FORSYTH COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2016

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

FORSYTH COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 193,885,215
Receivables:	
Accounts	552,214
Intergovernmental	32,260,589
Taxes, net of allowances	7,386,100
Inventory	536,244
Prepaid Items	47,385
Capital assets (nondepreciable)	232,697,860
Capital assets (depreciable, net of accumulated depreciation)	509,893,497
Total assets	977,259,104
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	6,789,878
Pension related items	45,086,305
Total deferred outflows of resources	51,876,183
LIABILITIES	
Accounts payable	11,145,855
Salaries and benefits payable	24,037,685
Accrued interest payable	7,429,220
Accrued claims payable due within one year	470,382
Accrued claims payable due in more than one year	313,587
Bonds payable due within one year	37,185,000
Bonds payable due in more than one year	403,757,179
Capital leases due within one year	2,346,168
Capital leases due in more than one year	1,573,622
Net pension liability	272,758,029
Total liabilities	761,016,727
DEFERRED INFLOWS OF RESOURCES	
Pension related items	25,406,475
Total deferred inflows of resources	
NET POSITION	
Net investment in capital assets	383,035,788
Restricted for:	
Capital projects	39,377,984
Debt service	11,794,543
Federal programs	164,911
School food services	5,083,975
Unrestricted	(196,745,116)
Total net position	$ 242,712,085

The accompanying notes are an integral part of these financial statements.

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FORSYTH COUNTY BOARD OF EDUCATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 279,094,495	$ 164,051	$ 168,687,035	$ 16,226,776	$ (94,016,633)
Support services:					
Pupil services	9,563,024	-	3,499,094	6,126	(6,057,804)
Improvement of instructional services	7,180,895	-	2,695,926	15,196	(4,469,773)
Educational media services	3,155,445	-	5,494,355	243,105	2,582,015
Federal grant administration	368,595	-	-	-	(368,595)
General administration	985,515	-	4,979,260	10,788	4,004,533
School administration	21,022,025	-	8,951,705	201,983	(11,868,337)
Business adminstration	2,208,290	-	34,813	19,485	(2,153,992)
Maintenance and operation of plant	27,173,956	-	13,578,475	41,427	(13,554,054)
Student transportation services	18,178,980	-	1,767,253	1,219,079	(15,192,648)
Central support services	7,114,502	-	164,930	31,807	(6,917,765)
Other support services	571,033	-	483,697	-	(87,336)
Food services operation	16,841,652	9,185,409	6,516,021	741,572	(398,650)
Community services operation	1,812,285	1,812,285	709,832	-	709,832
Interest on long-term debt	12,407,914	-	-	-	(12,407,914)
Total governmental activities	$ 407,678,606	$ 11,161,745	$ 217,562,396	$ 18,757,344	(160,197,121)

General revenues:	
Property taxes, levied for general purposes	151,689,639
Property taxes, levied for debt service	22,278,753
Sales taxes	35,197,960
Intangible taxes	6,102,996
Real estate transfer taxes	2,256,589
Title ad valorem tax	9,659,511
Unrestricted investment earnings	413,286
Other	1,463,108
Total general revenues	229,061,842
Change in net position	68,864,721
Net position, beginning of year	173,847,364
Net position, end of year	$ 242,712,085

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FORSYTH COUNTY BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

ASSETS	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 54,680,431	$ 119,724,941	$ 19,479,843	$ 193,885,215
Receivables:				
Accounts	484,325	-	67,889	552,214
Intergovernmental	26,725,202	3,036,644	2,498,743	32,260,589
Taxes, net of allowances	3,759,958	3,136,024	490,118	7,386,100
Due from other funds	1,598,583	-	-	1,598,583
Inventory	335,279	-	200,965	536,244
Prepaid Items	47,385	-	-	47,385
Total assets	$ 87,631,163	$ 125,897,609	$ 22,737,558	$ 236,266,330
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 9,370,696	$ 1,714,384	$ 60,775	$ 11,145,855
Salaries and benefits payable	22,715,007	-	1,322,678	24,037,685
Due to other funds	-	-	1,598,583	1,598,583
Total liabilities	32,085,703	1,714,384	2,982,036	36,782,123
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,668,910	-	202,422	1,871,332
Unavailable revenue - state grants	-	3,036,644	-	3,036,644
Total deferred inflows of resources	1,668,910	3,036,644	202,422	4,907,976
FUND BALANCES				
Nonspendable:				
Inventory	335,279	-	200,965	536,244
Prepaids	47,385	-	-	47,385
Restricted:				
Capital projects	-	117,894,506	-	117,894,506
Debt service	-	3,252,075	8,340,046	11,592,121
Federal programs	-	-	164,911	164,911
School food services	-	-	4,883,010	4,883,010
Committed:				
School activities	-	-	5,964,168	5,964,168
Unassigned	53,493,886	-	-	53,493,886
Total fund balances	53,876,550	121,146,581	19,553,100	194,576,231
Total liabilities, deferred inflows of resources and fund balances	$ 87,631,163	$ 125,897,609	$ 22,737,558	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds			
	Cost	1,009,296,337	
	Less accumulated depreciation	(266,704,980)	742,591,357
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds			4,907,976
The net pension liability, and related balances, are not expected to be paid with current financial resources and are therefor not reported in govermental funds.			
	Net pension liability	(272,758,029)	
	Deferred inflows of resources - pensions	(25,406,475)	
	Deferred outflows of resources - pensions	45,086,305	(253,078,199)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds			
	Bonds payable	(382,085,000)	
	Bond premium, net of amortization	(58,857,179)	
	Deferred loss on refunding	6,789,878	
	Accrued interest	(7,429,220)	
	Accrued claims payable	(783,969)	
	Capital leases	(3,919,790)	(446,285,280)
Net position of governmental activities			$ 242,712,085

