GLYNN COUNTY BOARD OF EDUCATION
Brunswick, Georgia

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2014


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Annual Financial Report
For the Year Ended June 30, 2014

Table of Contents

	Page
Independent Auditors' Report	A -1
Management's Discussion and Analysis	B -1
Basic Financial Statements:	
District-wide Financial Statements:	
Statement of Net Position	C - 1
Statement of Activities	C - 2
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	C - 3
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	C - 4
Statement of Revenues, Expenditures, and Changes in Fund Balances	C - 5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C - 6
Proprietary Funds (Internal Service):	
Statement of Net Position	C - 7
Statement of Revenues, Expenses and Changes in Fund Net Position	C - 8
Statement of Cash Flows	C - 9
Fiduciary Funds (Agency):	
Statement of Fiduciary Assets and Liabilities	C - 10
Notes to the Basic Financial Statements	C - 11
Required Supplementary Information other than MD&A:	
Budgetary Comparison Schedule - General Fund	D - 1
Notes to Required Supplementary Information on Budgetary Accounting and Control	D - 2
Supplementary Data - Combining Fund Financial Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet - by Fund Type	E - 1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - by Fund Type	E - 3
Budgetary Comparison Schedules - Nonmajor Governmental Funds:	
Special Revenue Funds:	
Special Programs	E - 5
Title I	E - 6
Title II	E - 7
Title IVB	E - 8
Special Education	E - 9
Pre Kindergarten	E - 10
Athletics	E - 11
School Food Service	E - 12
Debt Service Fund	E - 13

Glynn County Board of Education

Annual Financial Report
For the Year Ended June 30, 2014

Table of Contents

	Page
Internal Service Funds:	
Combining Statement of Net Position	E - 14
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	E - 15
Combining Statement of Cash Flows	E - 16
Fiduciary Funds:	
Statement of Changes in Assets and Liabilities - Agency Funds	E - 17
Supplemental Schedule:	
Schedule of Approved Special Purpose Local Option Sales Tax Projects	E - 18
Compliance and Internal Control Reports:	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	F - 1
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	F - 3
Schedule of Expenditures of Federal Awards	F - 5
Note to the Schedule of Expenditures of Federal Awards	F - 6
Schedule of Findings and Questioned Costs and Status of Prior Audit Findings	F - 7

INDEPENDENT AUDITORS' REPORT


GLYNN
SCHOOLS
COUNTY

INDEPENDENT AUDITORS' REPORT

To the Superintendent and Members of the
Board of Education of Glynn County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Glynn County, Georgia (the "District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Glynn County, Georgia, as of June 30, 2014, and the respective changes in financial position, and, where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis beginning on page B-1 and budgetary comparison information beginning on page D-1 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated March 11, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia
March 11, 2015


GLYNN
SCHOOLS
COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS


GLYNN
SCHOOLS
COUNTY

GLYNN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The discussion and analysis of Glynn County Board of Education's financial performance provides an overall review of the Board's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the Board's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the Board's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- In total, net position increased $28 million, which represents a 13.4 percent increase from fiscal year 2013. This increase was due to governmental activities since the Board has no business-type activities.

- General revenues accounted for $85.8 million in revenue or 54 percent of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for $72.3 million or 46 percent of total revenues of $158 million.

- The Board had $130.1 million in expenses related to governmental activities; only $72.3 million of these expenses were offset by program revenues. General revenues (primarily property and sales taxes) of $85.8 million funded the remaining expenses for these programs.

- Among major funds, the general fund has $102.7 million in revenues and $106.4 million in expenditures. The general fund's fund balance decreased by $2.4 million to $23.4 million.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Glynn County Board of Education as a financial whole, or as an entire operating entity.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole Board, presenting both an aggregate view of the Board's finances and a longer-term view of those finances. *Fund financial statements* provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Glynn County Board of Education, the general fund is by far the most significant fund.

Reporting the Board as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Board to provide programs and activities, the view of the Board as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2014?" The *Statement of Net Position* and the *Statement of Activities* answers this question. These statements include *all assets, liabilities, and deferred outflows/inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's

revenues and expenses regardless of when cash is received or paid.

These two statements report the Board's *net position* and changes in position. This change in net positon is important because it tells the reader whether, for the Board as a whole, the *financial position* of the Board has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Board's property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the Board has one distinct type of activity:

- Governmental Activities - All of the Board's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service, after school program, principal's accounts and various others.

Reporting the Board's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Board's major funds. The Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Board's most significant funds. The Board's major governmental funds are the general fund, and the capital projects fund.

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

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

The Board as a Whole

- The perspective of the statement of net position is of the Board as a whole. Table 1 provides a summary of the Board's net position for fiscal year 2014 compared to fiscal year 2013.

Table 1
Net Assets
(In Thousands)

	Fiscal Year 2014	Fiscal Year 2013
Assets		
Current and other assets	$ 84,100	$ 74,412
Capital assets, net of accumulated depreciation	204,314	198,878
Total assets	288,414	273,290
Liabilities		
Current and other liabilities	19,999	22,913
Long-term liabilities	30,960	40,888
Total liabilities	50,959	63,801
Net Position		
Net investment in capital assets	175,821	160,503
Restricted	29,728	15,504
Unrestricted	31,906	33,482
Total net position	$ 237,455	$ 209,489

Total net position increased $28 million in fiscal year 2014.

Table 2 shows the changes in net assets for fiscal year 2014 compared to the changes in net position for fiscal year 2013.

Table 2
Change in Net Position
(In Thousands)

	Fiscal Year 2014	Fiscal Year 2013
Revenues		
Program revenues:		
Charges for services and sales	$ 2,742	$ 3,135
Operating grants and contributions	51,934	53,744
Capital grants and contributions	17,599	-
Total program revenues	72,275	56,879
General Revenues:		
Taxes		
Property taxes	64,147	59,284
Sales taxes	18,777	18,715
Other taxes	1,356	1,357
Grants and contributions not restricted to specific programs	146	524
Unrestricted investment earnings	41	44
Investment earnings restricted for capital projects.	32	84
Miscellaneous	1,257	1,187
Total general revenues	85,756	81,195
Total revenues	158,031	138,074
Program Expenses		
Instruction	85,997	82,190
Support services		
Pupil services	3,330	3,381
Improvement of instructional services	4,075	4,263
Educational media services	1,917	2,022
Federal grant administration	221	196
General administration	918	911
School administration	6,399	6,125
Business administration	1,164	1,103
Maintenance and operation of plant	10,511	10,034
Student transportation services	5,941	5,670
Central support services	1,499	1,418
Other support services	557	634
Operations of non-instructional services		
Community services	3	1
Food services	7,376	6,952
Interest on short-term and long-term debt	156	731
Total expenses	130,064	125,631
Increase in net position	27,967	12,443
Net position - beginning	209,489	197,046
Net position - ending	$ 237,456	$ 209,489

Governmental Activities

Instruction comprises 66 percent of governmental program expenses. Interest expense was less than one percent of governmental program expenses. Interest expense was attributable to capital leases and the outstanding bonds for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services comparing fiscal year 2014 with fiscal year 2013. Net cost of services can be defined as the total cost less fees generated by the activities and revenues or contributions provided for specific programs. That is, it identifies the cost of these services supported by tax revenues, unrestricted state grants, investment earnings and other general revenues.

Table 3
Governmental Activities
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2013
Instruction	$ 85,997	$ 82,190	$ 31,309	$ 43,465
Support services:				
Pupil services	3,330	3,381	2,475	2,390
Improvement of instructional services	4,075	4,263	2,930	2,746
Educational media services	1,917	2,022	965	1,067
Federal grant administration	221	196	221	196
General administration	918	911	(147)	(238)
School administration	6,399	6,125	4,390	4,104
Business administration	1,164	1,103	1,164	1,100
Maintenance and operation of plant	10,511	10,034	8,274	7,815
Student transportation services	5,941	5,670	4,752	4,477
Central support services	1,499	1,418	1,499	1,414
Other support services	557	634	80	140
Operations of non-instructional services:				
Community services	3	1	(18)	(29)
Food services	7,376	6,952	(260)	(626)
Interest on short-term and long-term debt	156	731	156	731
Total expenses	$ 130,064	$ 125,631	$ 57,790	$ 68,752

Expenditures for fiscal year 2014 increased about 3.7% from the prior year and net cost of services decreased about 15.9%. The decrease in net cost of services was due to increases in program specific revenues such as capital and operating grants of $15.8 million over fiscal year 2013 mainly from a state grant for the New Brunswick High School. Program specific revenues represent 46% of revenues. The Board is dependent upon tax revenues for governmental activities.

