

CRISP COUNTY
BOARD OF EDUCATION
CORDELE, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

(Including Independent Auditor's Reports)

CRISP COUNTY BOARD OF EDUCATION

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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

March 22, 2018

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crisp County Board of Education (School District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District'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 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 School District as of June 30, 2017, and the respective changes in financial position, 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 2017, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) *Statement No. 77*, *Tax Abatement Disclosures*, GASB Statement No. 80, *Blending Requirements for Certain Component Units*, and GASB Statement No. 82, *Pension Issues*. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Proportionate Share of the Net Pension Liability, Schedules of Contributions to Retirement Systems, Notes to the Required Supplementary Information and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual as presented on pages i through viii and pages 31 through 37 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and are 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 Title 2

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U. S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also 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 taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2018 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District'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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INTRODUCTION

As management of the Crisp County Board of Education (School District), we offer readers of the Crisp County Board of Education's financial statements this narrative overview and analysis of the financial activities of the Crisp County Board of Education for the fiscal year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the School District's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2017 are as follows:

- The government-wide net position at June 30, 2017 was approximately $39.2 million. Net position reflects the difference between all assets, deferred outflows of resources, liabilities and deferred inflows of resources. The net position at June 30, 2017 of $39.2 million represented an increase of approximately $202.3 thousand when compared to the prior year net position of $39.0 million.

- The School District had over $48.7 million in expenses relating to governmental activities; only $32.9 million of these expenses were offset by program specific revenues charges for services, operating and capital grants and contributions. However, the general revenues (primarily property and sales taxes) of approximately $16.1 million provided additional funding of these expenses.

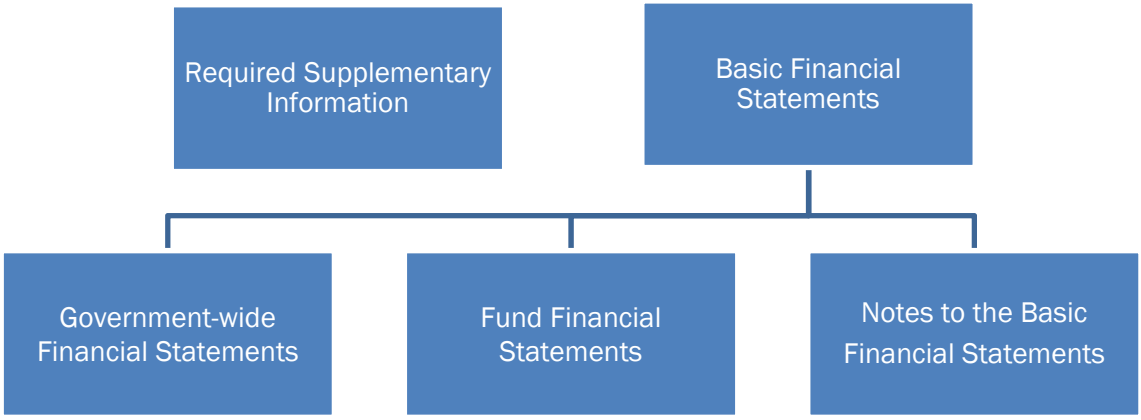
- The governmental funds ending fund balance at June 30, 2017 was approximately $12.0 million, with a net increase of $1.0 million. Included in the governmental fund balance was $6.1 million unassigned fund balance and $5.9 million restricted, assigned, and non-spendable fund balance.

- The $6.1 million unassigned fund balance for the General Fund was 13.50% of total general fund expenditures for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Table 1
Required Components of Annual Financial Report



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The total assets and deferred outflows of the Crisp County Board of Education exceeded the total liabilities and deferred inflows by over $39.2 million (net position) at June 30, 2017. The largest portion of net position is the School District's investment in capital assets (net of related debt) of approximately $57.0 million. The School District uses these capital assets (e.g., land, buildings, and equipment) to provide services to the students. Consequently, this net position is not available for future spending. An additional portion of the School District's net position totaling approximately $5.9 million represents resources that are subject to restrictions regarding how they may be used. The remaining portion of the Board's net position is the unrestricted deficit balance of over $23.7 million. This deficit balance is due to the Schools Districts, proportionate share of the Teachers Retirement System and Employees' Retirement System of net pension liability.

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

Table 2
Net Position

	Governmental Activities	
	Fiscal Year 2017	Fiscal Year 2016
Current and Other Assets	$ 18,366,306	$ 17,818,040
Capital Assets	57,200,021	56,842,564
Deferred Outflows of Resources	10,046,758	3,277,244
Total Assets and Deferred Outflows of Resources	85,613,085	77,937,848
Current and Other Liabilities	5,234,383	5,604,819
Long-Term Liabilities	40,586,120	30,326,569
Deferred Inflows of Resources	634,136	3,050,310
Total Liabilities and Deferred Inflows of Resources	46,454,639	38,981,698
Net Position		
Net Investment in Capital Assets	56,997,539	56,842,564
Restricted	5,869,115	4,923,729
Unrestricted (Deficit)	(23,708,209)	(22,810,143)
Total Net Position	$ 39,158,445	$ 38,956,150

The current year's net position increased by approximately $200 thousand, the School District's financial position improved as compared to last year's financial position.

The current year's change in net position (see table below) when compared to last year's change in net position decreased by approximately $5.1 million which was primarily due to expenditures increasing by $4.6 million. There was $1.7 million increase of operating grants and contributions to offset $1.7 million of these expenditures. The other $2.9 million of expenses was primarily due to a 3.0% locally funded salary increase to all employees and the increase of the School District's share of the Teachers Retirement and Employers Retirement System pension expense. Also last year's net position had a receipt of $1.9 million of state GSFIC funds more than the current year for construction projects. These renovations were capitalized and the cost of these assets will be depreciated over their useful life. Therefore, there were no offsetting expenses in the same year. However, the revenue is recognized in the year it is received.

