62,792,272
Increase in Net Position	$ 15,375,140	$ 5,550,233

(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 Financia Statements for more information.

Governmental Activities

Instruction comprises 63.1 percent of governmental program expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and by unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2015	Fiscal Year 2014 (1)	Fiscal Year 2015	Fiscal Year 2014 (1)
Instruction	$ 40,454,309	$ 40,286,577	$ 5,360,500	$ 13,386,727
Support Services:				
Pupil Services	2,387,941	2,222,188	1,556,071	1,825,755
Improvement of Instructional Services	1,535,401	1,222,269	618,865	290,755
Educational Media Services	1,110,572	1,037,316	53,155	69,946
General Administration	526,178	516,132	-126,209	113,066
School Administration	3,522,238	3,482,106	1,601,801	1,679,640
Business Administration	474,949	634,011	101,800	334,103
Maintenance and Operation of Plant	5,442,703	5,333,268	2,332,741	2,856,726
Student Transportation Services	2,990,467	2,784,950	2,440,675	2,134,892
Central Support Services	198,354	143,354	36,659	41,513
Other Support Services	148,537	146,837	122,849	97,224
Operations of Non-Instructional Services:				
Enterprise Operations	280,281	269,644	-230,653	-321,703
Community Services	691,668	784,673	-93,287	
Food Services	4,035,044	3,658,006	-362,840	-90,458
Interest on Short-Term and Long-Term Debt	320,671	270,941	320,671	270,940
Total Expenses	$ 64,119,313	$ 62,792,272	$ 13,732,798	$ 22,689,126

(1) The Fiscal Year 2014 amounts do not reflect the effects of the restatement of July 1, 2014 net position. See Note 2 in the Notes to the Financial Statements for more information.

Although program revenues make up 63.4 percent of the revenues, the School District is still dependent upon tax revenues for governmental activities. Over 13 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities, general revenue support is 21.4 percent.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues of $79.4 million and expenditures of $93.4 million. The general fund had an increase of $1.3 million.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund.

The School District uses a school and department based budgeting concept based on FTE student allocations and specific needs. The budgeting systems are designed to tightly control total school and department budgets but provide flexibility for decision making.

For the General Fund, actual revenues and other sources of $65.8 million exceeded the final budget of $63.4 million by $2.4 million. This difference was due to a combination of factors, but primarily due to increased state revenues and the reporting of school activity accounts.

Actual expenditures and other financing uses of $64.4 million were less than the final budget of $66.4 million by $2.0 million.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015, the School District had $105.9 million invested in capital assets, all in governmental activities. Table 4 shows balances for fiscal year 2015 as compared to balances for fiscal year 2014.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2015	Fiscal Year 2014
Land	$ 5,703,177	$ 5,707,266
Construction In Progress	26,892,939	3,763,823
Building and Improvements	62,068,910	63,929,817
Equipment	3,882,339	3,457,918
Land Improvements	4,539,307	3,501,400
Infrastructure	2,820,138	2,877,432
Total	$ 105,906,810	$ 83,237,656

Due to the steady collection of SPLOST revenues and the commitment of local funds to capital outlay projects, the School District has completed numerous construction projects and continues with the capital improvements program.

Debt

At June 30, 2015, the School District had $19.0 million in bonds outstanding with $4.6 million due within one year. Table 5 shows balances for fiscal year 2015 as compared to balances for fiscal year 2014.

Table 5
Debt Administration

	Governmental Activities	
	Fiscal Year 2015	Fiscal Year 2014
General Obligation Bonds	$ 19,000,000	$ 23,500,000

The School District maintains an AA+ bond rating from Standard & Poor's based on the State of Georgia intercept program.

Current Issues

The following issues are expected to have a significant effect on the financial positions or results of operations:

- State and Local Economy – The State of Georgia economic conditions are improving but state funding for education continues to reflect austerity reductions which began in Fiscal Year 2003. Bryan County continues to show significant growth in student population and the tax base remains stable. Because the Bryan County School System has taken a pro-active approach in managing the School District's finances through prioritization of educational programs, the School District continues to have a strong financial position. Further, the Special Purpose Local Option Sales Tax collections remain on target to meet bond obligations. The Bryan County Board of Education is optimistic about the ability to maximize all of the financial resources to provide a quality education to our students.

- Capital Improvements – The Bryan County Board of Education has successfully passed four SPLOST referenda and has completed numerous capital projects. A new middle school opened at the start of the 2012-2013 school year and two elementary schools are scheduled to open at the start of the 2015-2016 school year.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Melanie James, CPA and Director of Finance, at the Bryan County Board of Education, 8810 Highway 280 East, Black Creek, Georgia 31308. You may also email any questions to mjames@bryan.k12.ga.us, or visit our website at www.bryan.k12.ga.us.