The Board's Funds

The Board's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of $159.8 million and expenditures and other financing uses of $147.8 million. The district-wide capital projects' fund balance had an increase of $14.2 million from receiving a state grant for the New Brunswick High School. The general fund had a decrease of $2.4 million in fund balance. The negative change in the fund balance of the general fund for the year reflects the Board's use of reserves to cover the shortfalls in state and local revenues.

General Fund Budgeting Highlights

The Board's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund which includes local, state and federal funds collected and disbursed for the purpose of operating the school system.

During the course of fiscal year 2014, the Board amended its general fund budget as needed. The Board uses site-based budgeting. The budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, the final budgeted revenues and other financing sources of $104.8 million were higher than the original budgeted amount of $99.4 million by $5.4 million. The actual revenues and other financing sources of $104.4 million were less than the budgeted amount of $104.8 million by $0.4 million.

The final budgeted expenditures and other financing uses of $108.4 million exceeded the original budgeted amount of $106.2 million by $2.2 million. This difference was due to changes in grants after the school year had begun, unanticipated expenditures, recording a capital lease, and forgoing three budgeted furlough days. The actual expenditures and other financing uses of $106.8 million were $1.6 million less than budgeted. This difference was due to conservative spending practices along with combining positions and attrition.

General fund revenues and other financing sources were less than the expenditures and other financing uses by $2.4 million. The Board was able to maintain an adequate fund balance while waiting for the economy to turn around.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014, the Board had $204 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2014 balances compared with fiscal year 2013 balances.

Table 4
Capital Assets at June 30
(Net of Depreciation, in Thousands)

	Fiscal Year 2014	Fiscal Year 2013
Land	$ 5,368	$ 4,365
Construction in progress	2,671	74,205
Building and building improvements	190,662	116,489
Equipment	5,613	3,819
Total capital assets, net of accumulated depreciation	$ 204,314	$ 198,878

Capital Assets increased by $5.4 million during fiscal year 2014. The Board completed the New Brunswick High School and began renovating Glynn Academy. These capital expenditures are being funded with Educational Special Purpose Local Option Sales Tax (ESPLOST) revenues and General Obligation Bonds. In March of 2007, the voters of Glynn County approved the first ESPLOST for the school district to be collected between July 1, 2007 and December 31, 2010. In November of 2009, the voters of Glynn County approved the second ESPLOST for the school district to be collected between January 1, 2011 and December 31, 2015.

Debt

At June 30, 2014, the Board had $27.0 million in bonds outstanding with $14.0 million due within one year. Table 5 summarizes general obligation bonds, capital leases, and compensated absences outstanding. Table 5 shows fiscal year 2014 balances compared with fiscal year 2013 balances.

Table 5
Debt at June 30
(in Thousands)

	Fiscal Year 2014	Fiscal Year 2013
General obligation bonds	$ 26,978	$ 37,475
Capital leases	1,514	901
Compensated absences	2,468	2,512
Total long-term obligations	$ 30,960	$ 40,888

In November 2009, voters approved a 1% ESPLOST in conjunction with a $51.8 million General Obligation Bond issue for the purpose of building new schools and renovating schools. The ESPLOST, collected between January 1, 2011, and December 31, 2015, will be used to retire the bonds. In September 2010, Glynn County Board of Education issued $51.8 million in General Obligation Sales Tax Bonds to advance fund the capital projects. At June 30, 2014, the School District's assigned bond rating was "Aa1" as determined by Moody's Investors Service.

Current Issues

Despite state revenue austerity cuts remaining intact since 2003 and equaling $5.7 million in 2014, state mandated salary, retirement and health insurance increases only being partially funded, and the ongoing effort of the board to maintain class sizes in accord with maximum class-size requirements from the state, the Glynn County School System has been able to maintain an adequate fund balance of $23.4 million in the General Fund. Even though the Board implemented conservative budgeting practices throughout the recession, they were not able to maintain the same millage rate. The digest has declined by 26% since fiscal year 2008. The Board was forced to raise the millage rate to 16.230 in 2014. With the School District's second ESPLOST, the New Brunswick High School was completed this year and renovations began on Glynn Academy. These projects will ensure adequate space for future growth in our high schools.

Currently, there are no legal issues pending that would materially affect the financial position of the School System. Glynn County Schools is expecting the Austerity Reductions from the state to continue and are hopeful the property tax digest will begin to increase. Although the Board will be looking to streamline programs and operations in order to compensate for the loss in revenues from the state and slow growth in the digest, Glynn County Schools is in a sound financial position with a $23.4 million reserve and a conservative millage rate.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, you may contact Andrea H. Preston at Glynn County Board of Education, 1313 Egmont Street, Brunswick, Georgia 31521 or email at apreston@glynn.k12.ga.us.

DISTRICT-WIDE FINANCIAL STATEMENTS


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Statement of Net Position

June 30, 2014

	Governmental Activities
Assets	
Cash and investments	$ 43,944,463
Receivables:	
Intergovernmental	5,014,916
Taxes	5,912,393
Other	2,132,247
Inventory and prepaid expenses	594,442
Restricted cash and investments	26,501,900
Capital assets	
Land, improvements, and construction in progress	8,039,193
Other capital assets, net of accumulated depreciation	196,274,534
Total assets	288,414,088
Liabilities	
Accounts payable	4,808,369
Construction contracts payable - retainage	27,914
Accrued salaries and benefits	14,683,999
Interest payable	336,717
Other current liabilities	141,023
Long-term liabilities:	
Due within one year	14,657,766
Due in more than one year	16,302,723
Total liabilities	50,958,511
Net Position	
Net investment in capital assets	175,821,030
Restricted for	
Debt service	24,728,316
Capital projects	5,000,299
Unrestricted	31,905,932
Total net position	$ 237,455,577

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

Glynn County Board of Education

Statement of Activities

For the Year Ended June 30, 2014

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: Total Governmental Activities
Governmental activities:					
Instruction	$ 85,997,382	$ 1,149,484	$ 35,939,965	$ 17,599,218	$ (31,308,715)
Support services:					
Pupil services	3,329,697	-	854,334	-	(2,475,363)
Improvement of instructional services	4,075,357	-	1,144,872	-	(2,930,485)
Educational media services	1,917,178	-	952,119	-	(965,059)
Federal grant administration	221,073	-	-	-	(221,073)
General administration	918,217	-	1,065,490	-	147,273
School administration	6,399,070	-	2,008,986	-	(4,390,084)
Business administration	1,163,700	-	-	-	(1,163,700)
Maintenance and operation of plant	10,510,617	-	2,236,734	-	(8,273,883)
Student transportation services	5,941,318	-	1,189,352	-	(4,751,966)
Central support services	1,499,332	-	-	-	(1,499,332)
Other support services	556,563	-	476,686	-	(79,877)
Operations of non-instructional services:					
Community services	2,601	21,138	-	-	18,537
Food services	7,376,350	1,570,967	6,065,817	-	260,434
Interest on long-term debt	156,310	-	-	-	(156,310)
Total governmental activities	$ 130,064,765	$ 2,741,589	$ 51,934,355	$ 17,599,218	(57,789,603)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					64,147,311
Sales taxes for capital projects					18,776,975
Other taxes					1,356,474
Grants and contributions not restricted to specific programs:					
Other grants and contributions					146,322
Investment earnings:					
Unrestricted investment earnings					41,216
Restricted for capital projects					31,732
Miscellaneous					1,256,623
Total general revenues					85,756,653
Change in net position					27,967,050
Net position - beginning					209,488,527
Net position - ending					$ 237,455,577

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

FUND FINANCIAL STATEMENTS


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Governmental Funds
Balance Sheet