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FORSYTH COUNTY BOARD OF EDUCATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
State funds	$ 183,574,544	$ 15,720,700	$ 372,504	$ 199,667,748
Federal funds	87,212	-	17,012,574	17,099,786
Local and other funds	170,872,521	36,207,030	48,082,613	255,162,164
On behalf payments	670,153	-	-	670,153
Total revenues	355,204,430	51,927,730	65,467,691	472,599,851
EXPENDITURES				
Current:				
Instruction	248,806,370	-	20,543,617	269,349,987
Support services:				
Pupil services	6,906,710	-	2,647,637	9,554,347
Improvement of instructional services	5,233,597	-	1,925,774	7,159,371
Educational media services	2,859,465	-	-	2,859,465
Federal grant administration	-	-	368,595	368,595
General administration	908,320	-	61,915	970,235
School administration	20,735,930	-	-	20,735,930
Business administration	2,180,691	-	-	2,180,691
Maintenance and operation of plant	27,127,712	-	-	27,127,712
Student transportation services	16,419,577	-	141,474	16,561,051
Central support services	6,993,992	-	75,457	7,069,449
Other support services	88,070	-	482,963	571,033
Food services operation	137,428	-	15,693,133	15,830,561
Community services operation	1,812,285	-	-	1,812,285
Capital outlay	-	141,797,116	-	141,797,116
Debt service:				
Principal retirement	2,474,514	-	35,310,000	37,784,514
Interest	249,036	-	15,209,912	15,458,948
Total expenditures	342,933,697	141,797,116	92,460,477	577,191,290
Excess (deficiency) of revenues over (under) expenditures	12,270,733	(89,869,386)	(26,992,786)	(104,591,439)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	175,002	-	-	175,002
Bond issuance	-	100,830,000	-	100,830,000
Premium on bond issuance	-	23,180,790	-	23,180,790
Issuance of capital lease	1,751,850	-	-	1,751,850
Transfers in	3,500,000	-	31,483,544	34,983,544
Transfers out	(576,669)	(30,906,875)	(3,500,000)	(34,983,544)
Total other financing sources (uses)	4,850,183	93,103,915	27,983,544	125,937,642
Net change in fund balances	17,120,916	3,234,529	990,758	21,346,203
FUND BALANCES, beginning of year	36,755,634	117,912,052	18,562,342	173,230,028
FUND BALANCES, end of year	$ 53,876,550	$ 121,146,581	$ 19,553,100	$ 194,576,231

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FORSYTH COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 21,346,203
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeded depreciation expense is as follows:		
Capital outlay	$ 145,299,735	
Depreciation expense	(22,369,094)	122,930,641
The net effect of the disposal of capital assets is to decrease net position.		
Net book value of assets sold		(1,140,894)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	906,832	
State grants	3,036,644	3,943,476
In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.		6,894,875
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments	$ 37,784,514	
Amortization of bond premium	5,990,025	
Amortization of deferred loss from refunding	(975,561)	
Issuance of bonds	(100,830,000)	
Premium on bond issuance	(23,180,790)	
Issuance of capital lease	(1,751,850)	(82,963,662)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Claims payable	$ (182,488)	
Change in accrued interest		
Accrued interest payable, June 30, 2015	5,465,790	
Accrued interest payable, June 30, 2016	(7,429,220)	(2,145,918)
Change in net position - governmental activities		$ 68,864,721

The accompanying notes are an integral part of these financial statements.

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FORSYTH COUNTY BOARD OF EDUCATION

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
State sources	$ 179,970,510	$ 183,327,353	$ 183,574,544	$ 247,191
Federal sources	-	-	87,212	87,212
Local sources and other funds	166,260,483	166,968,969	169,060,236	2,091,267
On behalf payments	-	670,153	670,153	-
Total revenues	346,230,993	350,966,475	353,392,145	2,425,670
EXPENDITURES				
Current:				
Instruction	247,511,029	249,619,603	248,806,370	813,233
Support services:				
Pupil services	6,889,394	7,072,929	6,906,710	166,219
Improvement of instructional services	4,936,194	5,398,855	5,233,597	165,258
Educational media services	2,966,503	2,953,254	2,859,465	93,789
General administration	918,286	944,740	908,320	36,420
School administration	19,856,462	21,138,902	20,735,930	402,972
Business adminstration	2,096,191	2,191,808	2,180,691	11,117
Maintenance and operation of plant	27,122,365	28,198,574	27,127,712	1,070,862
Student transportation services	15,883,490	16,481,967	16,419,577	62,390
Central support services	6,940,360	7,005,011	6,993,992	11,019
Other support services	92,824	93,245	88,070	5,175
Food service operations	-	137,428	137,428	-
Debt service:				
Principal retirement	-	2,474,515	2,474,514	1
Interest and fiscal charges	-	249,036	249,036	-
Total expenditures	335,213,098	343,959,867	341,121,412	2,838,455
Excess of revenues over expenditures	11,017,895	7,006,608	12,270,733	5,264,125
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	99,750	99,750	175,002	75,252
Issuance of capital lease	-	1,751,850	1,751,850	-
Transfers in	-	-	3,500,000	3,500,000
Transfers out	-	-	(576,669)	(576,669)
Total other financing sources (uses)	99,750	1,851,600	4,850,183	2,998,583
Net change in fund balances	11,117,645	8,858,208	17,120,916	8,262,708
FUND BALANCES, beginning of year	36,755,634	36,755,634	36,755,634	-
FUND BALANCES, end of year	$ 47,873,279	$ 45,613,842	$ 53,876,550	$ 8,262,708

The accompanying notes are an integral part of these financial statements.