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BRYAN COUNTY BOARD OF EDUCATION

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

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 31,991,842.47
Investments	9,007,865.40
Accounts Receivable, Net	
Taxes	1,322,966.04
State Government	12,811,385.60
Federal Government	492,100.50
Local	22,727.21
Other	62,337.33
Inventories	128,145.77
Capital Assets, Non-Depreciable	32,596,116.00
Capital Assets, Depreciable (Net of Accumulated Depreciation)	73,310,694.00
Total Assets	161,746,180.32
DEFERRED OUTFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plan	4,562,292.00
LIABILITIES	
Accounts Payable	3,730,466.71
Salaries and Benefits Payable	5,376,887.46
Interest Payable	246,693.00
Contracts Payable	402,501.77
Retainages Payable	2,490,237.80
Long-Term Liabilities	
Due Within One Year	4,882,386.23
Due in More Than One Year	15,060,073.66
Net Pension Liability	40,358,168.00
Total Liabilities	72,547,414.63
DEFERRED INFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plan	14,069,713.00
NET POSITION	
Net Investment in Capital Assets	96,263,646.83
Restricted for	
Continuation of Federal Programs	1,718,463.75
Debt Service	4,650,982.00
Capital Projects	2,376,842.55
Unrestricted (Deficit)	-25,318,590.44
Total Net Position	$ 79,691,344.69

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

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

	EXPENSES	CHARGES FOR SERVICES
GOVERNMENTAL ACTIVITIES		
Instruction	$ 40,454,309.13	
Support Services		
Pupil Services	2,387,940.69	
Improvement of Instructional Services	1,535,401.13	
Educational Media Services	1,110,572.39	
General Administration	526,178.41	
School Administration	3,522,238.06	
Business Administration	474,949.07	
Maintenance and Operation of Plant	5,442,702.92	
Student Transportation Services	2,990,466.80	
Central Support Services	198,353.59	
Other Support Services	148,537.04	
Operations of Non-Instructional Services		
Enterprise Operations	280,281.31	$ 510,934.59
Community Services	691,668.18	784,955.20
Food Services	4,035,043.40	1,597,985.22
Interest on Short-Term and Long-Term Debt	320,670.77	
Total Governmental Activities	$ 64,119,312.89	$ 2,893,875.01
General Revenues		
Taxes		
Property Taxes		
For Maintenance and Operations		
Railroad Cars		
Other Taxes		
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Debt Services		
Other Sales Tax		
Grants and Contributions not Restricted to Specific Programs		
Investment Earnings		
Miscellaneous		
Special Items		
Gain on Sale of Land		
Insurance Proceeds		
Total General Revenues and Special Items		
Change in Net Position		
Net Position - Beginning of Year, Restated		
Net Position - End of Year		

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

PROGRAM REVENUES		NET (EXPENSES)
OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUES AND CHANGES IN NET POSITION
$ 29,107,294.89	$ 5,986,514.30	$ -5,360,499.94
335,031.98	496,837.54	-1,556,071.17
916,536.50		-618,864.63
976,305.00	81,111.78	-53,155.61
464,577.13	187,809.79	126,208.51
1,807,194.48	113,242.06	-1,601,801.52
357,960.23	15,189.12	-101,799.72
2,527,533.94	582,428.35	-2,332,740.63
472,571.36	77,220.00	-2,440,675.44
161,694.93		-36,658.66
25,688.15		-122,848.89
		230,653.28
		93,287.02
2,306,244.48	493,653.66	362,839.96
		-320,670.77
$ 39,458,633.07	$ 8,034,006.60	-13,732,798.21
		18,444,379.18
		29,049.79
		2,231,218.81
		5,608,955.19
		140,489.05
		1,601,879.00
		102,271.08
		752,594.58
		187,500.00
		9,601.64
		29,107,938.32
		15,375,140.11
		64,316,204.58
		$ 79,691,344.69

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

EXHIBIT "C"

ASSETS	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Cash and Cash Equivalents	$ 13,992,450.11	$ 13,620,916.58	$ 4,378,475.78	$ 31,991,842.47
Investments	5,004,424.98	4,003,440.42		9,007,865.40
Accounts Receivable, Net				
Taxes	856,716.99		466,249.05	1,322,966.04
State Government	4,854,599.00	7,956,786.60		12,811,385.60
Federal Government	492,100.50			492,100.50
Local	22,727.21			22,727.21
Other	62,337.33			62,337.33
Inventories	128,145.77			128,145.77
Total Assets	$ 25,413,501.89	$ 25,581,143.60	$ 4,844,724.83	$ 55,839,370.32
LIABILITIES				
Accounts Payable	$ 3,587,816.71	$ 142,650.00		$ 3,730,466.71
Salaries and Benefits Payable	5,376,887.46			5,376,887.46
Contracts Payable		402,501.77		402,501.77
Retainages Payable		2,490,237.80		2,490,237.80
Total Liabilities	8,964,704.17	3,035,389.57		12,000,093.74
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	246,308.60			246,308.60
FUND BALANCES				
Nonspendable	128,145.77			128,145.77
Restricted	1,590,317.98	12,433,925.60	$ 4,844,724.83	18,868,968.41
Committed	412,928.21	10,111,828.43		10,524,756.64
Assigned	502,585.15			502,585.15
Unassigned	13,568,512.01			13,568,512.01
Total Fund Balances	16,202,489.12	22,545,754.03	4,844,724.83	43,592,967.98
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 25,413,501.89	$ 25,581,143.60	$ 4,844,724.83	$ 55,839,370.32