June 30, 2014

	General	District-Wide Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	$ 32,899,099	$ 1,733,111	$ 4,517,656	$ 39,149,866
Receivables:				
Taxes	4,164,988	-	-	4,164,988
State government	3,750,950	1,762,541	1,248,830	6,762,321
Grants and other	521,147	-	1,611,100	2,132,247
Interfund receivables	1,339,351	-	39,610	1,378,961
Inventory and prepaid expenses	465,767	-	128,675	594,442
Restricted cash and investments	-	26,501,900	-	26,501,900
Total assets	$ 43,141,302	$ 29,997,552	$ 7,545,871	$ 80,684,725
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	$ 3,191,723	$ 240,972	$ 269,297	$ 3,701,992
Construction contracts payable - retainage	-	27,914	-	27,914
Accrued salaries and benefits	12,955,634	-	1,728,365	14,683,999
Interfund payables	419,266	51	1,343,205	1,762,522
Other current liabilities	141,023	-	-	141,023
Total liabilities	16,707,646	268,937	3,340,867	20,317,450
Deferred inflows of resources				
Unavailable income	3,057,369	-	-	3,057,369
Fund balances				
Nonspendable:				
Inventory and prepaid expenses	465,767	-	128,676	594,443
Restricted:				
Debt service	-	24,728,316	-	24,728,316
Capital projects	-	5,000,299	-	5,000,299
School food service program	-	-	3,262,626	3,262,626
Assigned:				
Student activity accounts	-	-	467,187	467,187
Historic Glynn Academy	-	-	15,199	15,199
Athletic programs	-	-	291,808	291,808
Debt service	-	-	39,508	39,508
Appropriations for fiscal year 2015 budget	3,051,600	-	-	3,051,600
Local capital outlay projects	3,831,420	-	-	3,831,420
Unassigned	16,027,500	-	-	16,027,500
Total fund balances	23,376,287	29,728,615	4,205,004	57,309,906
Total liabilities and fund balances	$ 43,141,302	$ 29,997,552	$ 7,545,871	$ 80,684,725

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

Glynn County Board of Education

Reconciliation of Total Governmental Fund Balances
To Net Position of Governmental Activities

June 30, 2014

Total Governmental Fund Balances		$ 57,309,906
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 governmental funds, net of accumulated depreciation:		
Capital assets, at cost	$ 287,943,806	
Accumulated depreciation	(83,630,079)	204,313,727
Other long-term assets are not available to pay for current period expenditures:		
Unavailable property taxes		3,057,369
Long-term and related liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.		
Interest payable	$ (336,717)	
Compensated absences	(2,467,792)	
General obligation debt	(26,978,015)	
Capital leases payable	(1,514,682)	(31,297,206)
Internal service funds are used by management to charge the cost of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		4,071,781
Net Position of Governmental Activities		$ 237,455,577

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

Glynn County Board of Education

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2014

	General	District-Wide Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 65,180,783	$ -	$ 175	$ 65,180,958
Sales taxes	-	18,776,975	-	18,776,975
State sources	36,202,896	17,599,218	2,213,126	56,015,240
Federal sources	399,467	-	13,736,143	14,135,610
Charges for services	-	-	1,100,012	1,100,012
Investment earnings	36,378	31,732	2,750	70,860
Miscellaneous	923,473	69,183	1,434,589	2,427,245
Total revenues	102,742,997	36,477,108	18,486,795	157,706,900
Expenditures				
Current				
Instruction	71,354,783	63,426	8,770,431	80,188,640
Support services:				
Pupil services	2,830,579	-	480,839	3,311,418
Improvement of instructional services	3,133,882	-	968,906	4,102,788
Educational media services	1,917,178	-	-	1,917,178
Federal grant administration	-	-	221,073	221,073
General administration	900,391	-	14,958	915,349
School administration	6,225,604	-	157,389	6,382,993
Business administration	1,158,936	-	-	1,158,936
Maintenance and operation of plant	10,422,567	-	104,216	10,526,783
Student transportation services	5,271,935	1,654,181	50,178	6,976,294
Central support services	1,882,818	-	-	1,882,818
Other support services	113,451	-	476,686	590,137
Community services	2,601	-	-	2,601
Food services	54,166	-	7,460,602	7,514,768
Capital Outlay	-	9,811,757	-	9,811,757
Debt Service				
Principal	1,071,858	9,500,000	-	10,571,858
Interest and other charges	54,494	1,222,600	-	1,277,094
Total expenditures	106,395,243	22,251,964	18,705,278	147,352,485
Excess of revenues over (under) expenditures	(3,652,246)	14,225,144	(218,483)	10,354,415
Other financing sources (uses)				
Capital lease	1,685,923	-	-	1,685,923
Transfers in	-	-	454,687	454,687
Transfers out	(454,687)	-	-	(454,687)
Total other financing sources (uses)	1,231,236	-	454,687	1,685,923
Net Changes in fund balances	(2,421,010)	14,225,144	236,204	12,040,338
Fund balances at beginning of year	25,797,297	15,503,471	3,968,800	45,269,568
Fund balances at end of year	$ 23,376,287	$ 29,728,615	$ 4,205,004	$ 57,309,906

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

Glynn 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 Year Ended June 30, 2014

Net change in Fund Balances - Total Governmental Funds		$ 12,040,338
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	$ 13,605,872	
Depreciation expense	(8,170,350)	5,435,522
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability		(1,685,923)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year these amounts consist of:		
Bond principal retirement	$ 9,500,000	
Capital lease payments	1,071,858	10,571,858
Because some revenues will not be collected for several months after the system's fiscal year ends, they are not considered "available" revenues and are deferred inflows in the governmental funds. Deferred inflows of resources increased by this amount this year		322,827
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.		
Decrease (increase) in compensated absences	$ 44,218	
Net (increase) decrease in accrued interest expense	123,913	
Amortization of bond premium	996,871	1,165,002
Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities		117,426
Change in Net Position of Governmental Activities		$ 27,967,050

Glynn County Board of Education

Proprietary Funds
Statement of Net Position

June 30, 2014

	Governmental Activities - Internal Service Funds
Assets	
Current assets:	
Cash and investments	$ 4,794,597
Interfund receivables	383,561
Total assets	5,178,158
Liabilities	
Current liabilities:	
Accounts payable and contracts payable	1,106,377
Total liabilities	1,106,377
Net Position	
Unrestricted	4,071,781
Total net position	$ 4,071,781

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

Glynn County Board of Education

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position

For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Funds
Operating revenues	
Risk management fees	$ 983,562
Total operating revenues	983,562
Operating expenses	
Risk management	868,224
Total operating expenses	868,224
Operating income (loss)	115,338
Nonoperating revenues	
Investment income	2,088
Total nonoperating revenues (expenses)	2,088
Net income (loss) before transfers	117,426
Change in net position	117,426
Net position, beginning of year	3,954,355
Net position, end of year	$ 4,071,781

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

Glynn County Board of Education

Proprietary Funds
Statement of Cash Flows

For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Cash received for services and fees	$ 983,562
Cash payments for supplies and insurance	(894,251)
Net cash provided (used) by operating activities	89,311
Cash flows from noncapital financing activities:	
Decrease (increase) in interfund receivables	2,494,178
Net cash provided (used) by noncapital financing activities	2,494,178
Cash flows from investing activities:	
Interest earned on cash and investments	2,088
Net cash provided (used) by investing activities	2,088
Net increase (decrease) in cash and cash equivalents	2,585,577
Cash and cash equivalents, beginning of year	2,209,020
Cash and cash equivalents, end of year	$ 4,794,597
Operating income (loss)	$ 115,338
Change in liabilities:	
Increase (decrease) in accounts payable	(26,027)
Total adjustments	(26,027)
Net cash provided (used) by operating activities	$ 89,311

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

Glynn County Board of Education

Fiduciary Funds
Statement of Fiduciary Assets and Liabilities

June 30, 2014

	Agency Funds
Assets	
Cash and investments	$ 373,531
Total assets	$ 373,531
Liabilities	
Due to student groups	$ 373,531
Total liabilities	$ 373,531

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

NOTES TO THE BASIC FINANCIAL STATEMENTS


GLYNN
SCHOOLS
COUNTY

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.	Reporting Entity	C - 11
B.	Basic Financial Statements	C - 11
C.	Measurement Focus and Basis of Accounting	C - 13
D.	Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity	C - 13
E.	Revenues, Expenditures, and Expenses	C - 17

NOTE II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A.	Cash and Investments	C - 18
B.	Receivables	C - 19
C.	Property Taxes	C - 20
D.	Capital Assets	C - 21
E.	Capital Leases	C - 22
F.	Long-term Debt	C - 22
G.	Interfund Receivables, Payables, and Transfers	C - 23
H.	Operating Leases	C - 24
I.	Restricted Assets	C - 24

NOTE III. OTHER NOTES

A.	Retirement Plans	C - 24
B.	Postemployment Benefits	C - 25
C.	Commitments and Contingencies	C - 26
D.	Risk Management	C - 26
E.	On-Behalf of Payments	C - 27


GLYNN
SCHOOLS
COUNTY

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Glynn County Board of Education, (the "Board") operates under a Board-Superintendent form of government and provides public educational services to the citizenry of the Glynn County, Georgia. The Board receives funding from local, state, and federal government sources and must comply with the accompanying requirements of these funding source entities.