The School District's government-wide net position was positively influenced by the following:

- The amended formula adjustment was reduced by approximately $686.6 thousand.
- The School District's ability to operate with no debt.

The School District's government-wide net position was decreased by the following cost:

- Salary increase of 3% for all employees.

Table 3 below provides a summary of the School District's change of net position for the current year and the change of net positon for the prior fiscal year.

Table 3
Change in Net Position

	Governmental Activities	
	Fiscal Year 2017	Fiscal Year 2016
Revenue		
Program Revenues:		
Charges for Services	$ 526,934	$ 362,074
Operating Grants and Contributions	32,012,891	30,324,414
Capital Grants and Contributions	310,659	2,145,947
Total Program Revenues	32,850,484	32,832,435
General Revenues:		
Property Taxes	10,006,850	10,016,263
Sales Taxes	3,902,921	3,927,521
Grants and Contributions not Restricted to Specfic Programs	2,244,565	2,100,515
Miscellaneous and Investment Earnings	544,044	635,735
Total General Revenues	16,698,380	16,680,034
Total Revenues	49,548,864	49,512,469
Program Expenses		
Instruction	29,198,371	26,310,364
Support Services		
Pupil Services	2,121,337	1,601,770
Improvement of Instructional Services	2,092,703	1,903,818
Educational Media Services	891,498	806,784
General Administration	746,382	716,149
School Administration	2,846,062	2,575,456
Business Administration	321,080	278,078
Maintenance and Operation of Plant	3,639,861	3,592,049
Student Transportation Services	2,386,314	2,213,956
Central Support Services	188,645	165,234
Other Support Services	557,329	660,451
Operations of Non-Instructional Services		
Enterprise Operations	295,928	112,397
Food Services	3,435,089	3,224,600
Total Expenses	48,720,599	44,161,106
Special Items		
Loss on Sale of Buildings	(625,970)	-
Change in Net Position	202,295	5,351,363
Beginning Net Position	38,956,150	33,604,787
Ending Net Position	$ 39,158,445	$ 38,956,150

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

At June 30, 2017, the governmental funds of Crisp County Board of Education reported a combined fund balance of approximately $12.0 million, which represents a net increase in fund balance of $1.0 million. This increase is primarily due to the saving of SPLOST collection funds to use to fund a new middle school in the near future. The fund balance available in the general fund was approximately $6.4 million and the fund balance in the capital projects fund was $5.6 million.

The Crisp County Board of Education has determined that the School District should maintain an available fund balance of 15% of general fund expenditures in case unforeseen needs or opportunities arise in addition to meeting the cash flow needs of the School District. The School District currently has an available general fund balance of $6.3 million, which represents 14% of general fund expenditures of $45.2 million, and total governmental fund balance of $12.0 million, which represents 25% of total governmental expenditures of $48.7 million.

Table 4 below provides a summary of the School District's governmental fund balances for this fiscal year as compared to the prior fiscal year.

Table 4
Governmental Funds

	Governmental Funds	
	Fiscal Year 2017	Fiscal Year 2016
General Fund	$ 6,368,716	$ 6,010,175
Capital Projects Fund	5,599,957	4,924,319
Total	$ 11,968,673	$ 10,934,494

General Fund Budgeting Highlights

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

Generally, budget amendments fall into one of three categories: (1) Amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and (3) increases in appropriations that become necessary to maintain services. In the current year, the School District revised its budget periodically to recognize new funding amounts from external sources.

For the general fund, the final actual revenues of $45.5 million were more than the final budgeted amount of $44.3 million by approximately $1.2 million. This can be attributed to receiving more revenue than originally expected from the Georgia Department of Community Health for Medicaid reimbursements for occupational and physical therapy services provided to certain students.

The general fund's final actual expenditures of $45.2 million were more than the final budget amount of $45.1 million by approximately $77 thousand. The School District believes it effectively managed its budget during the fiscal year. Additionally, the School District did not include expenditures of $578.1 thousand for school activity accounts in the final budget.

CAPITAL ASSETS

At fiscal year ended June 30, 2017, the School District had $57.2 million invested in capital assets, net of accumulated depreciation, all in governmental activities. These assets are made up of a broad range of items including buildings; land; land improvements; and food service, transportation and maintenance equipment. Table 5 reflects a summary of these balances, net of accumulated depreciation, as compared to the prior fiscal year.

Table 5
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2017	Fiscal Year 2016
Land	$ 2,224,328	$ 2,229,138
Construction in Progress	2,188,020	5,227,185
Building and Building Improvements	47,801,154	44,322,063
Equipment	2,981,626	2,947,378
Land Improvements	2,004,893	2,116,800
Total	$ 57,200,021	$ 56,842,564

Major capital asset transactions during the year include the following:

- Construction in progress includes renovations to the high school and middle school facilities including a new high school athletic weight room, renovations to the band room and new concessions with new restrooms at the football stadium located on the middle school campus.

- Buildings include the disposal of Blackshear Trail Elementary School due to a sale transaction. In fiscal year 2015 the school had a valuation reduction which was the result of an impairment related to the fact that the building was vacant due to the construction of the new primary school in March 2014.

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

CURRENT ISSUES

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

- The Board is planning for the construction of a new middle school in the near future.