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FORSYTH COUNTY BOARD OF EDUCATION

STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
JUNE 30, 2016

	Agency Fund
ASSETS	
Cash	$ 793,733
Total assets	$ 793,733
LIABILITIES	
Due to others	$ 793,733
Total liabilities	$ 793,733

The accompanying notes are an integral part of these financial statements.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Forsyth County Board of Education (the "School District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("USGAAP") as applicable to governmental units. The more significant of the School District's accounting policies are summarized below.

Reporting Entity

The School District is governed by an elected five member board (the "Board"). Board members are elected by the public and have the authority to make decisions, the power to approve selection of management personnel, the ability to significantly influence operations, and the primary accountability for fiscal matters. The Board determines the millage rate at which school taxes are levied and may incur bonded indebtedness with voters' approval. The School District has no component units.

Government-wide and Fund Financial Statements

The School District's financial statements have been prepared in accordance with the Governmental Accounting Standards Board Statement 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the School District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. However, the School District does not consider any of its activities to be business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Property taxes are recognized as revenue in the period for which they were levied, if they are collected within sixty days of year end. All other revenues are also considered to be available when they are collectible within one hundred and eighty days of year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when payment is due.

Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School System over the same twelve month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

Property taxes, sales taxes, grant revenue, state Quality Basic Education (QBE) revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

The School District reports the following major governmental funds:

The General Fund is the School District's primary operating fund. The General Fund is used to account for all financial transactions of the School District except those required to be accounted for in another fund.

The Capital Projects Fund accounts for resources which are used exclusively for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities. The major inflows are sales taxes and bond proceeds.

Additionally, the School District reports the following fund types:

The Agency Fund is used to account for school activity funds that the School District holds for others in an agency capacity.

The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levided specifically for debt service.

The School Activity Fund is also reported as a special revenue fund. The School Activity Fund is used to account for funds collected primarily through the fund raising efforts of the individual schools. Each school's principal is responsible, under the authority of the School District, for collecting, controlling, disbursing, and accounting for his or her school's funds. All resources of the fund, including any earnings on invested resources, have been committed by the Board of Education to be used to support the schools' activities.

The special revenue funds are used to account for federal and state funded grants and school food service operations.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Inventories

Inventories of the General Fund and School Food Services Fund are stated at cost using the first-in, first-out method. Donated food commodities are recorded at fair value. The School District utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenses/expenditures when used rather than when purchased.

Interfund Receivables and Payables

During the course of its operations, the School District makes transfers between funds to finance operations, provide services, acquire assets and service debt. To the extent that certain transfers between funds had not been received as of year end, balances of interfund amounts receivable or payable have been recorded.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities in the government-wide statement of net position and depreciated over their estimated useful lives in the government-wide statement of activities. Capital assets are defined by the School District as assets with an initial, individual cost of $10,000 and useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. However, all additions to land and buildings are capitalized. Items such as furniture and computer equipment purchased in groups costing more than $10,000 are capitalized by type as a group. Donated capital assets are recorded at estimated acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land improvements	20-40
Buildings	25-50
Building improvements	10-30
Vehicles	8-15
Equipment	5-20

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences

Vacation leave must be used in the fiscal year in which it is earned. Accordingly, there is no liability for vacation leave at year end.

Sick and personal leave does not vest with the employee and unused accumulated sick and personal leave is forfeited upon retirement or termination of employment. Therefore, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bond issuance costs are reported as expenses in the period during which the debt is issued.

In the fund financial statements, the face amount of debt issued, as well as any premium, is reported as other financing sources. Issuance costs, whether or not withheld from actual proceeds, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The School District has two items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The other relates to the reporting of the net pension liability reported in the government-wide statement of net position. The Governmental Activities report (1) a deferred outflow of resources for the School District's actual contributions to the pension plan during the fiscal year ended June 30, 2016 which is subsequent to the measurement date and will be applied to the net pension liability in fiscal year 2017; and (2) a deferred outflow of resources for the difference between the School District's actual contributions towards the pension plan and the School District's proportionate share of contributions, which will be amortized over the remaining service period.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows/Inflows of Resources - Continued

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has one item, which arises only under a modified accrual basis of accounting, for the unavailable revenues from property taxes. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The School District also has two items that qualify for reporting in this category which occurs only in the governmental activities. The Governmental Activities report a deferred inflow of resources for the net difference between projected and actual investment earnings on the pension assets. This difference will be amortized over a five year period. The Governmental Activies report a deferred inflow of resources for experience gains or losses from periodic studies by the actuary, which will be amortized over the remaining service life.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board members through the adoption of a resolution. Only the Board Members may modify or rescind the commitment, also through a resolution.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Equity - Continued

- ***Assigned*** - Fund balances are reported as assigned when amounts are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board Members have authorized the Board's Superintendent and Chief Financial Officer to assign fund balances.

- ***Unassigned*** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The Board reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the School District has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position balances are reported as unrestricted.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position balances are available.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. 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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees Retirement System of Georgia (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The School District adopts an annual budget for its General Fund, all special revenue funds, and the Debt Service Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167. After the Board of Education has tentatively adopted the budget, the budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

The School District employs encumbrance accounting. However, all appropriations lapse at year end and encumbrances are rebudgeted in the subsequent year.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

Budgetary/GAAP Basis Reconciliation

In the General Fund, accounting principles used in developing the budget on a budgetary basis differ from those used in preparing financial statements in conformity with generally accepted accounting principles (GAAP). The following table includes the items that were not considered in the budget period and are needed to reconcile the General Fund budget to the amounts reported in accordance with GAAP.