The Board's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Board are discussed below.

A. Reporting Entity

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

B. Basic Financial Statements

The Board's basic financial statements include both district-wide (reporting the Board as a whole) and fund financial statements (reporting the Board's major funds). Both the district-wide and fund financial statements categorize its primary activities as governmental. Those activities (functions) are instruction, pupil services, instructional services, educational media services, general administration, business administration, school administration, pupil transportation, maintenance and operations, central support services, other support services, food service operations and interest on long-term debt.

1. District-wide Financial Statements

In the district-wide Statement of Net Position, the governmental activity column (a) is presented on a consolidated basis (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Board's net position are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Board first utilizes restricted resources to finance qualifying activities.

The district-wide Statement of Activities reports both the gross and net cost of each of the Board's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, unrestricted investment earnings, and other revenues). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues that are directly associated with the function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The Board does not allocate indirect cost to functions in the statement of activities.

This district-wide focus is more on the sustainability of the Board as an entity and the change in the Board's net assets resulting from the current year's activities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

2. Fund Financial Statements

The financial transactions of the Board are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditure/expenses. The various funds are reported by generic classification within the financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The emphasis in fund financial statements is on the major funds in the governmental fund category.

The District reports the following major governmental funds:

- General Fund
- District-wide Capital Projects Fund

The following fund types are used by the Board:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Board:

The ***General fund*** is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The ***Debt Service fund*** is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

The ***District-wide Capital Project fund*** is used to account for financial resources including eSPLOST, bond proceeds, and grants from the Georgia State Financing and Investment Commission to be used for the acquisition, construction, or renovation of major capital facilities.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Board:

Internal service funds are used to account for the financing of risk management services such as: worker's compensation and unemployment compensation that are charged to other departments or funds of the Board on a cost–reimbursement basis. The principal users of the internal services are the Board's governmental activities; the financial statement of the internal service fund is consolidated into the governmental column when presented in the district-wide financial statements. The cost of these services is reported in the appropriate functional activity, as disclosed at Note III.D.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Fiduciary Funds

Fiduciary funds are used to report assets held in an agency capacity for others, are not available to support Board programs, and do not involve measurement of results of operations. The Board has one fiduciary (agency) fund. Student Activity funds account for various student activities.

The Board's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of third parties and cannot be used to address activities or obligations of the government, these funds are not incorporated into the district-wide statements.

C. Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures /expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. The measurement focus relates to the types of transactions reported. The district-wide financial statements and the proprietary (internal service) fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities (whether current or noncurrent) are included on the statement of net position. Governmental funds financial statements are accounted for on a flow of current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are reported.

1. Accrual

Governmental activities in the district-wide financial statements, the proprietary (internal service) fund financial statements, and the fiduciary (agency) fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 30 days after year end. Revenues considered susceptible to accrual are property taxes, intergovernmental revenues, and investment income. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt are recognized when due.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity

1. Cash and Cash Equivalents

The Board maintains a cash and investment pool that is available for all funds. Each fund's portion of this pool is displayed as "Cash & Investments." For purposes of the statement of cash flows, the Board considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

2. Investments

During 2014 and as of June 30, 2014, the Board held no financial instruments classified as investments. The Board is authorized by state statutes to invest in the obligations of the U.S. Treasury, agencies and instrumentalities, repurchase agreements, bank certificates of deposit, and the Georgia Fund 1 administered by the State of Georgia.

3. Receivables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, sales taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the district-wide financial statements in accordance with the accrual basis. Allowances for uncollectible taxes receivable are based upon historical trends and the periodic aging of taxes receivable.

4. Sales Tax

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $18,776,975 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

5. Inventory

Inventories are stated at cost (principally first-in, first-out), which is not in excess of market. The Board utilizes the consumption method to recognize inventory usage.

Under the consumption method, inventories are recorded as expenditures when used rather than when purchased. Reported inventories are equally offset by a reservation of fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA

6. Capital Assets

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-wide Statements

Capital assets, which include land, building, building improvements and equipment, are reported in the applicable governmental activities columns in the district-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold is a unit cost of $5,000 or more for equipment and $10,000 for buildings and improvements. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight–line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements.....	30 years
Equipment.....	3-20 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in district-wide statements.

7. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-wide Statements

All long-term debt to be repaid from governmental resources is reported as liabilities in the district-wide statements. The long-term debt consists primarily of general obligation bonds, contractual obligations, capital leases and accrued compensated absences. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using a straight-line method.

Fund Financial Statements

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The face amount of the debt issued and premiums on the debt issuances are reported as other financing sources.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Governmental Funds Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2014, the District did not have any deferred outflows of resources.

In addition to liabilities, the Statement of Net Positon and the Governmental Funds Balance Sheet include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports property tax revenue that is unavailable to liquidate liabilities of the current period as deferred inflows of resources in the Governmental Funds Balance Sheet.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

9. Equity Classifications

District-wide Statements

Equity is classified as net assets and displayed in three components:

1) **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2) **Restricted net position** - Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

3) **Unrestricted net position** - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Governmental Accounting Standards Board (GASB) Statement 54 distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

1) **Nonspendable Fund Balance** – Fund balance reported as nonspendable represents fund balance associated with inventory, prepaid items, or long-term receivables. Nonspendable indicates that the respective resources are not available to be spent in any way due to their very nature and/or their lack of availability.

2) **Restricted Fund Balance** – Fund balance reported as restricted represents amounts that can be spent only on the specific purposes stipulated by law through constitutional provisions or enabling legislation or by the external providers of those resources.

3) **Committed Fund Balance** – Fund balance reported as committed includes amounts that can be used only for the specific purposes determined by a formal action of the Board. The only way committed funds can be removed or changed is by a formal action of the Board on or before the end of the fiscal year.

4) **Assigned Fund Balance** – Fund balance reported as assigned represents amounts intended to be used for specific purposes, but not meeting the criteria to be reported as committed or restricted fund balance. At fiscal year-end, any appropriation of existing fund balance to eliminate a projected budgetary deficit in the next year's budget is considered to be an assignment of fund balance.

5) **Unassigned Fund Balance** – Fund Balance reported as unassigned represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

When an expenditure is incurred that would qualify as an expenditure of either Restricted or Unrestricted fund balance, those expenditures will first be applied to the Restricted Fund Balance category. When expenditures are incurred that would qualify as a use of any of the Unrestricted Fund Balance categories (Committed, Assigned, Unassigned), those expenditures will be applied in the order of Assigned first, then Unassigned, and then Committed.

Proprietary fund equity is classified the same as in the district-wide statements.

E. Revenues, Expenditures, and Expenses

1. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Board's internal service funds are charges to funds for risk management services. The Board's operating expenses for internal service funds include risk management expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

2. Expenditures/Expenses

In the district-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character: Current (further classified by function), Debt Service, and Capital Outlay.

Proprietary Fund - By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of current financial resources. Proprietary funds report expenses relating to use of economic resources.

3. Interfund Activity and Internal Balances

Interfund activities are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at a market or near market rates, are treated as revenues and expenditures/expenses and are eliminated from the statement of activities to remove the "doubling-up" effect of the activity. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Permanent reallocation of resources between funds is classified as interfund transfers.

In the process of aggregating data for the statement of net position and the statement of activities certain amounts reported as interfund activity and balances in the funds are eliminated or reclassified in the district-wide financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

4. Compensated Absences

Eligible Board employees can earn annual vacation based on length of service, to a maximum of 18 days after 10 years of service. However, no more than 45 days are allowed to be carried over between fiscal years. Sick pay is as follows:

1) All employees earn one and one quarter days of sick leave with full pay each month.
2) Sick leave is cumulative up to an indefinite period.
3) Sick leave is paid for each day over 45 days at ½ of the substitute rate upon retirement or termination of employment.