REQUESTS FOR INFORMATION

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

CRISP COUNTY BOARD OF EDUCATION

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CRISP COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2017

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 12,272,484.18
Receivables, Net	
Taxes	1,669,127.85
State Government	3,209,705.44
Federal Government	1,034,772.77
Local	404.82
Other	63,803.04
Inventories	116,007.60
Capital Assets, Non-Depreciable	4,412,348.11
Capital Assets, Depreciable (Net of Accumulated Depreciation)	52,787,672.83
Total Assets	75,566,326.64
DEFERRED OUTFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plans	10,046,757.72
LIABILITIES	
Accounts Payable	274,855.22
Salaries and Benefits Payable	4,642,330.30
Payroll Withholdings Payable	50,924.88
Retainages Payable	195,955.40
Deposits and Unearned Revenues	70,317.07
Net Pension Liability	40,417,391.00
Long-Term Liabilities	
Due in More Than One Year	168,729.00
Total Liabilities	45,820,502.87
DEFERRED INFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plans	634,136.00
NET POSITION	
Net Investment in Capital Assets	56,997,538.54
Restricted for	
Continuation of Federal Programs	116,007.60
Capital Projects	5,753,108.42
Unrestricted (Deficit)	(23,708,209.07)
Total Net Position	$ 39,158,445.49

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

CRISP COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	EXPENSES	CHARGES FOR SERVICES
GOVERNMENTAL ACTIVITIES		
Instruction	$ 29,198,370.73	$ 416,875.95
Support Services		
Pupil Services	2,121,336.95	-
Improvement of Instructional Services	2,092,702.76	-
Educational Media Services	891,497.58	-
General Administration	746,382.18	-
School Administration	2,846,062.29	-
Business Administration	321,079.63	-
Maintenance and Operation of Plant	3,639,861.59	1,305.00
Student Transportation Services	2,386,314.22	-
Central Support Services	188,644.61	-
Other Support Services	557,328.99	-
Operations of Non-Instructional Services		
Enterprise Operations	295,928.20	-
Food Services	3,435,088.89	108,752.84
Total Governmental Activities	$ 48,720,598.62	$ 526,933.79
General Revenues		
Taxes		
Property Taxes		
For Maintenance and Operations		
Railroad Cars		
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects		
Other Sales Tax		
Grants and Contributions not Restricted to Specific Programs		
Investment Earnings		
Miscellaneous		
Special Item		
Loss on Sale of School		
Total General Revenues and Special Item		
Change in Net Position		
Net Position - Beginning of Year		
Net Position - End of Year		

PROGRAM REVENUES		NET (EXPENSES)
OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUES AND CHANGES IN NET POSITION
$ 22,772,188.15	$ -	$ (6,009,306.63)
441,917.22	-	(1,679,419.73)
1,436,773.62	-	(655,929.14)
487,065.00	-	(404,432.58)
642,692.36	-	(103,689.82)
1,077,687.65	-	(1,768,374.64)
5,267.40	-	(315,812.23)
1,359,789.01	238,438.59	(2,040,328.99)
662,292.60	72,220.00	(1,651,801.62)
576.32	-	(188,068.29)
4,297.52	-	(553,031.47)
53,412.20	-	(242,516.00)
3,068,932.11	-	(257,403.94)
$ 32,012,891.16	$ 310,658.59	(15,870,115.08)
		9,950,447.98
		56,402.07
		3,822,719.05
		80,202.23
		2,244,565.00
		61,592.03
		482,452.01
		(625,969.83)
		16,072,410.54
		202,295.46
		38,956,150.03
		$ 39,158,445.49

CRISP COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 6,803,738.35	$ 5,468,745.83	$ 12,272,484.18
Receivables, Net			
Taxes	1,323,591.22	345,536.63	1,669,127.85
State Government	3,209,705.44	-	3,209,705.44
Federal Government	1,034,772.77	-	1,034,772.77
Local	404.82	-	404.82
Other	63,803.04	-	63,803.04
Inventories	116,007.60	-	116,007.60
Total Assets	$ 12,552,023.24	$ 5,814,282.46	$ 18,366,305.70
LIABILITIES			
Accounts Payable	$ 256,485.22	$ 18,370.00	$ 274,855.22
Salaries and Benefits Payable	4,642,330.30	-	4,642,330.30
Payroll Withholdings Payable	50,924.88	-	50,924.88
Retainages Payable	-	195,955.40	195,955.40
Deposits and Unearned Revenue	70,317.07	-	70,317.07
Total Liabilities	5,020,057.47	214,325.40	5,234,382.87
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	1,163,249.85	-	1,163,249.85
FUND BALANCES			
Nonspendable	116,007.60	-	116,007.60
Restricted	-	5,550,626.02	5,550,626.02
Assigned	142,815.77	49,331.04	192,146.81
Unassigned	6,109,892.55	-	6,109,892.55
Total Fund Balances	6,368,715.92	5,599,957.06	11,968,672.98
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 12,552,023.24	$ 5,814,282.46	$ 18,366,305.70

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

CRISP COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")		$ 11,968,672.98
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 in the funds.		
Land	$ 2,224,327.89	
Construction in progress	2,188,020.22	
Buildings and improvements	63,251,053.96	
Equipment	8,554,986.88	
Land improvements	6,331,711.52	
Accumulated depreciation	(25,350,079.53)	57,200,020.94
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability		(40,417,391.00)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		9,412,621.72
Taxes that are not available to pay for current period expenditures are deferred in the funds.		1,163,249.85
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable		(168,729.00)
Net position of governmental activities (Exhibit "A")		$ 39,158,445.49