The accounting basis difference between the budget and actual Statement of Revenues, Expenditures and Changes in Fund Balances in the General Fund is reconciled as follows:

Actual Revenues GAAP Basis	$	355,204,430
Community Service Activity		(1,812,285)
Actual Revenues, Budgetary Basis	$	353,392,145
Expenditures GAAP Basis	$	342,933,697
Community Service Activity		(1,812,285)
Actual Expenditures, Budgetary Basis	$	341,121,412
Net Change in Fund Balance, Budgetary Basis	$	17,120,916
Net Change in Fund Balance, GAAP Basis	$	17,120,916

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NOTE C - DEPOSITS AND INVESTMENTS

Composition

Cash consists of deposits (including certificates of deposit, savings accounts and interest bearing checking accounts) in authorized financial institutions. Georgia Law authorizes the School District to deposit its funds in one or more solvent banks, insured federal savings and loan associations, or insured state chartered building and loan associations. The placement of proceeds from bond issues in certificates of deposits is limited to financial institutions located within this state.

The local government investment pool, "Georgia Fund 1" created by OCGA 36-83-8 is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the School District's investment in Georgia Fund 1 is reported at fair value.

The District's remaining investments are recorded at fair value. Increases or decreases in the fair value during the year ar recongized as a component of interest income.

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of June 30, 2016, the School District's cash accounts and investments were properly collateralized as required by State statutes.

At June 30, 2016, the School District had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	42 day weighted average	$ 119,455,835

Credit risk. At June 30, 2016, all investments of the School District were invested in Georgia Fund 1, the local government investment pool administered by the State of Georgia. The Georgia Fund 1 investment pool is not subject to credit risk classification and the carrying amount of $119,455,835 is at fair value. These investments are considered cash equivalents.

Interest rate risk. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE C - DEPOSITS AND INVESTMENTS – CONTINUED

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus value at fair value in accordance with GASB Statement No. 31. As a result, the District does not disclose its investment in the Georgia Fund within the fair value hierarchy.

NOTE D - DUE FROM OTHER GOVERNMENTS

Due from other governments consists of grant reimbursements due from federal, state or other grantors for expenditures made but not yet reimbursed. The Georgia Department of Education is the main government agency that grants are due from as of June 30, 2016.

NOTE E - TAXES RECEIVABLE

Taxes receivable include property taxes and sales taxes due to the School District. Property taxes were levied on August 11, 2015, based on property values assessed as of January 1, 2015, and were payable on or before November 15, 2015. An interest penalty of 10% per annum is charged on property taxes paid after that date. Property tax receivables are shown net of an allowance for uncollectibles of $39,999 in the General Fund and $5,455 in the Debt Service Fund. Sales tax receivable is included in the Capital Projects Fund relative to Special Purpose Local Option Sales Tax revenue.

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NOTE F – CAPITAL ASSETS

Changes in capital assets used in the School District's governmental activities during the year ended June 30, 2016 were as follows:

	Balance July 1, 2015	Increases	Transfers	Decreases	Balance June 30, 2016
Capital assets not being depreciated					
Land and improvements	$ 96,384,643	$ 3,223,408	$ -	$ -	$ 99,608,051
Construction in progress	27,553,473	114,351,717	(8,815,381)	-	133,089,809
Total capital assets not being depreciated	123,938,116	117,575,125	(8,815,381)	-	232,697,860
Capital assets being depreciated					
Land improvements	37,760,569	237,671	-	-	37,998,240
Buildings	591,312,199	15,969,768	8,815,381	-	616,097,348
Furniture and equipment	116,609,221	11,517,171	-	(5,623,503)	122,502,889
Total capital assets being depreciated	745,681,989	27,724,610	8,815,381	(5,623,503)	776,598,477
Less accumulated depreciation for					
Land improvements	(16,215,127)	(1,773,102)	-	-	(17,988,229)
Buildings	(148,160,336)	(13,606,916)	-	-	(161,767,252)
Furniture and equipment	(84,443,032)	(6,989,076)	-	4,482,609	(86,949,499)
Total accumulated depreciation	(248,818,495)	(22,369,094)	-	4,482,609	(266,704,980)
Total capital assets being depreciated, net	496,863,494	5,355,516	8,815,381	(1,140,894)	509,893,497
Total governmental activities capital assets, net	$ 620,801,610	$ 122,930,641	$ -	$ (1,140,894)	$ 742,591,357

Depreciation expense was charged to the functions as follows:

Instruction	$ 18,784,720
Support Services:	
Pupil Services	8,677
Improvement of Instructional Services	21,524
Educational Media Services	344,341
General Administration	15,280
School Administration	286,095
Business Administration	27,599
Maintenance and Operation of Plant	58,678
Student Transportation Services	1,726,742
Central Support Services	45,053
Food Services Operation	1,050,385
	$ 22,369,094

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE G - GENERAL LONG TERM DEBT AND CAPITAL LEASE

The following is a summary of long-term debt transactions of the School District for the year ended June 30, 2016:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due within One Year
1992 Series general obligation bonds maturing on July 1, 2016, with interest rates ranging from 6.0% to 6.25%	$ 3,815,000	$ -	$ 1,845,000	$ 1,970,000	$ 1,970,000
2004 Series general obligation bonds maturing on February 1, 2019, with interest rates ranging from 2.35% to 5.0%	42,245,000	-	9,860,000	32,385,000	10,300,000
2007 Series general obligation bonds maturing on June 1, 2017, with interest rates ranging from 3.75% to 5.00%	30,950,000	-	15,145,000	15,805,000	15,805,000
2011 Series general obligation bonds maturing on June 1, 2016, with interest rates ranging from 3.00% to 5.00%	10,670,000	-	5,205,000	5,465,000	5,465,000
2013 Series general obligation bonds maturing on February 1, 2025, with interest rates ranging from 4.00% to 5.00%	134,715,000	-	3,255,000	131,460,000	3,645,000
2014 Series general obligation bonds maturing on February 1, 2033, with interest rates ranging from 4.00% to 5.00%	94,170,000	-	-	94,170,000	-
2016 Series general obligation bonds maturing on February 1, 2033, with interest rates of 5.00%	-	100,830,000	-	100,830,000	-
General obligation bonds	316,565,000	100,380,000	35,310,000	382,085,000	37,185,000
Plus bond premium	41,666,414	23,180,790	5,990,025	58,857,179	-
Subtotal	358,231,414	123,560,790	41,300,025	440,942,179	37,185,000
Capitalized lease obligations at interest rates ranging from 3.96% to 6.35%	4,642,454	1,751,850	2,474,514	3,919,790	2,346,168
Total general long-term debt	$ 362,873,868	$ 125,312,640	$ 43,774,539	$ 444,861,969	$ 39,531,168