All compensated absences are accrued when incurred in the district-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. Cash and Investments

Collateralization of Deposits

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance. OCGA Section 45-8-11(b) provides an officer holding public funds may, in his discretion, waive the requirement for security in the case of operating funds placed in the demand deposit checking accounts.

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

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

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

v. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

vi. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

vii. Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

At June 30, 2014, the carrying amount of the Board's deposits was $70,819,794 and the bank balances were $72,048,874. The bank balances were entirely by either federal depository insurance or collateralized with securities held by the pledging financial institution.

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The 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.

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction the district will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The district does not have a formal policy for managing custodial credit risk.

Deposits and investments are reconciled between the financial statements and note disclosure as follows:

Basic financial statements:	
Cash and investments	$ 43,944,463
Restricted cash and investments	26,501,900
Fiduciary fund cash	373,531
Total	$ 70,819,894
Notes to financial statements:	
Deposits and investments	$ 70,819,794
Cash on hand	100
Total	$ 70,819,894

B. Receivables

The Board disaggregates significant components of receivables in the financial statements. Receivables from taxes expected to be collected within the subsequent fiscal year approximate $4,164,988 in the General Fund.

In the General fund, significant components of intergovernmental receivables include $3,750,950 from the State of Georgia for Quality Basic Education (QBE) formula grants.

In the District-wide capital projects fund, the intergovernmental receivables include $1,762,541 due from the State of Georgia for eSPLOST revenue collected but not remitted at June 30, 2014.

Taxes receivable reported in General Fund represents 2013 and prior years' uncollected taxes. Property taxes which are not expected to be collected in time (30 days after year-end) to meet the "available" criteria in

DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

accordance with GASB Cod. Sec. 1600.103, are recorded as deferred inflows or resources. An evaluation of the allowance for uncollected taxes is made in relation to the expected collectability of the taxes. At June 30, 2014, the allowance was $970,326.

Grants and other receivables (reported in General and Nonmajor governmental funds) primarily represent funds due the Board for reimbursement of expenditures/expenses incurred as of year-end under grant terms.

C. Property Taxes

The Glynn County Tax Commissioner bills and collects property taxes for the Board of Education. Property taxes are levied (assessed) on all taxable real, public utility and personal property (including vehicles) located within the County as of January 1st of each year. Assessed values for property tax purposes are determined by the Glynn County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. Public utility assessed values are established by the State of Georgia.

Property is appraised and a lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Taxes are due and payable when billed by the Glynn County Tax Commissioner. Glynn County may place liens on property once the related tax payments become delinquent.

The property tax calendar is as follows:

Event	Date
Beginning of fiscal year for taxes	January 1, 2013
Vehicle personal property tax bill rendered	January 1, 2013
Delinquency date - vehicle personal property taxes	Taxpayer's birthday
Millage rate approved	July 10, 2013
Real and personal property tax bills rendered	September 15, 2013
Real and personal property tax payments due	November 15, 2013

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

D. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Increases	Decreases	Transfers	Balance June 30, 2014
Capital assets, not being depreciated:					
Land	$ 4,364,764	$ -	$ -	$ 1,003,441	$ 5,368,205
Construction in progress	74,205,056	9,811,758	-	(81,345,826)	2,670,988
Total capital assets, not being depreciated	78,569,820	9,811,758	-	(80,342,385)	8,039,193
Capital assets, being depreciated:					
Buildings and improvements	169,549,847	-	-	80,342,385	249,892,232
Equipment	26,327,337	3,794,114	(109,070)	-	30,012,381
Total capital assets, being depreciated	195,877,184	3,794,114	(109,070)	80,342,385	279,904,613
Less accumulated depreciation for:					
Buildings and improvements	(53,060,985)	(6,169,704)	-	-	(59,230,689)
Equipment	(22,507,814)	(2,000,646)	109,070	-	(24,399,390)
Total accumulated depreciation	(75,568,799)	(8,170,350)	109,070	-	(83,630,079)
Total capital asset, being depreciated, net	120,308,385	(4,376,236)	-	80,342,385	196,274,534
Governmental activities capital assets, net	$ 198,878,205	$ 5,435,522	$ -	$ -	$ 204,313,727

Depreciation expense was charged to the functions/activities of the primary government as follows:

Governmental activities:	
Instruction	$ 7,172,479
Business administration	989
Maintenance and operations	23,404
Pupil transportation	688,188
Support services	153,352
Food service operations	131,938
Total Depreciation expense - governmental activities	$ 8,170,350

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

E. Capital Leases

The district has entered into several capital lease agreements as lessee for financing the acquisition of buses and certain other equipment. Principal and interest payments under capital leases having remaining terms in excess of one year as of June 30, 2014 are as follows:

Year	Principal	Interest	Total
2015	$ 638,545	$ 56,929	$ 695,474
2016	446,017	28,561	474,578
2017	256,995	11,862	268,857
2018	114,693	3,035	117,728
2019	58,432	432	58,864
Totals.....	$ 1,514,682	$ 100,819	$ 1,615,501

For the year ended June 30, 2014, depreciation expense recorded on leased assets was $947,130. At June 30, 2014, the net book value of assets under capital lease was as follows:

	Capital Assets Under Capital Leases
Equipment.....	$ 3,687,507
Less: accumulated depreciation.....	(1,947,922)
Total.....	$ 1,739,585

F. Long-term Debt

The following schedule summarizes the School District's long-term debt issues, including interest rates, original debt, and balance at year end.

	Interest Rates	Original Debt	Balance June 30, 2014
General Obligation Bonds:			
Sales Tax, Series 2010	3.00% to 4.00%	$ 51,815,000	$ 25,815,000

Requirements to Maturity - General Obligation Debt

Year	Principal	Interest
2015	$ 13,000,000	$ 772,600
2016	12,815,000	256,300
Totals.....	$ 25,815,000	$ 1,028,900

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

Changes in Long-term Debt

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
General obligation bonds:					
General obligation bonds	$ 35,315,000	$ -	$ (9,500,000)	$ 25,815,000	$ 13,000,000
Unamortized premium	2,159,886	-	(996,871)	1,163,015	996,871
Total general obligation bonds	37,474,886	-	(10,496,871)	26,978,015	13,996,871
Capital leases payable	900,617	1,685,923	(1,071,858)	1,514,682	638,545
Compensated absences	2,512,010	21,150	(65,368)	2,467,792	22,350
Totals	$ 40,887,513	$ 1,707,073	$ (11,634,097)	$ 30,960,489	$ 14,657,766

In prior years, compensated absences and capital leases have been typically liquidated with General Fund resources.

G. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2014, is as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General	Capital Projects	$ 51
	Other governmental	1,339,300
Subtotal General Fund interfund receivable		1,339,351
Other governmental	General	39,610
Total governmental fund interfund receivables		1,378,961
Proprietary Funds:		
Internal service	General	383,561
Subtotal Internal Service Fund interfund receivable		383,561
Total due to / from other funds		$ 1,762,522

These balances represent loans between the borrower fund and the lender fund. 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 receivables and payables are reported in the fund financial statements. However, they are eliminated in the district-wide financial statements if the interfund loan is between governmental funds.

For the year ended June 30, 2014, interfund transfers of $454,687 were used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other non-major governmental funds in accordance with budgetary authorizations. Transfers of this type are recorded as other financing uses and other financing sources in the governmental funds financial statements. However, they are eliminated in the district-wide financial statements if the interfund transfer is within the governmental fund group.

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

H. Operating Leases

The Board has entered into an operating lease for copiers throughout the school system. Rental expenditures in 2014 amounted to $242,856. At June 30, 2014, there were no future required lease payments.

I. Restricted Assets

Special Purpose Local Option Sales Tax (SPLOST) proceeds, general obligation bond proceeds, and Georgia State Financing and Investment Commission (GSFIC) funds are restricted assets in the Statement of Net Assets because their use is limited by applicable bond covenants or statutory provisions. Restricted assets at June 30, 2014, were as follows:

Special Purpose Local Option Sales Tax funds	$ 24,728,594
Unspent General Obligation Bonds	1,773,306
Total Restricted Assets	$ 26,501,900

III. OTHER NOTES

A. Retirement Plans

Teachers' Retirement System

Plan Description. The Board contributes to the Teachers' Retirement System of Georgia (TRS), a cost-sharing multiple-employer defined benefit pension plan administered by the TRS Board of Trustees. TRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 47, Chapter 3 of the Official Code of Georgia Annotated, assigns the authority to establish and amend benefit provisions to the TRS Board of Trustees. The TRS Board of Trustees issues a publicly available financial report that includes financial statements and required supplementary information for TRS. That report may be obtained by writing to TRS of Georgia, Two Northside 75, Suite 400, Atlanta GA 30331, or by calling 1-800-352-0650.