CRISP COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
REVENUES			
Property Taxes	$ 10,122,327.15	$ -	$ 10,122,327.15
Sales Taxes	80,202.23	3,822,719.05	3,902,921.28
State Funds	25,986,003.45	238,438.60	26,224,442.05
Federal Funds	8,296,818.01	-	8,296,818.01
Charges for Services	526,933.79	-	526,933.79
Investment Earnings	29,141.17	32,450.86	61,592.03
Miscellaneous	487,952.01	-	487,952.01
Total Revenues	45,529,377.81	4,093,608.51	49,622,986.32
EXPENDITURES			
Current			
Instruction	26,782,776.52	28,660.00	26,811,436.52
Support Services			
Pupil Services	1,909,462.81	180,972.17	2,090,434.98
Improvement of Instructional Services	2,055,189.46	-	2,055,189.46
Educational Media Services	837,996.21	-	837,996.21
General Administration	692,715.36	4,347.00	697,062.36
School Administration	2,685,408.26	-	2,685,408.26
Business Administration	308,873.03	-	308,873.03
Maintenance and Operation of Plant	3,443,533.00	250,668.77	3,694,201.77
Student Transportation Services	2,101,467.07	321,462.00	2,422,929.07
Central Support Services	182,962.55	-	182,962.55
Other Support Services	557,345.73	-	557,345.73
Enterprise Operations	295,928.20	-	295,928.20
Food Services Operation	3,388,189.06	-	3,388,189.06
Capital Outlay	-	2,631,860.30	2,631,860.30
Total Expenditures	45,241,847.26	3,417,970.24	48,659,817.50
Revenues over (under) Expenditures	287,530.55	675,638.27	963,168.82
OTHER FINANCING USES			
Transfers Out	(580.10)	-	(580.10)
Net Change in Fund Balances	286,950.45	675,638.27	962,588.72
Fund Balances - Beginning	6,010,175.25	4,924,318.79	10,934,494.04
Inventory - Net Change in Period	71,590.22	-	71,590.22
Fund Balances - Ending	$ 6,368,715.92	$ 5,599,957.06	$ 11,968,672.98

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

CRISP COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2017

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")		$ 962,588.72
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	$ 3,212,664.36	
Depreciation expense	(2,223,737.97)	988,926.39
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.		(631,469.83)
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(115,477.10)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Pension expense		(1,060,370.20)
Food inventories are expensed on the Statement of Activities using the consumption method while on the fund level food inventories are recorded as expenditures when purchased. In the current period this difference amounts to:		71,590.22
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.		
Compensated absences		(13,492.74)
Change in net position of governmental activities (Exhibit "B")		$ 202,295.46

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

CRISP COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

EXHIBIT "G"

	PRIVATE PURPOSE TRUSTS	AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents	$ 36,330.41	$ 85,934.98
Investments	118,991.42	-
Receivables, Net		
Interest and Dividends	59.35	-
Total Assets	$ 155,381.18	$ 85,934.98
LIABILITIES		
Funds Held for Others		$ 85,934.98
NET POSITION		
Held in Trust for Private Purposes	$ 155,381.18	

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

CRISP COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2017

EXHIBIT "H"

	PRIVATE PURPOSE TRUSTS
ADDITIONS	
Investment Earnings	
Interest	$ 237.87
DEDUCTIONS	
Other Deductions	112.15
Change in Net Position	125.72
Net Position - Beginning	155,255.46
Net Position - Ending	$ 155,381.18

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

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

The Crisp County Board of Education (School District) was established under the laws of the State of Georgia and operates under the guidance of a board elected by the voters and a Superintendent appointed by the Board. The School District 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

The accompanying financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

BASIS OF PRESENTATION

The School District's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements. The government-wide statements focus on the School District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

GOVERNMENT-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 Net Position presents the School District's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

1. Net investment in capital assets consists of the School District's total investment in capital assets, net of accumulated depreciation, and reduced by accounts and retainages payable related to those capital assets.
2. Restricted net position consists of resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position consists of resources not meeting the definition of the two preceding categories. Unrestricted net positon often has constraints on resources imposed by management which can be removed or modified.

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 financial statements are presented for governmental and fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

- The 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.
- The capital projects fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST) and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.

The School District reports the following fiduciary fund types:

- Private purpose trust funds are used to report all trust arrangements, other than those properly reported elsewhere, in which principal and income benefit individuals, private organizations or other governments.
- Agency funds are used to report resources held by the School District in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported on the financial statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes and grants. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are

recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net assets 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.

NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2017, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures.* This statement requires governments that enter into tax abatement agreements to disclose the following information; (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. See note 14 for further disclosure of tax abatements in accordance with this standard.

In fiscal year 2017, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. This statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organization Are Component Units*. The adoption of this statement does not have a significant impact on the School District's financial statements.

In fiscal year 2017, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*. This statement addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption of this statement does not have a significant impact on the School District's financial statements.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool (Georgia Fund 1) 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 (O.C.G.A.) §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

The School District can invest its funds as permitted by O.C.G.A. §36-83-4. 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.

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. All other investments are reported at fair value.

For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

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.

INVENTORIES

Food Inventories

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

The cost of governmental fund type inventories are reported as expenditures when purchased.

CAPITAL ASSETS

On the government-wide financial statements, capital assets are recorded 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 the acquisition value on the date donated. 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. The School District does not capitalize book collections or works of art.

Capital acquisition and construction are recorded as expenditures in the governmental fund financial statements at the time of purchase (including ancillary charges), and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements.

Depreciation is computed using the straight-line for all assets, except land, and is used to allocate the actual or estimated historical cost of capital assets over estimated useful lives.

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position 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.

In addition to liabilities, the statement of financial position 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.

COMPENSATED ABSENCES

Compensated absences payable consists of vacation leave employees earned based on services already rendered.

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 fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 10 days. Upon terminating employment, the School District pays up to 10 days of unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

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.

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

FUND BALANCES

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

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

Nonspendable consists of resources 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 consists of resources that can be used only for specific purposes pursuant constraints either (1) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Committed consists of resources that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. The Board 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 consists of resources 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 or (2) the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

Unassigned consists of resources within the general fund not meeting the definition of any aforementioned category. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

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.