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE G - GENERAL LONG TERM DEBT AND CAPITAL LEASE - CONTINUED

General Obligation Bonds

In the fiscal year 2011, the School District issued $23,110,000 of general obligation refunding bonds, Series 2011, for the purpose of advance refunding a portion of the balance of the Series 1998 general obligation bonds. The bonds were issued on May 26, 2011 with a premium of $2,490,470 and interest rates ranging from 3% to 5%. The reacquisition price exceeded the net carrying amount of the old debt by $1,105,650. This amount is being netted against the new debt and amortized over the remaining life of the refunding bonds. The refunding was undertaken to reduce total debt service payments and resulted in an economic gain and a present value cash flow of $1,950,288. The proceeds from the refunding bonds were placed into trust, along with certain amounts held in sinking funds, to pay the principal and interest on the refunded bonds as they become due. The amount of outstanding bonds that is considered defeased at June 30, 2016 was $5,475,000.

In the fiscal year 2013, the School District issued $134,715,000 of general obligation refunding bonds, Series 2013, for the purpose of advance refunding a portion of the balance of the Series 2005 general obligation bonds. The bonds were issued on May 16, 2013 with a premium of $30,949,906 and interest rates ranging from 4% to 5%. The reacquisition price exceeded the net carrying amount of the old debt by $9,053,171. This amount is being amortized over the remaining life of the refunding bonds. The refunding was undertaken to reduce total debt service payments by $24,593,775 and resulted in an economic gain and a present value cash flow of $22,128,494. The proceeds from the refunding bonds were placed into trust, along with certain amounts held in sinking funds, to pay the principal and interest on the refunded bonds as they become due. The amount of outstanding bonds that is considered defeased at June 30, 2015 was $146,300,000.

In the fiscal year 2015, the School District issued $94,170,000 of general obligation bonds, Series 2014, for the purposes of funding construction projects for the School District. The bonds were issued October 23, 2014 with a premium of $15,007,792 and interest rates ranging from 4% to 5%. The interest payments are due semiannually beginning February 1, 2015 and principal payments beginning in 2018. The bonds are scheduled to mature on February 1, 2033.

In the fiscal year 2016, the School District issued $100,830,000 of general obligation bonds, Series 2016, for the purposes of funding construction projects for the District. The bonds were issued February 11, 2016 with a premium of $23,180,790 and an interest rate of 5%. The interest payments are due semiannually beginning August 1, 2016 and principal payments beginning in 2018. The bonds are schedule to mature on February 1, 2033.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE G - GENERAL LONG TERM DEBT AND CAPITAL LEASE - CONTINUED

General Obligation Bonds - continued

At June 30, 2016, principal and interest payments due by fiscal year for General Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	$ 37,185,000	$ 18,363,796	$ 55,548,796
2018	29,490,000	16,872,600	46,362,600
2019	30,865,000	15,398,100	46,263,100
2020	24,935,000	13,854,850	38,789,850
2021	26,065,000	12,608,100	38,673,100
2022-2026	128,965,000	42,253,500	171,218,500
2027-2031	70,880,000	17,758,000	88,638,000
2032-2033	33,700,000	2,310,000	36,010,000
Total	$ 382,085,000	$ 139,418,946	$ 521,503,946

Capital Leases

During the years ended June 30, 2014, 2015 and 2016, the School District entered into several capital lease agreements for financing the acquisition of computer equipment. The lease agreeements carry interest rates ranging from 3.92% - 6.35%. The lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2016:

Fiscal Year Ending June 30,	
2017	$ 2,540,121
2018	1,448,528
2019	206,718
Total minimum lease payments	4,195,367
Less amount representing interest	(275,577)
Present value of future minimum lease payments	$ 3,919,790

As of June 30, 2016 the School District has various computers with original cost of $10,313,530 and accumulated depreciation of $4,130,609 which are currently financed under a capital lease. The current year amortization expense for the leased assets is included in the depreciation expense for capital assets.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE H - INTERFUND TRANSACTIONS

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund transactions as of the year ended June 30, 2016 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Govt Funds	$ 1,598,583

Transfers are used to (1) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (2) move SPLOST proceeds from the Capital Projects Fund to Debt Service Fund to fund debt service as allowed in the referendum. The transfer into the General Fund is to return an unused allocation of funds that the General Fund transferred out in prior years. Interfund transfers for the year ended June 30, 2016 are as follows:

Transfer In	Transfer Out	Amount
General Fund	Nonmajor Govt Funds	$ 3,500,000
Nonmajor Govt Funds	General Fund	576,669
Nonmajor Govt Funds	Capital Projects Fund	30,906,875
		$ 34,983,544

NOTE I - OPERATING LEASES

The School District is committed under various leases for equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year totaled $568,947. Future minimum lease payments on these leases are as follows:

Year ending June 30,	
2017	568,614
2018	568,614
2019	568,614
2020	284,307
Total	$ 1,990,149

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE J - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The School District is self-insured for workers' compensation and unemployment claims. The School District purchases commercial insurance for all other risks of loss. Settled claims have not exceeded purchased commercial insurance coverage in any of the past three years. There was no significant reduction in insurance coverage since last fiscal year.