Funding Policy. Plan members are required to contribute 6.00% of their annual covered salary and the Board is required to contribute at an actuarially determined rate. The current rate is 12.28% of annual covered payroll. The contribution requirements of plan members and the Board are established and may be amended by the TRS Board of Trustees. The Board's contributions to TRS were equal to the required contributions for each year.

Year ended June 30,	Percentage Contributed	Required Contribution
2014	100%	$ 8,211,192
2013	100%	7,725,870
2012	100%	7,138,114
2011	100%	7,328,727
2010	100%	7,300,794

IV. OTHER NOTES (*continued*)

All full-time bus drivers, lunchroom personnel, and maintenance and custodial personnel are covered and must participate in ERS as mandated by the State. Under the pension plan, benefits vest after 10 years of full-time employment. An employee with 10 years of service may retire at age 65 and receive full retirement benefits. Employees covered by the pension plan must contribute a fixed monthly amount to the pension plan. The State is required to make actuarially determined contributions that maintain the financial integrity of the retirement system.

The Board's total fiscal year 2014 payroll for all of its employees was $77,052,796.

Section 403- B Tax Qualified Retirement Plan

The Board makes available an IRS section 403-b tax qualified retirement plan for its classified employees. Participation is voluntary. During 2014, employee contributions amounted to $116,434.

B. Postemployment Benefit Plans

Plan Description. The School District contributes to the Georgia School Personnel Post-employment Health Benefit Fund(School Personnel OPEB Fund), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of Georgia Department of Community Health. The School Personnel OPEB Fund is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of the State including all departments, agencies and local school systems. The School Personnel OPEB Fund provides health insurance benefits to eligible retirees and their qualified beneficiaries through the health insurance plan for State employees. Pursuant to Title 45, Chapter 18 of the Official Code of Georgia Annotated, the authority to establish and amend the benefit provisions of the employees' health insurance plan (including benefits to retirees) is assigned to the Board of Community Health (Board). The Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary information for the School Personnel OPEB Fund. That report may be obtained from the Department of Community Health at 2 Peachtree Street, Atlanta, GA 30303.

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. On average, plan members pay approximately twenty-five percent (25%) of the cost of health insurance coverage.

Participating employers are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rate is established to fund both the active and retired employee health insurance plans based on projected "pay-as-you-go" financing requirements. The combined rates for the active and retiree plans for the fiscal year ended June 30, 2014, were as follows:

	Per Employee per Month	Effective Dates
Certified employees	$ 945.00	July 2013 deduction / August 2013 coverage
Classified employees	596.20	July 2013 deduction / August 2013 coverage

III. OTHER NOTES (*continued*)

No additional contribution was required by the Board for fiscal year 2014 nor contributed to the School Personnel OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the State plan for other postemployment benefits and are subject to appropriation.

The School District's contributions to the health insurance plans for the years ended June 30, 2014, and June 30, 2013, were $15,472,634 and $14,250,957, respectively, which equaled the required contribution.

C. Commitments and Contingencies

The Board is involved in legal matters, which either have or could result in litigation. In the opinion of Board management after consultation with legal counsel, the ultimate outcome of these contingencies will not have a material impact on the financial position of the Board.

The Board participates in a number of Federal financial assistance programs including the National School Lunch Program and the School Breakfast Program, the Title VIB Special Education, and the Title I Part A Improving the Academic Achievement of the Disadvantaged Program and the Title II Part A Improving Teacher Quality. Although the Board's grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2014, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Board expects such amounts, if any, to be immaterial.

The Board had the following commitments with respect to unfinished capital projects at June 30, 2014:

Capital Projects	Total Contract	Spent-to-Date	Remaining Commitment
Old Brunswick High School Demolition	$ 351,643	$ 126,405	$ 225,238
Glynn Academy ADA Repairs	139,870	124,821	15,049
Total	$ 491,513	$ 251,226	$ 240,287

D. Risk Management

The District is exposed to various risks of loss for claims associated with torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, natural disasters and unemployment compensation. There were no significant reductions in insurance coverage from coverage in the prior year. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

Self-Insurance

The Board is self-insured for the risks associated with unemployment compensation and workers compensation. The Board has established a separate fund for accounting for workers compensation risk financing. A contribution to the fund is calculated on the basis of 1.15% of each salary dollar. Liabilities of this fund are reported when it is probable a loss has occurred and the amounts can be reasonably estimated including amounts for claims incurred but not yet reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

III. OTHER NOTES (*continued*)

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims up to statutory limits.

Changes in the balances of claims liabilities for the workers' compensation fund during the last three fiscal years were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Current Year Liability	Claim Payments	Balance at Fiscal Year End
2014	$ 1,103,917	$ 819,245	$ 824,758	$ 1,098,404
2013	1,158,279	737,875	792,237	1,103,917
2012	1,077,255	984,139	903,115	1,158,279

The fiscal year-end liability is calculated by a third party administrator considering the effects of inflation and recent claim settlement trends including frequency and amount of pay-outs as previously described.

The Board also self-insures unemployment claims. Changes in the balances of claims liabilities for the unemployment fund during the last three fiscal years were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Current Year Liability	Claim Payments	Balance at Fiscal Year End
2014	$ 28,487	$ 48,979	$ 69,493	$ 7,973
2013	138,746	125,036	235,295	28,487
2012	48,441	229,784	139,479	138,746

Risk Transfer

The Board transfers the risk from all other risks through the use of commercially purchased insurance.

E. On-Behalf of Payments

The Board has recognized revenues and expenditures in the amount of $262,675 for health insurance and retirement contributions paid on the Board's behalf by the following State Agencies.

	Amount
Paid to the Teachers Retirement System of Georgia (TRS)	
For the TRS Employer's Cost	$ 17,018
Office of Treasury and Fiscal Services	
Paid to the Public School Employees Retirement System (ERS)	
For the ERS Employer's Cost	245,657
Total on-behalf of payments	$ 262,675


GLYNN
SCHOOLS
COUNTY

REQUIRED SUPPLEMENTARY INFORMATION


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Postive
	Original	Final	Amounts	(Negative)
Revenues				
Propety taxes	$ 59,730,000	$ 63,634,900	$ 65,180,783	$ 1,545,883
State sources	37,971,500	38,608,200	36,202,896	(2,405,304)
Federal sources	499,100	430,100	399,467	(30,633)
Investment earnings	100,000	100,000	36,378	(63,622)
Miscellaneous	1,054,100	910,400	923,473	13,073
Total revenues	99,354,700	103,683,600	102,742,997	(940,603)
Expenditures				
Current				
Instruction	70,129,800	72,240,700	71,354,783	885,917
Support services:				
Pupil services	2,813,700	2,873,000	2,830,579	42,421
Improvement of instructional services	3,087,700	3,188,600	3,133,882	54,718
Educational media services	1,907,800	1,964,800	1,917,178	47,622
General administration	966,300	944,000	900,391	43,609
School administratioin	6,164,700	6,283,200	6,225,604	57,596
Business administration	1,151,500	1,180,600	1,158,936	21,664
Maintenance and operation of plant	11,047,900	11,138,500	10,422,567	715,933
Student transportation services	5,503,500	5,343,400	5,271,935	71,465
Central support services	1,495,800	1,488,700	1,882,818	(394,118)
Other support services	128,700	114,800	113,451	1,349
Community services	6,200	5,800	2,601	3,199
Food services	-	54,200	54,166	34
Capital Outlay	-	-	-	-
Debt Service				
Principal	982,600	1,071,900	1,071,858	42
Interest and other charges	395,100	54,500	54,494	6
Total expenditures	105,781,300	107,946,700	106,395,243	1,551,457
Excess of revenues over (under) expenditures	(6,426,600)	(4,263,100)	(3,652,246)	610,854
Other financing sources (uses)				
Capital lease proceeds	-	1,162,500	1,685,923	523,423
Transfers out	(376,700)	(456,700)	(454,687)	2,013
Total other financing sources (uses)	(376,700)	705,800	1,231,236	525,436
Net Changes in fund balances	(6,803,300)	(3,557,300)	(2,421,010)	1,136,290
Fund balances at beginning of year	25,797,297	25,797,297	25,797,297	-
Fund balances at end of year	$ 18,993,997	$ 22,239,997	$ 23,376,287	$ 1,136,290

BUDGETARY INFORMATION

I. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Formal budgetary integration is employed as a management control device during the year for the General Fund. The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the fund level.