PROPERTY TAXES

The Crisp County Board of Commissioners adopted the property tax levy for the 2016 tax digest year (calendar year) on November 1, 2016 (levy date) based on property values as of January 1, 2016. Taxes were due on December 20, 2016 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2016 tax digest are reported as revenue in the governmental funds for fiscal year 2017. The Crisp County Board of Commissioners 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, 2017, for maintenance and operations amounted to $9,492,734.25.

The tax millage rate levied for the 2016 tax year (calendar year) for the School District was as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	17.45 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $573,190.83 during fiscal year ended June 30, 2017.

SALES TAXES

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $3,822,719.05 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.

NOTE 3: BUDGETARY DATA

The budget is a complete financial plan for the School District's fiscal year, and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the 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 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 O.C.G.A. §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.

The Superintendent is authorized by the Board to approve adjustments for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditures in any budgeted fund is anticipated to be more than the budgeted fund total, the Superintendent shall request Board approval for the budget amendment. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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

NOTE 4: DEPOSITS AND CASH EQUIVALENTS

COLLATERALIZATION OF DEPOSITS

O.C.G.A. §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% 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. §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% 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, 2017, the School District had deposits with a carrying amount of $1,387,093.62, and a bank balance of $4,515,597.83. The bank balances insured by Federal depository insurance were $569,067.08.

At June 30, 2017, $3,946,530.75 of the School District's bank balance was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	$	-
Uninsured with collateral held by the pledging financial institution		3,511,309.55
Uninsured with collateral held by the pledging financial institution's trust department or agent but not in the School District's name		435,221.20
Total	$	3,946,530.75

Reconciliation of cash and cash equivalents balances to carrying value of deposits:

Statement of Net Position		
Cash and cash equivalents	$	12,272,484.18
Statement of Fiduciary Net Position		
Cash and cash equivalents		122,265.39
Total cash and cash equivalents		12,394,749.57
Add:		
Deposits with original maturity of three months or more reported as investments		118,991.42
Less:		
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		11,126,647.37
Total carrying value of deposits - June 30, 2017	$	1,387,093.62

CATEGORIZATION OF CASH EQUIVALENTS

The School District reported cash equivalents of $11,126,647.37 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 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, which approximates fair value. 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, 2017, was 56 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, 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, 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 www.audits.ga.gov/SGD/CAFR.html.

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the capital assets for governmental activities during the fiscal year:

	Balances July 1, 2016	Increases	Decreases	Balances June 30, 2017
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 2,229,137.97	$ -	$ 4,810.08	$ 2,224,327.89
Construction in Progress	5,227,185.42	2,408,403.30	5,447,568.50	2,188,020.22
Total Capital Assets Not Being Depreciated	7,456,323.39	2,408,403.30	5,452,378.58	4,412,348.11
Capital Assets Being Depreciated				
Buildings and Improvements	58,944,232.17	5,564,907.50	1,258,085.71	63,251,053.96
Equipment	8,511,369.22	545,175.06	501,557.40	8,554,986.88
Land Improvements	6,294,775.06	141,747.00	104,810.54	6,331,711.52
Less Accumulated Depreciation for:				
Buildings and Improvements	14,622,168.79	1,466,765.10	639,033.92	15,449,899.97
Equipment	5,563,990.79	503,320.02	493,949.44	5,573,361.37
Land Improvements	4,177,975.88	253,652.85	104,810.54	4,326,818.19
Total Capital Assets, Being Depreciated, Net	49,386,240.99	4,028,091.59	626,659.75	52,787,672.83
Governmental Activity Capital Assets - Net	$ 56,842,564.38	$ 6,436,494.89	$ 6,079,038.33	$ 57,200,020.94

Current year depreciation expense by function is as follows:

Instruction		$ 1,556,599.46
Support Services		
Pupil Services	$ 91,267.51	
Improvements of Instructional Services	2,147.90	
Educational Media Services	28,368.71	
General Administration	29,628.71	
School Administration	74,132.26	
Business Administration	2,140.25	
Maintenance and Operation of Plant	70,648.26	
Student Transportation Services	269,802.88	568,136.48
Food Services		99,002.03
		$ 2,223,737.97

NOTE 6: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2017, consisted of the following:

Transfers to	Transfers From General Fund
Agency Fund	$ 580.11

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

NOTE 7: LONG-TERM LIABILITIES

The changes in long-term liabilities during the fiscal year for governmental activities, were as follows:

	Governmental Activities				
	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Compensated Absences (1)	$ 155,236.26	$ 37,941.43	$ 24,448.69	$ 168,729.00	$ -

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

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.

NOTE 8: RISK MANAGEMENT

INSURANCE

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; and natural disasters.

Georgia School Boards Association Risk and Insurance Management System

The School District participates in the Georgia School Boards Association Risk and Insurance Management System (the 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.

WORKERS' COMPENSATION

Georgia Education Workers' Compensation Trust

The School District participates in the Georgia Education Workers' Compensation Trust (the Trust), a public entity risk pool organized on December 1, 1991, to develop, implement and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Trust for its general workers' compensation insurance coverage. Specific excess of loss insurance coverage is provided through an agreement by the Trust with the Safety National Casualty Company to provide coverage for potential losses sustained by the Trust in excess of $1.0 million loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided with limits of $2.0 million. The Trust covers the first $1.0 million of each Employers Liability claim with Safety National providing additional Employers Liability limits up to a $2.0 million per occurrence maximum. Safety National Casualty Company also provides $2.0 million in aggregate coverage to the Trust, attaching at 110% of the loss fund and based on the Fund's annual normal premium.

UNEMPLOYMENT COMPENSATION

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The Crisp County Board of Education has not incurred any liabilities for unemployment compensation during the past two years.

SURETY BOND

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

Position Covered	Amount
Superintendent	$ 100,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2017:

Nonspendable		
Inventories		$ 116,007.60
Restricted		
Capital projects		5,550,626.02
Assigned		
Local capital outlay projects	$ 49,331.04	
School activity accounts	142,815.77	192,146.81
Unassigned		6,109,892.55
Fund Balance, June 30, 2017		$ 11,968,672.98

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.