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

BRYAN 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")		$ 43,592,967.98
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 the governmental funds. These assets consist of:		
Land	$ 5,703,177.00	
Construction in Progress	26,892,939.00	
Land Improvements	6,251,814.00	
Buildings and Improvements	81,346,360.00	
Equipment	8,947,560.00	
Infrastructure	3,176,031.00	
Accumulated Depreciation	-26,411,071.00	
Total Capital Assets		105,906,810.00
Taxes that are not available to pay for current period expenditures are deferred in the governmental funds.		246,308.60
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		-40,358,168.00
Deferred Outflows and Inflows of Resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.		-9,507,421.00
Long-Term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-Term Liabilities at year-end consist of:		
Bonds Payable	$ -19,000,000.00	
Accrued Interest Payable	-246,693.00	
Compensated Absences Payable	-95,301.20	
Unamortized Bond Premiums	-847,158.69	
Total Long-Term Liabilities		-20,189,152.89
Net Position of Governmental Activities (Exhibit "A")		$ 79,691,344.69

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

BRYAN 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	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 19,840,969.23			$ 19,840,969.23
Sales Taxes	140,489.05		$ 5,608,955.19	5,749,444.24
State Funds	36,681,096.77	$ 7,956,786.60		44,637,883.37
Federal Funds	5,429,790.23			5,429,790.23
Charges for Services	2,893,875.01			2,893,875.01
Investment Earnings	26,040.13	72,599.17	3,631.78	102,271.08
Miscellaneous	752,594.58			752,594.58
Total Revenues	65,764,855.00	8,029,385.77	5,612,586.97	79,406,827.74
EXPENDITURES				
Current				
Instruction	39,946,728.40	273,505.13		40,220,233.53
Support Services				
Pupil Services	2,124,802.27	151,429.02		2,276,231.29
Improvement of Instructional Services	1,598,975.68			1,598,975.68
Educational Media Services	1,102,921.71	10,588.95		1,113,510.66
General Administration	465,888.21	7,988.00		473,876.21
School Administration	3,379,194.00	15,630.76		3,394,824.76
Business Administration	378,933.60	102,164.00		481,097.60
Maintenance and Operation of Plant	5,303,222.27			5,303,222.27
Student Transportation Services	2,757,764.70	6,332.34		2,764,097.04
Central Support Services	186,563.19	20,191.80		206,754.99
Other Support Services	147,545.47			147,545.47
Enterprise Operations	280,281.31			280,281.31
Community Services	699,468.43			699,468.43
Food Services Operation	4,565,142.31			4,565,142.31
Capital Outlay		24,724,387.37		24,724,387.37
Debt Services				
Principal			4,500,000.00	4,500,000.00
Dues and Fees			3,000.00	3,000.00
Interest			640,350.00	640,350.00
Total Expenditures	62,937,431.55	25,312,217.37	5,143,350.00	93,392,998.92
Excess of Revenues over (under) Expenditures	2,827,423.45	-17,282,831.60	469,236.97	-13,986,171.18
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	9,601.64			9,601.64
Transfers In		1,500,000.00		1,500,000.00
Transfers Out	-1,500,000.00			-1,500,000.00
Total Other Financing Sources (Uses)	-1,490,398.36	1,500,000.00		9,601.64
SPECIAL ITEM				
Proceeds from Sale of Land		187,500.00		187,500.00
Net Change in Fund Balances	1,337,025.09	-15,595,331.60	469,236.97	-13,789,069.54
Fund Balances - Beginning	14,865,464.03	38,141,085.63	4,375,487.86	57,382,037.52
Fund Balances - Ending	$ 16,202,489.12	$ 22,545,754.03	$ 4,844,724.83	$ 43,592,967.98

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

BRYAN 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")		$ -13,789,069.54
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	$ 25,194,033.00	
Depreciation Expense	-2,236,952.00	
Excess of Capital Outlay over Depreciation Expense		22,957,081.00
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.		-287,927.00
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		-37,450.38
Repayment of Long-Term Debt is reported as an expenditure in Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position. In the current year, these amounts consist of Bond Principal Retirements.		4,500,000.00
Interest expense reported in the Statement of Activities is recorded as incurred, whereas interest expense in the governmental fund statements is reported when paid.		37,293.00
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 activities consist of:		
Amortization of Bond Premium	$ 282,386.23	
Increase in Compensated Absences	-7,322.20	
Pension Expense	1,720,149.00	
Total Additional Expenditures		1,995,213.03
Change in Net Position of Governmental Activities (Exhibit "B")		$ 15,375,140.11

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

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

EXHIBIT "G"

	AGENCY FUNDS
ASSETS	
Cash and Cash Equivalents	$ 88,874.03
LIABILITIES	
Funds Held for Others	$ 88,874.03

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 Bryan 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 Bryan 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 reported 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), Bond Proceeds, and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned to the expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (sales) legally restricted for the payment of general long-term principal and interest.