Supplemental appropriations and decreases in budget appropriations were properly approved by the School District. For the year ended June 30, 2014, the following supplemental and decrease in appropriations were approved:

Fund Type	Original Appropriations	Supplemental Appropriations	Supplemental Decreases	Final Appropriations
General	$ 105,801,300	$ 2,209,400	$ 118,200	$ 107,892,500

SUPPLEMENTARY DATA –

COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES


GLYNN
SCHOOLS
COUNTY


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

	Special Revenue			
	Special Programs	Title I	Title II	Title IVB
Assets				
Cash and investments	$ 454,418	$ -	$ -	$ -
Receivables:				
State government	2,481	-	-	-
Grants and other	57,828	794,685	58,113	147,373
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 514,727	$ 794,685	$ 58,113	$ 147,373
Liabilities and fund balances				
Liabilities				
Accounts payable	$ 17,340	$ 64,219	$ 8,586	$ 32,929
Accrued salaries and benefits	15,001	534,041	11,065	5,603
Interfund payables	-	196,425	38,462	108,841
Total liabilities	32,341	794,685	58,113	147,373
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted:				
School food service	-	-	-	-
Assigned:				
Student activity accounts	467,187	-	-	-
Historic Glynn Academy	15,199	-	-	-
Athletic programs	-	-	-	-
Debt service	-	-	-	-
Total fund balances	482,386	-	-	-
Total liabilities and fund balances	$ 514,727	$ 794,685	$ 58,113	$ 147,373

Funds						
Special Education	Pre-Kindergarten	Athletics	School Food Service	Debt Service Fund	Total
$ -	$ 411,656	$ 295,186	$ 3,356,396	$ -	$ 4,517,656
-	-	-	1,246,349	-	1,248,830
553,101	-	-	-	-	1,611,100
-	-	102	-	39,508	39,610
-	-	-	128,675	-	128,675
$ 553,101	$ 411,656	$ 295,288	$ 4,731,420	$ 39,508	$ 7,545,871
$ 49,592	$ 46,107	$ 1,054	$ 49,470	$ -	$ 269,297
344,128	365,549	-	452,978	-	1,728,365
159,381	-	2,426	837,670	-	1,343,205
553,101	411,656	3,480	1,340,118	-	3,340,867
-	-	-	128,676	-	128,676
-	-	-	3,262,626	-	3,262,626
-	-	-	-	-	467,187
-	-	-	-	-	15,199
-	-	291,808	-		291,808
-	-	-	-	39,508	39,508
-	-	291,808	3,391,302	39,508	4,205,004
$ 553,101	$ 411,656	$ 295,288	$ 4,731,420	$ 39,508	$ 7,545,871

Glynn County Board of Education

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2014

	Special Revenue			
	Special Programs	Title I	Title II	Title IVB
Revenues				
Property tax revenue	$ -	$ -	$ -	$ -
State sources	-	-	-	-
Federal sources	226,402	3,945,317	531,522	484,591
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	1,148,112	-	-	-
Total revenues	1,374,514	3,945,317	531,522	484,591
Expenditures				
Current				
Instruction	1,146,190	3,337,532	-	380,473
Support services:				
Pupil services	-	-	-	255
Improvement of instructional services	98,560	34,612	509,433	903
Federal grant administration	38,806	125,007	-	57,260
General administration	-	-	-	14,148
School administration	-	-	-	-
Maintenance and operations	-	-	-	75
Student transportation services	-	7,810	-	18,146
Other support services	910	440,356	22,089	13,331
Food service operations	-	-	-	-
Total expenditures	1,284,466	3,945,317	531,522	484,591
Excess of revenues over (under) expenditures	90,048	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Changes in fund balances	90,048	-	-	-
Fund balances at beginning of year	392,338	-	-	-
Fund balances at end of year	$ 482,386	$ -	$ -	$ -

Funds						
Special Education	Pre-Kindergarten	Athletics	School Food Service	Debt Service Fund	Total
$ -	$ -	$ -	$ -	$ 175	$ 175
-	2,032,664	-	180,462	-	2,213,126
2,192,001	-	-	6,356,310	-	13,736,143
-	-	-	1,100,012	-	1,100,012
-	-	381	2,336	33	2,750
-	-	286,477	-	-	1,434,589
2,192,001	2,032,664	286,858	7,639,120	208	18,486,795
1,385,971	2,292,244	228,021	-	-	8,770,431
460,657	1,478	18,449	-	-	480,839
318,042	2,220	5,136	-	-	968,906
-	-	-	-	-	221,073
810	-	-	-	-	14,958
-	157,389	-	-	-	157,389
2,495	34,020	5,144	62,482	-	104,216
24,026	-	196	-	-	50,178
-	-	-	-	-	476,686
-	-	-	7,460,602	-	7,460,602
2,192,001	2,487,351	256,946	7,523,084	-	18,705,278
-	(454,687)	29,912	116,036	208	(218,483)
-	454,687	-	-	-	454,687
-	454,687	-	-	-	454,687
-	-	29,912	116,036	208	236,204
-	-	261,896	3,275,266	39,300	3,968,800
$ -	$ -	$ 291,808	$ 3,391,302	$ 39,508	$ 4,205,004

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Special Programs

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 266,400	$ 298,300	$ 226,402	$ (71,898)
Local and other funds	900,000	900,000	1,148,112	248,112
Total revenues	1,166,400	1,198,300	1,374,514	176,214
Expenditures				
Current				
Instruction	1,023,900	1,052,600	1,146,190	(93,590)
Support services:				
Pupil services	200	3,800	-	3,800
Improvement of instructional services	110,900	104,300	98,560	5,740
Federal grant administration	29,500	35,700	38,806	(3,106)
General administration	100	100	-	100
Other support services	200	1,800	910	890
Total expenditures	1,166,400	1,198,300	1,284,466	(86,166)
Excess of revenues over (under) expenditures	-	-	90,048	90,048
Net Changes in fund balances	-	-	90,048	90,048
Fund balances at beginning of year	392,338	392,338	392,338	-
Fund balances at end of year	$ 392,338	$ 392,338	$ 482,386	$ 90,048

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Title I

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 4,438,400	$ 4,126,200	$ 3,945,317	$ (180,883)
Total revenues	4,438,400	4,126,200	3,945,317	(180,883)
Expenditures				
Current				
Instruction	3,370,800	3,453,700	3,337,532	116,168
Support services:				
Pupil services	1,000	300	-	300
Improvement of instructional services	363,900	49,200	34,612	14,588
Federal grant administration	112,100	125,800	125,007	793
General administration	91,200	35,800	-	35,800
School administration	200	-	-	-
Student transportation services	6,000	10,000	7,810	2,190
Other support services	493,200	451,400	440,356	11,044
Total expenditures	4,438,400	4,126,200	3,945,317	180,883
Excess of revenues over (under) expenditures	-	-	-	-
Net Changes in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Title II

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 753,500	$ 736,300	$ 531,522	$ (204,778)
Total revenues	753,500	736,300	531,522	(204,778)
Expenditures				
Support services:				
Improvement of instructional services	753,500	709,300	509,433	199,867
Other support services	-	27,000	22,089	4,911
Total expenditures	753,500	736,300	531,522	204,778
Excess of revenues over (under) expenditures	-	-	-	-
Net Changes in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Title IVB

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 678,900	$ 658,700	$ 484,591	$ (174,109)
Total revenues	678,900	658,700	484,591	(174,109)
Expenditures				
Current				
Instruction	544,000	513,700	380,473	133,227
Support services:				
Pupil services	10,500	5,600	255	5,345
Improvement of instructional services	6,900	8,800	903	7,897
Federal grant administration	71,600	82,300	57,260	25,040
General administration	12,800	15,100	14,148	952
Student transportation services	17,900	17,000	18,146	(1,146)
Other support services	14,800	15,800	13,331	2,469
Total expenditures	678,900	658,700	484,591	174,109
Excess of revenues over (under) expenditures	-	-	-	-
Net Changes in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Special Education