NOTE 10: SIGNIFICANT COMMITMENTS

COMMITMENTS UNDER CONSTRUCTION CONTRACTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2017:

Project	Unearned Executed Contracts (1)	Payments through June 30, 2017 (2)
Crisp County High School Modifications	$ 1,631,980.60	$ 2,188,020.22

(1) The amounts described are not reflected in the basic financial statements.

(2) Payments include contracts and retainages payable at year-end.

OPERATING LEASES

The School District leases copiers under the provisions of one or more long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases totaled $61,618.79 for governmental activities for the year ended June 30, 2017. The following future minimum lease payments were required under operating leases at June 30, 2017:

Year Ending	Governmental Funds
2018	$ 290.70

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

FEDERAL GRANTS

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. Any disallowances resulting from the grantor audit may become a liability of the School District. However, the School District believes that such disallowances, if any, will be immaterial to its overall financial position.

LITIGATION

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 have a material adverse effect on the financial condition of the School District.

NOTE 12: 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). Additional information about the School OPEB Fund is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This report can be obtained from the Georgia Department of Audits and Accounts at www.audits.ga.gov/SGD/CAFR.html.

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% 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, 2017:

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

July 1, 2016 – June 30, 2017	$945.00 per member per month

For non-certificated school personnel:

July 1, 2016 – December 31, 2016	$746.20 per member per month
January 1, 2017 – June 30, 2017	$846.20 per member per month

No additional contribution was required by the Board for fiscal year 2017 nor contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School plan for other post-employment benefits and are subject to appropriation.

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

Fiscal Year	Percentage Contributed	Required Contribution
2017	100%	$ 5,236,132.60
2016	100%	$ 4,966,754.00
2015	100%	$ 4,748,166.20

NOTE 13: RETIREMENT PLANS

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional

amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2017. The School District's contractually required contribution rate for the year ended June 30, 2017 was 14.27% of annual School District payroll, of which 14.13% of payroll was required from the School District and 0.14% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $3,124,771.94 and $33,862.29 from the School District and the State, respectively.

EMPLOYEES' RETIREMENT SYSTEM

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

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

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

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

Contributions: Member contributions under the old plan are 4% of annual compensation, up to $4,200.00, plus 6% of annual compensation in excess of $4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2017 was 24.69% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were $37,649.78 for the current fiscal year.

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. The current fiscal year contribution was $93,181.00.

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

At June 30, 2017, the School District reported a liability of $40,417,391.00 for its proportionate share of the net pension liability for TRS ($40,109,157.00) and ERS ($308,234.00).

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

School District's proportionate share of the net pension liability	$ 40,109,157.00
State of Georgia's proportionate share of the net pension liability associated with the School District	549,613.00
Total	$ 40,658,770.00

The net pension liability for TRS and ERS was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2016.

At June 30, 2016, the School District's TRS proportion was 0.194411%, which was a decrease of 0.001665% from its proportion measured as of June 30, 2015. At June 30, 2016, the School District's ERS proportion was 0.006516%, which was a decrease of 0.001400% from its proportion measured as of June 30, 2015.

At June 30, 2017, 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 $692,084.00.

The PSERS net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 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, 2016.

For the year ended June 30, 2017, the School District recognized pension expense of $4,295,803.00 for TRS, ($11,922.00) for ERS and $113,458.00 for PSERS and revenue of $60,440.00 for TRS and $113,458.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 597,518.00	$ 198,340.00	$ -	$ 712.00
Changes of assumptions	1,039,574.00	-	2,611.00	-
Net difference between projected and actual earnings on pension plan investments	5,073,974.00	-	31,339.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	139,320.00	399,428.00	-	35,656.00
School District contributions subsequent to the measurement date	3,124,771.94	-	37,649.78	-
Total	$ 9,975,157.94	$ 597,768.00	$ 71,599.78	$ 36,368.00

The School District contributions subsequent to the measurement date of $3,124,771.94 for TRS and $37,649.78 for ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2018	$ 721,192.00	$ (24,381.00)
2019	$ 721,190.00	$ (5,407.00)
2020	$ 2,827,003.00	$ 16,896.00
2021	$ 1,915,934.00	$ 10,474.00
2022	$ 67,299.00	$ -

Actuarial assumptions: The total pension liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System:

Inflation	2.75%
Salary increases	3.25% – 9.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service requirements and dependent beneficiaries. The RP-2000 Disabled Mortality table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for the death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

Employees' Retirement System:

Inflation	2.75%
Salary increases	3.25% – 7.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP- 2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent

experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

Public School Employees Retirement System:

Inflation	2.75%
Salary increases	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) for the period after service retirements and for dependent beneficiaries. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

Asset class	TRS Target allocation	ERS/PSERS Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	30.00%	(0.50)%
Domestic large stocks	39.80%	37.20%	9.00%
Domestic mid stocks	3.70%	3.40%	12.00%
Domestic small stocks	1.50%	1.40%	13.50%
International developed market stocks	19.40%	17.80%	8.00%
International emerging market stocks	5.60%	5.20%	12.00%
Alternative	-	5.00%	10.50%
Total	100.00%	100.00%	

* Rates shown are net of the 2.75% assumed rate of inflation

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

Sensitivity of the School District'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	$ 62,430,398.00	$ 40,109,157.00	$ 21,731,295.00

Employees' Retirement System:	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	$ 417,714.00	$ 308,234.00	$ 214,935.00

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

NOTE 14: TAX ABATEMENTS

Crisp County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to Crisp County.

For the fiscal year ended June 30, 2016, Crisp County abated property taxes due to the School District that were levied on November 1, 2016 and due on December 20, 2016 totaling $12,449.88.