The School District reports the following fiduciary fund type:

- Agency funds account for assets held by the School District as an agent for various clubs and organizations.

BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported on the financial statements. The District-wide governmental (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 principal and interest on general long-term debt and 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 $51,585,738.00. This change is in accordance with generally accepted accounting principles.

Net Position, July 1, 2014, as previously reported	$ 115,901,942.58
Prior Period adjustment - Implementation of GASB 68:	
Net Pension Liability (measurement date)	
TRS	-55,587,807.00
Deferred Outflows - School District's contribution made during fiscal year 2014	
TRS	4,002,069.00
Net Position, July 1, 2014, as restated	$ 64,316,204.58

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 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.

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 Bryan County Board of Commissioners adopted the property tax levy for the 2014 tax digest year (calendar year) on August 12, 2014 (levy date) based on property values as of January 1, 2014. Taxes were due on November 15, 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 Bryan 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 $18,481,829.56.

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

School Operations	15.537 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $1,330,089.88 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 $5,608,955.19 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 basic 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 consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

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. During the fiscal year under review, no 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	Any Amount	N/A
Land Improvements	Any Amount	N/A
Buildings and Improvements	$ 10,000.00	up to 50 years
Modular Buildings	$ 5,000.00	25 years
Improvements Other Than Buildings	$ 10,000.00	10 to 50 years
Machinery and Equipment	$ 5,000.00	5 to 20 years
Infrastructure	$ 50,000.00	50 to 80 years
Software	$ 10,000.00	10 to 30 years
Intangible Assets:		
Patents, Trademarks, and Copyrights	$ 50,000.00	20 years
Rights of Way and Easements	$ 50,000.00	N/A
Licenses and Permits	$ 50,000.00	20 to 30 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 20 to 30 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. The School District has only 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 reporting only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become 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 fiscal year 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 current year may be carried over to the next year, providing such vacation leave does not exceed 25 days.

GENERAL OBLIGATION BONDS

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In the District-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued.

In the fund financial statements, the School District recognizes bond premiums and discounts, as well as bond issuance costs during the fiscal year bonds are issued. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The outstanding amount of these bonds is recorded in the Statement of Net Position.

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 Public School Employees Retirement System (PSERS) and additions to/deductions from TRS/PSERS's fiduciary net position have been determined on the same basis as they are reported by TRS/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:

Net 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 Net Investment in Capital Assets.

Restricted Net Position - This represents resources for which the School District is legally or contractually obligated to spend resources for continuation of Federal Programs, debt service 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 $40,358,168.00 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		$ 128,145.77
Restricted		
Continuation of Federal Programs	$ 1,590,317.98	
Capital Projects	12,380,975.43	
Debt Service	4,897,675.00	18,868,968.41
Committed		
Local Capital Outlay Projects	$ 10,111,828.43	
School Activity Accounts	412,928.21	10,524,756.64
Assigned		
After School Program	$ 360,061.01	
Other - Unemployment Fund	142,524.14	502,585.15
Unassigned		13,568,512.01
Fund Balance, June 30, 2015		$ 43,592,967.98

It is the goal of the School District to achieve and maintain an unassigned fund balance in the general fund at fiscal year end not to exceed 15% of the total budget of the subsequent fiscal year, net of any Committed Reserved Balance for capital expenditures, in compliance with Official Code of Georgia Annotated Section 20-2-167(a)5. The optimum fund balance should be sufficient to provide funding for two months of operating costs, to accommodate cash flow needs, to provide liquidity for response to contingent liabilities, and to provide additional resources for other funds. If the unassigned fund balance at fiscal year end falls below the goal, the School District shall develop a restoration plan to achieve and maintain the minimum fund balance.

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, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except various school activity (principal) accounts, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the General Fund, except the various school activity (principal) accounts, 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, as well as the School District's website. 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 4 – 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.

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,
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 $32,080,716.50 and a bank balance of $32,780,384.00. The bank balances insured by Federal depository insurance were $5,024,382.67, and the bank balances collateralized with securities held by the pledging institution or by the pledging financial institution's trust department or agent in the School District's name were $227,058.03.

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	$ 0.00
2	0.00
3	27,528,943.30
Total	$ 27,528,943.30

CATEGORIZATION OF INVESTMENTS

At June 30, 2015, the carrying value of the School District's total investments was $9,007,865.40, which is materially the same as fair value. 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 share. The pool is an AAAf 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	Balances June 30, 2015
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 5,707,266.00		$ 4,089.00	$ 5,703,177.00
Construction in Progress	3,763,823.00	$ 23,425,504.00	296,388.00	26,892,939.00
Total Capital Assets Not Being Depreciated	9,471,089.00	23,425,504.00	300,477.00	32,596,116.00
Capital Assets Being Depreciated				
Buildings and Improvements	81,632,434.00		286,074.00	81,346,360.00
Equipment	8,170,434.00	829,170.00	52,044.00	8,947,560.00
Land Improvements	5,016,067.00	1,235,747.00		6,251,814.00
Infrastructure	3,176,031.00			3,176,031.00
Less Accumulated Depreciation for:				
Buildings and Improvements	17,702,617.00	1,577,568.00	2,735.00	19,277,450.00
Equipment	4,712,516.00	404,250.00	51,545.00	5,065,221.00
Land Improvements	1,514,667.00	197,840.00		1,712,507.00
Infrastructure	298,599.00	57,294.00		355,893.00
Total Capital Assets, Being Depreciated, Net	73,766,567.00	-172,035.00	283,838.00	73,310,694.00
Governmental Activity Capital Assets - Net	$ 83,237,656.00	$ 23,253,469.00	$ 584,315.00	$ 105,906,810.00