Workers' Compensation Claims

The School District is self-insured for workers' compensation claims. The School District accounts for workers' compensation claims in the General Fund. Workers' compensation claims expenditures and liability are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported and related claims administration expenses. Changes in the workers' compensation claims liability during the last two fiscal years are as follows:

	Beginning of Year Liability	Current Year Claims Accrual	Claims Paid	End of Year Liability	Due Within One Year
2016	$ 601,481	$ 1,664,670	$ 1,482,182	$ 783,969	$ 470,382
2015	$ 903,739	$ 757,621	$ 1,059,879	$ 601,481	$ 360,888

Unemployment Claims

The School District is self insured with regard to unemployment compensation claims. These claims are accounted for in the School District's General Fund. Unemployment compensation expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported and claims administration expenses. Changes in the unemployment compensation liability during the last two fiscal years are as follows:

	Beginning of Year Liability	Current Year Unemployment Accrual	Unemployment Paid	End of Year Liability
2016	$ -	$ 9,735	$ 9,735	$ -
2015	$ -	$ 21,591	$ 21,591	$ -

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE K - RETIREMENT PLANS

General Information About the Teachers Retirement System of Georgia (TRS)

Plan description: All teachers of the School District as defined in §47-3-60 of the Official Code of Georgia Annotated (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided 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. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2016. The School District's contractually required contribution rate for the year ended June 30, 2016 was 14.27% of annual School District payroll. District contributions to TRS were $28,857,232 for the year ended June 30, 2016.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE K - RETIREMENT PLANS - CONTINUED

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

At June 30, 2016, the School District reported a liability for its proportionate share of the net pension liability that 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	$	272,758,029
State of Georgia's proportionate share of the net pension liability associated with the School District		360,504
Total	$	273,118,533

The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2015. At June 30, 2015, the School District's proportion was 1.791631%, which was an increase of 0.075922% from its proportion measured as of June 30, 2014.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE K - RETIREMENT PLANS - CONTINUED

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

For the year ended June 30, 2016, the School District recognized pension expense of $21,962,357 and revenue of $21,276 for support provided by the State of Georgia for certain support personnel. At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 23,007,427
Experience Differences		2,399,048
Changes in proportion and differences between School District contributions and proportionate share of contributions	16,229,073	-
School District contributions subsequent to the measurement date	28,857,232	-
Total	$ 45,086,305	$ 25,406,475

School District contributions subsequent to the measurement date of $28,857,232 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, 2017. 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:	
2017	$ (7,067,002)
2018	(7,067,002)
2019	(7,067,020)
2020	11,640,317
2021	383,305
Total	$ (9,177,402)

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE K - RETIREMENT PLANS - CONTINUED

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

Actuarial assumptions: The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

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

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

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

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE K - RETIREMENT PLANS - CONTINUED

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

Discount rate: The discount rate used to measure the total 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 State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	$ 468,714,050	$ 272,758,029	$ 111,243,641

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

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE K - RETIREMENT PLANS - CONTINUED

General Information About the 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.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE K - RETIREMENT PLANS - CONTINUED

General Information About the Public School Employees Retirement System (PSERS) - Continued

Pension Liabilities and Pension Expense

At June 30, 2016, the School District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the State's proportionate share of the net pension liability associated with the School District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the School District	$ 2,968,319

The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015was 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, 2015.

For the year ended June 30, 2016, the School District recognized pension expense of $177,014 and revenue of $177,014 for support provided by the State of Georgia.

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

Inflation	3.0%
Salary increase	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE K - RETIREMENT PLANS - CONTINUED

General Information About the Public School Employees Retirement System (PSERS) - Continued

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

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

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

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

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE K - RETIREMENT PLANS - CONTINUED

Deferred Compensation Plan

Beginning January 1, 1996, the School District established a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The Plan is available to all employees who are not eligible to participate in the Teachers' Retirement System of Georgia and permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Contributions to the Plan are invested exclusively in annuity contracts issued by the Variable Annuity Life Insurance Company (VALIC) and any other life insurance companies approved by the School District for use in the Plan and approved for sale in Georgia in the employees' name. The assets are held by VALIC and not recorded in these financial statements.

The School District will match eligible participants' contributions up to 4% of their salary. Employee annual contributions are limited to maximums established by Internal Revenue Service guidelines. For the years ended June 30, 2016, 2015, and 2014 the School District contributed $302,372, $295,281, and $278,040, respectively, to the Plan on behalf of its employees. For the years ended June 30, 2016, 2015, and 2014, employees contributed $451,163, $423,414, and $395,877, respectively, to the plan.

NOTE L – CONTINGENCIES

Grant Programs

The School District participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies.

Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any amounts received may be required and the collectibility of any related receivable at year-end may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Litigation

The School District is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of School District operations. While the ultimate results of these legal actions cannot be determined, the School District does not expect that these matters will have a material adverse effect on the financial condition of the School District.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE M - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The School District has recognized revenue and expenditures in the amount of $670,153 for retirement contributions and health insurance premiums paid on the School District's behalf as follows:

Paid by the Office of Treasury and Fiscal Services to the Public School Employees Retirement System for Public School Employees Retirement (PSERS) in the amount of $634,159.

Paid by the Georgia Department of Education to the Teachers Retirement System for Teachers Retirement (TRS) in the amount of $35,994.