- A 100% real property tax abatement to a logistics provider. The abatement amounted to $2,779.09.
- A 100% real property tax abatement to a manufacturing plant. The abatement amount to $9,670.79.

NOTE 15: SPECIAL ITEMS

In fiscal year 2015, the School District closed Blackshear Trail Elementary School. It was written down to the fair market value. It was sold in fiscal year 2017 at a loss of $625,969.83. This activity has been reported as a special item on the Statement of Activities.

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

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.194411	$ 40,109,157.00	$ 549,613.00	$ 40,658,770.00	$ 21,612,594.73	185.58%	76.06%
2016	0.196076	$ 29,850,624.00	$ 412,571.00	$ 30,263,195.00	$ 20,992,146.30	142.20%	81.44%
2015	0.197751	$ 24,983,231.00	$ 343,636.00	$ 25,326,867.00	$ 20,449,227.39	122.17%	84.03%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of total net pension liability
2017	0.006516	$ 308,234.00	$ 151,515.54	203.43%	72.34%
2016	0.007916	$ 320,709.00	$ 180,996.28	177.19%	76.20%
2015	0.008026	$ 301,025.00	$ 180,721.38	166.57%	77.99%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.00%	$ -	$ 692,084.00	$ 692,084.00	$ 1,693,662.41	N/A	81.00%
2016	0.00%	$ -	$ 440,393.00	$ 440,393.00	$ 1,652,417.20	N/A	87.00%
2015	0.00%	$ -	$ 389,393.00	$ 389,393.00	$ 1,643,846.70	N/A	88.29%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2017	$ 3,124,771.94	$ 3,124,771.94	$ -	$ 22,112,634.26	14.13%
2016	$ 3,042,418.28	$ 3,042,418.28	$ -	$ 21,612,594.73	14.08%
2015	$ 2,722,853.56	$ 2,722,853.56	$ -	$ 20,992,146.30	12.97%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2017	$ 37,649.78	$ 37,649.78	$ -	$ 151,752.46	24.69%
2016	$ 37,454.64	$ 37,454.64	$ -	$ 151,515.54	24.72%
2015	$ 39,746.79	$ 39,746.79	$ -	$ 180,996.28	21.96%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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.

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

Employees' Retirement System

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

Public School Employees 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.

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement and withdrawal. The expectation of retired life mortality was changed to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

CRISP COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017

SCHEDULE "7"

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 9,860,000.00	$ 9,860,000.00	$ 10,122,327.15	$ 262,327.15
Sales Taxes	80,000.00	80,000.00	80,202.23	202.23
State Funds	24,674,131.55	25,356,488.55	25,986,003.45	629,514.90
Federal Funds	5,771,685.41	8,764,785.72	8,296,818.01	(467,967.71)
Charges for Services	201,500.00	201,500.00	526,933.79	325,433.79
Investment Earnings	150.00	150.00	29,141.17	28,991.17
Miscellaneous	50,000.00	50,000.00	487,952.01	437,952.01
Total Revenues	40,637,466.96	44,312,924.27	45,529,377.81	1,216,453.54
EXPENDITURES				
Current				
Instruction	24,857,186.00	27,357,006.17	26,782,776.52	574,229.65
Support Services				
Pupil Services	1,462,962.00	1,827,231.00	1,909,462.81	(82,231.81)
Improvement of Instructional Services	1,248,281.00	2,040,493.92	2,055,189.46	(14,695.54)
Educational Media Services	799,048.00	799,048.00	837,996.21	(38,948.21)
General Administration	674,809.00	730,953.26	692,715.36	38,237.90
School Administration	2,700,351.00	2,700,351.00	2,685,408.26	14,942.74
Business Administration	318,136.00	318,136.00	308,873.03	9,262.97
Maintenance and Operation of Plant	3,686,626.00	3,713,786.00	3,443,533.00	270,253.00
Student Transportation Services	1,903,007.00	1,997,896.00	2,101,467.07	(103,571.07)
Central Support Services	196,733.00	198,554.00	182,962.55	15,591.45
Other Support Services	396,201.00	237,591.96	557,345.73	(319,753.77)
Enterprise Operations	-	-	295,928.20	(295,928.20)
Food Services Operation	3,243,996.96	3,243,996.96	3,388,189.06	(144,192.10)
Total Expenditures	41,487,336.96	45,165,044.27	45,241,847.26	(76,802.99)
Excess of Revenues over (under) Expenditures	(849,870.00)	(852,120.00)	287,530.55	1,139,650.55
OTHER FINANCING SOURCES (USES)				
Other Sources	500,000.00	500,000.00	-	(500,000.00)
Other Long-Term Debt Proceeds	(500,000.00)	(500,000.00)	-	500,000.00
Other Uses	-	-	(580.10)	(580.10)
Total Other Financing Sources (Uses)	-	-	(580.10)	(580.10)
Net Change in Fund Balances	(849,870.00)	(852,120.00)	286,950.45	1,139,070.45
Fund Balances - Beginning	5,897,050.04	5,988,766.37	6,010,175.25	21,408.88
Adjustments	-	-	71,590.22	71,590.22
Fund Balances - Ending	$ 5,047,180.04	$ 5,136,646.37	$ 6,368,715.92	$ 1,232,069.55

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 $606,412,43 and $578,089,69, 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.