Current year depreciation expense by function is as follows:

Instruction		$ 1,392,517.00
Support Services		
Pupil Services	$ 138,102.00	
Educational Media Services	22,546.00	
General Administration	52,204.00	
School Administration	31,477.00	
Business Administration	4,222.00	
Maintenance and Operation of Plant	184,425.00	
Student Transportation Services	274,242.00	707,218.00
Food Services		137,217.00
		$ 2,236,952.00

NOTE 7: INTERFUND TRANSFERS

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

Transfers to	Transfers From General Fund
District-wide Capital Projects	$ 1,500,000.00

Transfers are used to move property tax revenues collected by the General Fund to the District-wide Capital Projects Fund as required match or supplemental funding source for capital construction projects.

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 has obtained commercial insurance for risk of loss associated with assets, job related illness or injuries to employees. The School District has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the School District's insurance coverage in any of the past three years.

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.

The School District is self-insured with regard to unemployment compensation claims. A premium is charged when needed by the General Fund to each user program on the basis of the percentage of that fund's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The School District accounts for claims 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:

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2014	$ 0.00	$ 2,679.60	$ 2,679.60	$ 0.00
2015	$ 0.00	$ 7,098.00	$ 7,098.00	$ 0.00

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

Position Covered	Amount
Superintendent	$ 500,000.00

NOTE 9: OPERATING LEASES

Bryan County Board of Education has entered into various leases as lessee for Copy Machines. 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 $162,902.10. Future minimum lease payments for these leases are as follows:

Year Ending	Governmental Funds
2016	$ 148,176.84
2017	111,132.66
2018	37,044.24
Total	$ 296,353.74

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.

GENERAL OBLIGATION DEBT OUTSTANDING

General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
General Government - Series 2013	2.0% - 4.0%	$ 19,000,000.00

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
G.O. Bonds	$ 23,500,000.00		$ 4,500,000.00	$ 19,000,000.00	$ 4,600,000.00
Compensated Absences(1)	87,979.00	$ 117,021.46	109,699.26	95,301.20	
Bond Premiums Amortized	1,129,544.92		282,386.23	847,158.69	282,386.23
	$ 24,717,523.92	$ 117,021.46	$ 4,892,085.49	$ 19,942,459.89	$ 4,882,386.23

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

At June 30, 2015, payments due by fiscal year which includes principal and interest for these items are as follows:

Fiscal Year Ended June 30:	General Obligation Debt Principal	General Obligation Debt Interest	Unamortized Bond Premium
2016	$ 4,600,000.00	549,350.00	$ 282,386.23
2017	4,800,000.00	433,175.00	282,386.23
2018	5,000,000.00	271,000.00	282,386.23
2019	4,600,000.00	89,500.00	
Total Principal and Interest	$ 19,000,000.00	1,343,025.00	$ 847,158.69

NOTE 11: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $117,808.00 for retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education
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 $117,808.00

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 ITEMS

The School District received insurance proceeds for the replacement of a school bus in the amount of $9,601.64. Also, the School District sold real property for a gain of $187,500.00.

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
Bryan County Elementary School Phase I	$ 683,605.16	
Bryan County Elementary School Phase II	5,151,912.00	$ 344,183.60
Bryan County Elementary School Water and Sewer	271,975.00	
McAllister Elementary School Phase II	698,408.35	
McAllister Elementary School Phase II	5,366,328.81	539,903.80
	$ 12,172,229.32	$ 884,087.40

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 July 21, 2016, the School District executed a contract for the sale of the former Bryan County Elementary School to the Downtown Development Authority of Pembroke, Inc. (DDA) for the purchase price of $812,500.00. The School District will owner-finance the principal amount of $812,500.00 over not more than fifteen years at four percent per annum, compounded monthly, and the term of repayment not to exceed fifteen years. DDA shall make the first monthly payment to the School District no earlier than June 1, 2017. All subsequent payments being due on the first of each month thereafter, and final payment of all outstanding principal and interest due at maturity.

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

For non-certificated school personnel:

July 1, 2014 – June 30, 2015	$596.20 per member per month

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	Contributed	Contribution
2015	100%	$ 5,753,399.60
2014	100%	$ 5,785,329.60
2013	100%	$ 5,242,964.42

NOTE 17: RETIREMENT PLANS

Bryan 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. 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% 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.

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

Fiscal Year	Percentage Contributed	Required Contribution
2015	100%	$ 4,500,530.51
2014	100%	$ 4,002,066.55
2013	100%	$ 3,659,274.57

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 $40,358,168.00 for its proportionate share of the Net Pension Liability for TRS.