NOTE N – POSTEMPLOYMENT BENEFITS

Georgia School Personnel Postemployment Health Benefit Fund

Plan Description. The Georgia School Personnel Postemployment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers eligible former employees of public school systems, libraries and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Benefit Plan administered by the Department of Community Health. The Official Code of Georgia Annotated (O.C.G.A.) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board). The Department of Community Health, which includes the School OPEB Fund, issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts 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, 2013, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2013, pay approximately 25 percent of the cost of the health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2013, 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.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

NOTE N – POSTEMPLOYMENT BENEFITS - CONTINUED

Georgia School Personnel Postemployment Health Benefit Fund - continued

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, 2016:

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

July 1, 2015 – June 30, 2016	$945.00 per member per month

For non-certificated school personnel:

July 1, 2015 –June 30, 2016	$746.20 per member per month

No additional contribution was required by the Board for fiscal year 2016 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 District plan for other postemployment 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, were $49,388,957, $45,999,165, and $44,218,405 for the fiscal year ended June 30, 2016, 2015 and 2014, respectively.

NOTE O - SUBSEQUENT EVENTS

On July 28, 2016, the School District issued General Obligation Bonds, Series 2016 in the amount of $25,320,000 to fund the costs of acquiring, constructing, and equipping new school facilities, adding to renovating, repairing, improving, and equipping certain existing school facilities, and acquiring land for future schools, instructional and administrative technology improvements, and school buses. The bonds require semiannual interest payments due August 1 and February 1, commencing February 1, 2017, at an interest rate ranging from 2%-5% and annual principal payments beginning in 2017. The bonds mature in 2031.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

FORSYTH COUNTY BOARD OF EDUCATION

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

	2016	2015
School District's proportion of the net pension liability	1.791631%	1.715709%
School District's proportionate share of the net pension liability	$ 272,758,029	$ 216,757,202
State of Georgia's proportionate share of the net pension liability associated with the School District	360,504	303,335
Total	$ 273,118,533	$ 217,060,537
School District's covered-employee payroll	$ 189,117,141	$ 189,374,053
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	144.23%	114.46%
Plan fiduciary net position as a percentage of the total pension liability	81.44%	84.03%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

FORSYTH COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2016	2015	2014
Contractually required contributions	$ 28,857,232	$ 24,868,904	$ 21,494,467
Contributions in relation to the contractually required contributions	28,857,232	24,868,904	21,494,467
Contribution deficiency (excess)	$ -	$ -	$ -
School District's covered-employee payroll	202,223,069	189,117,141	189,374,053
Contributions as a percentage of covered-employee payroll	14.27%	13.15%	11.35%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

FORSYTH COUNTY BOARD OF EDUCATION

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

	2016	2015
School District's proportion of the net pension liability	0.000000%	0.000000%
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	2,968,319	2,474,142
Total	$ 2,968,319	$ 2,474,142
School District's covered-employee payroll	$ 12,941,258	$ 12,019,629
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	87.00%	88.29%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

FORSYTH COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Teachers Retirement System of Georgia:

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

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2016 reported in that schedule:

Valuation date	June 30, 2013
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Seven-year smoothed market
Inflation rate	3.00%
Salary increases	3.75 – 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Public Schools Employees Retirement System of Georgia:

Changes of assumptions: The last experience investigation was prepared for the five-year period ending June 30, 2009, and based on the results of the investigation various assumptions and methods were revised and adopted by the board on December 16, 2010. The next experience investigation will be prepared for the period July 1, 2009 through June 30, 2014.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

FORSYTH COUNTY BOARD OF EDUCATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

SCHOOL ACTIVITY — To account for funds collected primarily through the fundraising efforts of individual schools, which have been committed by the Board.

FEDERAL PROGRAMS — To account for federal and state funded grants. These grants are awarded to the School District for the purpose of accomplishing specific educational tasks as defined in the grant agreements. This fund also contains several locally funded programs whose expenditures are limited to specified purposes.

SCHOOL FOOD SERVICES — To account for the monies and commodities received from the federal and state governments and the School Food Service's cafeteria sales which are restricted for the purpose of maintaining the School District's breakfast, lunch, and snack programs.

DEBT SERVICE FUND

DEBT SERVICE — To account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levied specifically for debt service.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

FORSYTH COUNTY BOARD OF EDUCATION

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

ASSETS	Special Revenue Funds: School Activity Fund	Special Revenue Funds: Federal Programs Fund	Special Revenue Funds: School Food Services Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 5,964,168	$ -	$ 5,463,325	$ 8,052,350	$ 19,479,843
Receivables:					
Accounts	-	-	67,889	-	67,889
Intergovernmental	-	2,498,743	-	-	2,498,743
Taxes, net of allowances	-	-	-	490,118	490,118
Inventory	-	-	200,965	-	200,965
Total assets	$ 5,964,168	$ 2,498,743	$ 5,732,179	$ 8,542,468	$ 22,737,558
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 60,775	$ -	$ -	$ 60,775
Salaries and benefits payable	-	674,474	648,204	-	1,322,678
Due to other funds	-	1,598,583	-	-	1,598,583
Total liabilities	-	2,333,832	648,204	-	2,982,036
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	202,422	202,422
Total deferred inflows of resources	-	-	-	202,422	202,422
FUND BALANCES					
Nonspendable:					
Inventory	-	-	200,965	-	200,965
Restricted:					
Federal programs	-	164,911	-	-	164,911
Debt service	-	-	-	8,340,046	8,340,046
School food services	-	-	4,883,010	-	4,883,010
Committed:					
School activities	5,964,168	-	-	-	5,964,168
Total fund balances	5,964,168	164,911	5,083,975	8,340,046	19,553,100
Total liabilities, deferred inflows of resources, and fund balances	$ 5,964,168	$ 2,498,743	$ 5,732,179	$ 8,542,468	$ 22,737,558