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	17175GA324N1099	$ 737,733.34
National School Lunch Program	10.555	17175GA324N1100	2,402,441.09
Total U. S. Department of Agriculture			3,140,174.43
Education, U. S. Department of			
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027	H027A150073	174,175.00
Grants to States	84.027	H027A160073	979,465.41
Preschool Grants	84.173	H173A150081	24,187.00
Preschool Grants	84.173	H173A160081	35,540.00
Total Special Education Cluster			1,213,367.41
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	V048A160010	56,334.22
Improving Teacher Quality State Grants	84.367	S367A150001	302,785.66
Improving Teacher Quality State Grants	84.367	S367A160001	114,626.93
Migrant Education - State Grant Program	84.011	S011A150011	4,154.81
Migrant Education - State Grant Program	84.011	S011A160011	63,087.06
Rural Education	84.358	S358B150010	8,820.59
Rural Education	84.358	S358B160010	78,051.05
Striving Readers	84.371	S371C110049	1,186,260.89
Title I Grants to Local Educational Agencies	84.010	S010A150010	276,012.61
Title I Grants to Local Educational Agencies	84.010	S010A160010	1,993,887.89
Total Other Programs			4,084,021.71
Total U. S. Department of Education			5,297,389.12
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program	12.UNKNOWN		53,291.39
Total Expenditures of Federal Awards			$ 8,490,854.94

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Crisp County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net assets of the Board.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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	$ 1,278,502.00	$ -	$ 1,278,502.00
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	793,043.00	-	793,043.00
Kindergarten Program - Early Intervention Program	635,443.00	-	635,443.00
Primary Grades (1-3) Program	2,056,940.00	-	2,056,940.00
Primary Grades - Early Intervention (1-3) Program	1,596,770.00	-	1,596,770.00
Upper Elementary Grades (4-5) Program	341,368.00	-	341,368.00
Upper Elementary Grades - Early Intervention (4-5) Program	2,242,564.00	-	2,242,564.00
Middle School (6-8) Program	2,094,910.00	-	2,094,910.00
High School General Education (9-12) Program	1,676,626.00	-	1,676,626.00
Vocational Laboratory (9-12) Program	787,485.00	-	787,485.00
Students with Disabilities	4,035,940.00	-	4,035,940.00
Gifted Student - Category VI	574,659.00	-	574,659.00
Remedial Education Program	627,175.00	-	627,175.00
Alternative Education Program	148,365.00	-	148,365.00
English Speakers of Other Languages (ESOL)	91,067.00	-	91,067.00
Media Center Program	424,871.00	-	424,871.00
20 Days Additional Instruction	125,046.00	-	125,046.00
Staff and Professional Development	85,489.00	-	85,489.00
Principal Staff and Professional Development	1,311.00	-	1,311.00
Indirect Cost			
Central Administration	550,910.00	-	550,910.00
School Administration	804,492.00	-	804,492.00
Facility Maintenance and Operations	1,018,130.00	-	1,018,130.00
Amended Formula Adjustment	(307,911.00)	-	(307,911.00)
Categorical Grants			
Pupil Transportation			
Regular	546,653.00	-	546,653.00
Nursing Services	77,641.00	-	77,641.00
Education Equalization Funding Grant	2,244,565.00	-	2,244,565.00
Other State Programs			
Food Services	72,374.00	-	72,374.00
GNETS State Grant	732,599.00	-	732,599.00
Math and Science Supplements	26,643.39	-	26,643.39
Preschool Disability Services	79,060.00	-	79,060.00
Pupil Transportation - State Bonds	72,220.00	-	72,220.00
Teacher of the Year	507.25	-	507.25
Teachers Retirement	33,862.29	-	33,862.29
Vocational Education	131,034.52	-	131,034.52
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	238,438.60	238,438.60
Governor's Office of Student Achievement			
Connections for Classrooms Grant	145,468.00	-	145,468.00
Office of the State Treasurer			
Public School Employees Retirement	93,181.00	-	93,181.00
CONTRACT			
Human Resources, Georgia Department of			
Family Connection	47,000.00	-	47,000.00
	$ 25,986,003.45	$ 238,438.60	$ 26,224,442.05

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CRISP COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2017

SCHEDULE "10"

PROJECT SPLOST IV	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) Renovating, repairing, improving, and equipping existing schools and related facilities, including without limitation, roof replacements and repairs, mechanical system repairs and replacements, parking lot repairs and renovations, improvements and renovations to physical education and athletic facilities;	$ 12,000,000.00	$ 14,343,100.36	$ 3,096,508.24	$ 6,501,477.29	$ -	$ -	12/31/2017
(2) Acquiring and installing system-wide instructional and administrative technology, safety and security equipment;	3,000,000.00	1,000,000.00	-	292,169.67	-	-	12/31/2017
(3) Acquisition of school buses, vehicles and transportation equipment;	2,000,000.00	2,000,000.00	321,462.00	488,920.00	-	-	12/31/2017
(4) Acquiring any necessary property, and paying costs incident to accomplishing the foregoing.	1,000,000.00	200,000.00	-	-	-	-	12/31/2017
	$ 18,000,000.00	$ 17,543,100.36	$ 3,417,970.24	$ 7,282,566.96	$ -	$ -	

(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 Crisp County approved the imposition of a 1% sales tax to fund the above projects. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

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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

March 22, 2018

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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 the Crisp County Board of Education (School District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 22, 2018.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District'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.*

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

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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

March 22, 2018

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

We have audited the Crisp County Board of Education's (School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017. The School District'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the School District 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, 2017.

Report on Internal Control over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District'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 the Uniform Guidance, 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 School District'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Greg S. Griffin
State Auditor

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SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

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CRISP COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

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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CRISP COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issue:
Governmental Activities; General Fund; Capital Projects Fund; Aggregate Remaining Fund Information — Unmodified

Internal control over financial reporting:
- Material weakness identified? — No
- Significant deficiency identified? — None Reported

Noncompliance material to financial statements noted: — No

Federal Awards

Internal Control over major programs:
- Material weakness identified? — No
- Significant deficiency identified? — None Reported

Type of auditor's report issued on compliance for major programs:
All major programs — Unmodified

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

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B programs: $750,000.00

Auditee qualified as low-risk auditee? Yes

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.