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 during the fiscal year ended June 30, 2014.

At June 30, 2014, the School District's TRS proportion was 0.319449%, which was an increase of 0.000435% 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 $527,178.00.

The PSERS Net Pension Liability was measure 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 $2,780,382.00 for TRS and $45,782.00 for PSERS and revenue of $45,782.00 for PSERS. The revenue is support provided by the State of Georgia.

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

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments		$ 14,069,713.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	$ 61,761.00	
School District contributions subsequent to the measurement date	4,500,531.00	
Total	$ 4,562,292.00	$ 14,069,713.00

Bryan County Board of Education contributions subsequent to the measurement date of June 30, 2014 for TRS 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
2016	$ -3,503,391.00
2017	$ -3,503,391.00
2018	$ -3,503,391.00
2019	$ -3,503,394.00
2020	$ 5,615.00

***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.

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

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 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:

Asset class	Target allocation	Long-term expected real rate of return*
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	100.00%	

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

Discount rate: The discount rate used to measure the total TRS 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 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.

Sensitivity of the Bryan 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	$ 74,374,688.00	$ 40,358,168.00	$ 12,346,269.00

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

DEFINED CONTRIBUTION PLAN

In January 2009, the School District implemented a revised 403(b) Plan to include all new provisions of the IRS Code. All employees are eligible to participate and there are multiple providers allowed in the Plan. There are not vesting requirements. The Plan originally provided for a School District contribution of 2% if an employee contributed 3% of his/her salary. Because of budget constraints, the employer contribution was eliminated in July 2010 but reinstated in January 2012. The employer contributions for the current year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2015	100%	$ 469,688.33
2014	100%	$ 435,830.93
2013	100%	$ 420,460.96

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BRYAN 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	0.319449%
School District's proportionate share of the net pension liability	$ 40,358,168.00
School District's covered-employee payroll	$ 32,590,118.49
School District's proportionate share of the net pension liability as a percentage of its covered employee payroll	123.84%
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 Bryan County Board of Education.

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

	2015	2014	2013	2012
Contractually required contribution	$ 4,500,530.51	$ 4,002,066.55	$ 3,659,274.57	$ 3,301,663.18
Contributions in relation to the contractually required contribution	$ 4,500,530.51	$ 4,002,066.55	$ 3,659,274.57	$ 3,301,663.18
Contribution deficiency (excess)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
School District's covered-employee payroll	$ 34,224,566.62	$ 32,590,118.49	$ 32,070,767.48	$ 32,117,346.11
Contributions as a percentage of covered-employee payroll	13.15%	12.28%	11.41%	10.28%

2011	2010	2009	2008	2007	2006
$ 3,286,119.66	$ 3,167,282.65	$ 3,075,651.88	$ 2,818,287.56	$ 2,533,537.23	$ 2,310,930.00
$ 3,286,119.66	$ 3,167,282.65	$ 3,075,651.88	$ 2,818,287.56	$ 2,533,537.23	$ 2,310,930.00
$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
$ 31,966,144.55	$ 32,518,302.36	$ 33,142,800.43	$ 30,369,478.02	$ 27,301,047.74	$ 25,010,064.94
10.28%	9.74%	9.28%	9.28%	9.28%	9.24%

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

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

SCHEDULE "4"

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 19,741,384.00	$ 19,741,384.00	$ 19,840,969.23	$ 99,585.23
Sales Taxes	100,000.00	100,000.00	140,489.05	40,489.05
State Funds	34,696,448.00	35,636,053.00	36,681,096.77	1,045,043.77
Federal Funds	2,817,050.00	5,357,069.00	5,429,790.23	72,721.23
Charges for Services	2,296,754.00	2,296,754.00	2,893,875.01	597,121.01
Investment Earnings	22,200.00	22,200.00	26,040.13	3,840.13
Miscellaneous	232,900.00	232,900.00	752,594.58	519,694.58
Total Revenues	59,906,736.00	63,386,360.00	65,764,855.00	2,378,495.00
EXPENDITURES				
Current				
Instruction	37,960,911.00	40,662,832.00	39,946,728.40	716,103.60
Support Services				
Pupil Services	1,566,281.00	1,682,913.00	2,124,802.27	-441,889.27
Improvement of Instructional Services	1,212,220.00	1,707,322.00	1,598,975.68	108,346.32
Educational Media Services	1,132,857.00	1,290,672.00	1,102,921.71	187,750.29
General Administration	523,762.00	546,437.00	465,888.21	80,548.79
School Administration	3,500,793.00	3,512,419.00	3,379,194.00	133,225.00
Business Administration	394,312.00	394,312.00	378,933.60	15,378.40
Maintenance and Operation of Plant	5,840,661.00	5,792,141.00	5,303,222.27	488,918.73
Student Transportation Services	3,129,037.00	3,129,212.00	2,757,764.70	371,447.30
Central Support Services	227,485.00	227,485.00	186,563.19	40,921.81
Other Support Services	63,500.00	90,708.00	147,545.47	-56,837.47
Enterprise Operations			280,281.31	-280,281.31
Community Services	809,418.00	809,418.00	699,468.43	109,949.57
Food Services Operation	5,014,657.00	5,015,097.00	4,565,142.31	449,954.69
Total Expenditures	61,375,894.00	64,860,968.00	62,937,431.55	1,923,536.45
Excess of Revenues over (under) Expenditures	-1,469,158.00	-1,474,608.00	2,827,423.45	4,302,031.45
OTHER FINANCING SOURCES (USES)				
Other Sources			9,601.64	9,601.64
Other Uses		-1,500,000.00	-1,500,000.00	0.00
Total Other Financing Sources (Uses)		-1,500,000.00	-1,490,398.36	9,601.64
Net Change in Fund Balances	-1,469,158.00	-2,974,608.00	1,337,025.09	4,311,633.09
Fund Balances - Beginning	14,180,595.00	13,964,778.00	14,865,464.03	900,686.03
Fund Balances - Ending	$ 12,711,437.00	$ 10,990,170.00	$ 16,202,489.12	$ 5,212,319.12