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

FORSYTH COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds				
REVENUES	**School Activity Fund**	**Federal Programs Fund**	**School Food Services Fund**	**Debt Service Fund**	**Total Nonmajor Governmental Funds**
State funds	$ -	$ -	$ 372,504	$ -	$ 372,504
Federal funds	-	11,006,484	6,006,090	-	17,012,574
Local and other funds	15,573,406	76,500	9,185,409	23,247,298	48,082,613
Total revenues	15,573,406	11,082,984	15,564,003	23,247,298	65,467,691
EXPENDITURES					
Instruction	15,207,396	5,336,221	-	-	20,543,617
Support services:					
Pupil services	-	2,647,637	-	-	2,647,637
Improvement of instructional services	-	1,925,774	-	-	1,925,774
Federal grant administration	-	368,595	-	-	368,595
General administration	-	61,915	-	-	61,915
School administration	-	-	-	-	-
Student transportation services	-	141,474	-	-	141,474
Central support services	-	75,457	-	-	75,457
Other support services	-	482,963	-	-	482,963
Food services operation	-	-	15,693,133	-	15,693,133
Debt service:					
Principal retirement	-	-	-	35,310,000	35,310,000
Interest	-	-	-	15,209,912	15,209,912
Total expenditures	15,207,396	11,040,036	15,693,133	50,519,912	92,460,477
Excess (deficiency) of revenues over (under) expenditures	366,010	42,948	(129,130)	(27,272,614)	(26,992,786)
OTHER FINANCING SOURCES (USES)					
Transfers in	160,000	-	-	31,323,544	31,483,544
Transfers out	-	-	-	(3,500,000)	(3,500,000)
Total other financing sources (uses)	160,000	-	-	27,823,544	27,983,544
Net change in fund balances	526,010	42,948	(129,130)	550,930	990,758
FUND BALANCES, beginning of year	5,438,158	121,963	5,213,105	7,789,116	18,562,342
FUND BALANCES, end of year	$ 5,964,168	$ 164,911	$ 5,083,975	$ 8,340,046	$ 19,553,100

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

FORSYTH COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	SPLOST IV				
	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Acquisition, construction, renovation and equipping of schools	$ 53,624,925	$ 53,624,925	$ 6,500	$ 5,250	$ 11,750
Debt service	141,375,075	141,375,075	65,230,512	26,570,775	91,801,287
	$ 195,000,000	$ 195,000,000	$ 65,237,012	$ 26,576,025	$ 91,813,037

Non-SPLOST monies transferred to Debt Service Fund for 2014 bonds	$ 4,336,100
Non-SPLOST monies expended in Capital Projects Fund	141,792,366
SPLOST monies expended in Debt Service Fund	(500)
Total expenditures and transfers of Capital Projects Fund	$ 172,703,991

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

FORSYTH COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U.S. Department of:			
Pass-Through From Georgia Department of Education			
Child Nutrition Cluster			
Food and Nutrition Program			
Food Services			
School Breakfast Program - Cash Assistance	10.553	N/A	$ 1,069,350
National School Lunch Program:			
Cash Assistance	10.555	N/A	3,842,594
Non-Cash Assistance (Commodities)	10.555	N/A	1,060,554
Total Child Nutrition Cluster			5,972,498
Warehouse Grant			33,592
Total U.S. Department of Agriculture			6,006,090
Education, U.S. Department of:			
State Fiscal Stabilization Fund - Innovation Fund, Recovery Act			
i3 Engage ME PLEASE	84.396C	N/A	1,070,983
Pass-Through from Georgia Department of Education			
Special Education Cluster			
Part B-Special Education			
Flow Through	84.027	N/A	5,919,720
High Cost Fund Pool	84.027	N/A	139,695
Preschool	84.173	N/A	120,233
Total Special Education Cluster			6,179,648
Title I, Part A			
Improving Academic Achievement	84.010	N/A	2,623,795
Distinguished District Awards	84.010	N/A	39,428
Total Title I, Part A			2,663,223
Title I - C			
Migrant Education	84.011	N/A	11,508
Title II			
Adance Placement Grant	84.367	N/A	10,940
Improving Teacher Quality	84.367	N/A	416,539
Total Title II			427,479
Title III			
Immigrant	84.365	N/A	14,129
Limited English Proficient	84.365	N/A	173,460
Total Title III			187,589

continued

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FORSYTH COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Education, U.S. Department of (Continued):			
Pass-Through from Georgia Department of Education (Continued)			
Education of Homeless Children and Youth	84.196	N/A	32,554
Vocational Education-Basic Grants to States			
Program Improvement	84.048	N/A	170,997
CTE Perkins Carryover	84.048	N/A	10,529
CTE Perkins Plus	84.048	N/A	24,160
Total Vocational Education-Basic Grants to States			205,686
Total U.S. Department of Education			10,778,670
Health and Human Services, U.S. Department of			
Mentors and Motivators	93.959	N/A	90,157
Defense, U.S. Department of			
R.O.T.C Program	12.357	N/A	91,657
Office of the State Treasurer			
Payments in Lieu of Real Estate Taxes	12.112	N/A	283,018
Total U.S. Department of Defense			374,675
Total Expenditures of Federal Awards			$ 17,249,592

See accompanying notes to the Schedule of Expenditures of Federal Awards.

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FORSYTH COUNTY BOARD OF EDUCATION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Notes to the Schedule of Expenditures of Federal Awards

N/A - Not Available

(1) The amount shown for the Food Distribution Program represents the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the system during the current fiscal year.

The Forsyth County Board of Education did not provide Federal Assistance to any Subrecipient.

BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Forsyth County Board of Education and is presented on the accrual basis of accounting.

The School District did not utilize the 10% de minimis indirect cost rate.

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 of Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

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