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 $1,105,469.57 and $1,267,321.63, 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.

FUNDING AGENCY PROGRAM/GRANT		CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD	
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	$ 4,425,978.47	(1)
Total U. S. Department of Agriculture				4,425,978.47	
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	1,189,533.69	
Preschool Grants		84.173	N/A	51,490.33	
Total Special Education Cluster				1,241,024.02	
Other Programs					
Pass-Through From Georgia Department of Education					
ARRA - Race-to-the-Top Incentive Grants		84.395	N/A	5,531.06	
Career and Technical Education - Basic Grants to States		84.048	N/A	41,340.00	
English Language Acquisition Grants		84.365	N/A	18,449.49	
Improving Teacher Quality State Grants		84.367	N/A	138,172.82	
Title I Grants to Local Educational Agencies		84.010	N/A	766,474.87	
Total Other Programs				969,968.24	
Total U. S. Department of Education				2,210,992.26	
Defense, U. S. Department of					
Direct					
Department of the Army					
R.O.T.C. Program				123,495.84	
Total Expenditures of Federal Awards				$ 6,760,466.57	

N/A = Not Available

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 $260,793.23.

(2) Expenditures for the funds earned on the School Breakfast Program ($314,401.25) 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 $901,128.93, 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 Bryan 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.

BRYAN COUNTY BOARD OF EDUCATION
SCHEDUOLE OF STATE REVENUE
YEAR ENDED JUNE 30, 2015

SCHEDULE "6"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	$ 854,678.06		$ 854,678.06
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	2,343,101.00		2,343,101.00
Kindergarten Program - Early Intervention Program	72,602.00		72,602.00
Primary Grades (1-3) Program	5,215,647.00		5,215,647.00
Primary Grades - Early Intervention (1-3) Program	561,256.00		561,256.00
Upper Elementary Grades (4-5) Program	2,565,359.00		2,565,359.00
Upper Elementary Grades - Early Intervention (4-5) Program	244,113.00		244,113.00
Middle School (6-8) Program	5,056,306.00		5,056,306.00
High School General Education (9-12) Program	4,431,081.00		4,431,081.00
Vocational Laboratory (9-12) Program	1,220,230.00		1,220,230.00
Students with Disabilities	5,246,600.00		5,246,600.00
Gifted Student - Category VI	2,707,855.00		2,707,855.00
Remedial Education Program	368,580.00		368,580.00
Alternative Education Program	351,252.00		351,252.00
English Speakers of Other Languages (ESOL)	90,655.00		90,655.00
Media Center Program	829,982.00		829,982.00
20 Days Additional Instruction	249,873.00		249,873.00
Staff and Professional Development	156,926.00		156,926.00
Indirect Cost			
Central Administration	968,006.00		968,006.00
School Administration	1,527,266.00		1,527,266.00
Facility Maintenance and Operations	2,119,322.00		2,119,322.00
Amended Formula Adjustment	-3,149,500.00		-3,149,500.00
Categorical Grants			
Pupil Transportation			
Regular	457,310.00		457,310.00
Nursing Services	149,633.00		149,633.00
Education Equalization Funding Grant	1,601,879.00		1,601,879.00
Food Services	101,173.00		101,173.00
Other State Programs			
Math and Science Supplements	30,066.46		30,066.46
Preschool Handicapped Program	80,359.00		80,359.00
Pupil Transportation - State Bonds	77,220.00		77,220.00
Teacher of the Year	1,014.25		1,014.25
Vocational Education	33,444.00		33,444.00
Georgia State Financing and Investment			
Commission			
Reimbursement on Construction Projects		$ 7,956,786.60	7,956,786.60
Office of the State Treasurer			
Public School Employees Retirement	117,808.00		117,808.00
	$ 36,681,096.77	$ 7,956,786.60	$ 44,637,883.37

See notes to the basic financial statements.

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

SCHEDULE "7"

SPLOST III Projects	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
(1) acquiring, constructing, and equipping new elementary, middle, and high schools, including necessary land acquisitions;	$ 32,000,000.00	$ 28,521,053.83	$ 343,464.81	$ 28,177,589.02	$ 28,521,053.83		Completed
(2) adding to, remodeling, renovating, improving, and equipping existing educational buildings, properties, and facilities; and acquiring property, both real and personal; and equipment necessary therefore;	6,060,592.00						Completed (4)
(3) acquiring school buses, making instructional and administrative technology improvements, and renovating, adding to, and improving athletic and administrative buildings and facilities;	1,555,000.00	785,697.44		785,697.44	785,697.44		Completed
(4) payment of capitalized interest.	2,884,408.00	2,884,408.33		2,884,408.33	2,884,408.33		Completed
	42,500,000.00	32,191,159.60	343,464.81	31,847,694.79	32,191,159.60		
SPLOST IV Projects							
(1) acquiring, constructing, and equipping new elementary, middle, and high schools;	24,294,379.00	38,900,000.00	23,697,153.79	3,467,435.44			July 2015
(2) adding to, remodeling, renovating, improving, and equipping existing educational buildings, properties, and facilities; and acquiring property, both real and personal; and equipment necessary therefore;	1,361,047.00	965,000.00					July 2018
(3) acquiring school buses, acquiring textbooks, making instructional and administrative technology improvements, and renovating, adding to, and improving athletic and administrative buildings and facilities;	4,608,000.00	4,608,000.00					July 2018
(4) payment of capitalized interest.	2,236,574.00	2,236,574.00	640,350.00	253,198.74			August 2018
	32,500,000.00	46,709,574.00	24,337,503.79	3,720,634.18	0.00		
	$ 75,000,000.00	$ 78,900,733.60	$ 24,680,968.60	$ 35,568,328.97	$ 32,191,159.60		

(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 estimate of total cost for the projects. Includes all cost from project inception to completion.

(3) The voters of Bryan County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

(4) These projects are currently being funded by local capital outlay funds; therefore, project budgets and costs are not reflective on this statement.

See notes to the basic financial statements.

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

SCHEDULE "8"

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2)	ELIGIBLE QBE PROGRAM COSTS SALARIES	OPERATIONS	TOTAL
Direct Instructional Programs				
Kindergarten Program	$ 2,778,491.00	$ 2,707,792.96	$ 81,489.74	$ 2,789,282.70
Kindergarten Program-Early Intervention Program	78,091.00		254.56	254.56
Primary Grades (1-3) Program	6,179,701.00	6,619,641.58	338,584.15	6,958,225.73
Primary Grades-Early Intervention (1-3) Program	621,860.00	409,924.49	3,456.32	413,380.81
Upper Elementary Grades (4-5) Program	3,027,604.00	3,933,094.66	253,536.98	4,186,631.64
Upper Elementary Grades-Early Intervention (4-5) Program	280,306.00	198,133.03	2,151.53	200,284.56
Middle School (6-8) Program	5,965,705.00	6,222,217.63	298,709.81	6,520,927.44
High School General Education (9-12) Program	5,189,492.00	6,331,589.81	489,842.02	6,821,431.83
Vocational Laboratory (9-12) Program	1,444,570.00	1,183,299.67	163,701.30	1,347,000.97
Students with Disabilities	6,029,038.00	4,547,848.70	132,562.02	4,680,410.72
Gifted Student - Category VI	3,076,317.00	880,806.93	40,280.00	921,086.93
Remedial Education Program	449,938.00	493,006.08	2,470.16	495,476.24
Alternative Education Program	414,111.00	170,579.18		170,579.18
English Speakers of Other Languages (ESOL)	105,585.00	208,145.87	1,235.48	209,381.35
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	35,640,809.00	33,906,080.59	1,808,274.07	35,714,354.66
Media Center Program	975,207.00	873,839.05	226,645.62	1,100,484.67
Staff and Professional Development	181,704.00	45,444.84	193,717.00	239,161.84
TOTAL QBE FORMULA FUNDS	$ 36,797,720.00	$ 34,825,364.48	$ 2,228,636.69	$ 37,054,001.17

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

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

See notes to the basic financial statements.

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SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

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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

October 14, 2016

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Bryan 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 Bryan 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 Bryan County Board of Education's basic financial statements and have issued our report thereon dated October 14, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bryan 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 Bryan County Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bryan 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.

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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 Bryan 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 a certain matter that we have reported to management of Bryan County Board of Education in a separate letter dated October 14, 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 Bryan 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 Bryan 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:es
2015YB-10

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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

October 14, 2016

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Bryan 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 Bryan 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. Bryan 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 Bryan 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 Bryan County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 Bryan County Board of Education's compliance.

Opinion on Each Major Federal Program

In our opinion, the Bryan 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 Bryan 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 Bryan 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 Bryan 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

GSG:es
2015SA-10

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SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

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BRYAN 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.

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SECTION IV

FINDINGS AND QUESTIONED COSTS

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BRYAN 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; Debt Service 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:

CFDA Numbers	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster
84.041	Impact Aid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $300,000.00

Auditee qualified as low-risk auditee? — No

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.