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 3,050,700	$ 2,758,100	$ 2,192,001	$ (566,099)
Total revenues	3,050,700	2,758,100	2,192,001	(566,099)
Expenditures				
Current				
Instruction	2,131,600	1,846,500	1,385,971	460,529
Support services:				
Pupil services	534,900	513,300	460,657	52,643
Improvement of instructional services	315,000	351,400	318,042	33,358
General administration	52,600	23,500	810	22,690
Maintenance and operations	3,500	2,500	2,495	5
Student transportation services	13,100	20,900	24,026	(3,126)
Total expenditures	3,050,700	2,758,100	2,192,001	566,099
Excess of revenues over (under) expenditures	-	-	-	-
Net Changes in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Pre-Kindergarten

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
State sources	$ 1,969,500	$ 1,962,200	$ 2,032,664	$ 70,464
Federal sources	9,900	-	-	-
Total revenues	1,979,400	1,962,200	2,032,664	70,464
Expenditures				
Current				
Instruction	2,155,200	2,220,300	2,292,244	(71,944)
Support services:				
Pupil services	4,800	2,500	1,478	1,022
Improvement of instructional services	5,500	5,500	2,220	3,280
School administration	157,200	157,200	157,389	(189)
Maintenance and operations	33,400	33,400	34,020	(620)
Total expenditures	2,356,100	2,418,900	2,487,351	(68,451)
Excess of revenues over (under) expenditures	(376,700)	(456,700)	(454,687)	2,013
Other financing sources (uses)				
Transfers in	376,700	456,700	454,687	(2,013)
Total other financing sources (uses)	376,700	456,700	454,687	(2,013)
Net Changes in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Athletics

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Local and other funds	$ 291,500	$ 272,100	$ 286,858	$ 14,758
Total revenues	291,500	272,100	286,858	14,758
Expenditures				
Current				
Instruction	299,400	232,100	228,021	4,079
Support services:				
Pupil services	25,400	17,700	18,449	(749)
Improvement of instructional services	12,400	4,200	5,136	(936)
General administration	200	-	-	-
Maintenance and operations	11,600	7,100	5,144	1,956
Student transportation services	-	-	196	(196)
Community services	-	-	-	-
Total expenditures	349,000	261,100	256,946	4,154
Net Changes in fund balances	(57,500)	11,000	29,912	18,912
Fund balances at beginning of year	261,896	261,896	261,896	-
Fund balances at end of year	$ 204,396	$ 272,896	$ 291,808	$ 18,912

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – School Food Service

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
State sources	$ 175,000	$ 187,000	$ 180,462	$ (6,538)
Federal sources	5,574,000	6,216,000	6,356,310	140,310
Charges for services	1,184,000	1,189,500	1,100,012	(89,488)
Local and other funds	3,000	3,000	2,336	(664)
Total revenues	6,936,000	7,595,500	7,639,120	43,620
Expenditures				
Current				
Maintenance and operations	70,000	55,000	62,482	(7,482)
Food service operations	6,866,000	7,149,900	7,460,602	(310,702)
Total expenditures	6,936,000	7,204,900	7,523,084	(318,184)
Net Changes in fund balances	-	390,600	116,036	(274,564)
Fund balances at beginning of year	3,275,266	3,275,266	3,275,266	-
Fund balances at end of year	$ 3,275,266	$ 3,665,866	$ 3,391,302	$ (274,564)

Glynn County Board of Education

Budgetary Comparison Schedule
Debt Service Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Property taxes	$ -	$ -	$ 175	$ 175
Other	-	-	33	33
Total revenues	-	-	208	208
Expenditures				
Debt Service:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
Net Changes in fund balances	-	-	208	208
Fund balances at beginning of year	39,300	39,300	39,300	-
Fund balances at end of year	$ 39,300	$ 39,300	$ 39,508	$ 208

INTERNAL SERVICE FUNDS


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Combining Statement of Net Position
Internal Service Funds

June 30, 2014

	Workers' Compensation Fund	Unemployment Compensation Fund	Total
ASSETS			
Current assets:			
Cash and investments	$ 3,127,983	$ 1,666,614	$ 4,794,597
Due from other funds	383,561	-	383,561
Total assets	3,511,544	1,666,614	5,178,158
LIABILITIES			
Current liabilities:			
Accounts payable and contracts payable	1,098,404	7,973	1,106,377
Total liabilities	1,098,404	7,973	1,106,377
NET POSITION			
Unrestricted	2,413,140	1,658,641	4,071,781
Total net position	$ 2,413,140	$ 1,658,641	$ 4,071,781

Glynn County Board of Education

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds

For the Year Ended June 30, 2014

	Workers' Compensation Fund	Unemployment Compensation Fund	Total
Operating revenues			
Risk management fees	$ 983,562	$ -	$ 983,562
Total operating revenues	983,562	-	983,562
Operating expenses			
Risk management	819,245	48,979	868,224
Total operating expenses	819,245	48,979	868,224
Operating income (loss)	164,317	(48,979)	115,338
Nonoperating revenues			
Investment income	2,088	-	2,088
Total nonoperating revenues (expenses)	2,088	-	2,088
Net income (loss) before transfers	166,405	(48,979)	117,426
Change in net position	166,405	(48,979)	117,426
Net position, beginning of year	2,246,735	1,707,620	3,954,355
Net position, end of year	$ 2,413,140	$ 1,658,641	$ 4,071,781

Glynn County Board of Education

Combining Statement Cash Flows
Internal Service Funds

For the Year Ended June 30, 2014

	Workers' Compensation Fund	Unemployment Compensation Fund	Total
Cash flows from operating activities:			
Cash received for services and fees	$ 983,562	$ -	$ 983,562
Cash payments for supplies and insurance	(824,758)	(69,493)	(894,251)
Net cash provided (used) by operating activities	158,804	(69,493)	89,311
Cash flows from noncapital financing activities:			
Transfers in	-	-	-
Decrease (increase) in interfund receivables	2,494,178	-	2,494,178
Net cash provided (used) by noncapital financing activities	2,494,178	-	2,494,178
Cash flows from investing activities:			
Interest earned on cash and investments	2,088	-	2,088
Net cash provided (used) by investing activities	2,088	-	2,088
Net increase (decrease) in cash and cash equivalents	2,655,070	(69,493)	2,585,577
Cash and cash equivalents, beginning of year	472,913	1,736,107	2,209,020
Cash and cash equivalents, end of year	$ 3,127,983	$ 1,666,614	$ 4,794,597
Operating income (loss)	$ 164,317	$ (48,979)	$ 115,338
Change in liabilities:			
Increase (decrease) in accounts payable	(5,513)	(20,514)	(26,027)
Total adjustments	(5,513)	(20,514)	(26,027)
Net cash provided (used) by operating activities	$ 158,804	$ (69,493)	$ 89,311


GLYNN
SCHOOLS
COUNTY

FIDUCIARY FUNDS


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended June 30, 2014

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
Student Activity Funds				
Assets				
Cash and investments.....	$ 289,293	$ 975,895	$ 891,657	$ 373,531
Liabilities				
Due to student groups.....	$ 289,293	$ 975,895	$ 891,657	$ 373,531


GLYNN
SCHOOLS
COUNTY

SUPPLEMENTAL SCHEDULE


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Schedule of Approved Special Purpose Local Option Sales Tax Projects

For the Year Ended June 30, 2014

Project	Original Estimated Cost [1]	Current Estimated Cost [2]	Amount Expended in Current Year [3]	Amount Expended in Prior Years	Project Status
For the purpose of retiring previously incurred general obligation debt of the school district. Acquiring, constructing and equipping a new Sterling Middle School, Glynn Middle, and Southwest Middle Schools, and Charter Vocational Technical School. Constructing and equipping a new 9th Grade Center, athletic facilities and site improvements at Brunswick High School. Adding to, remodeling, renovating, improving, and equipping Risley Middle School, Glynn Academy 9th Grade Center, and the original Glynn Academy Building.Paving and water/sewer improvements to Glynn County Stadium. Renovation and construction of a transportation facility including necessary demolition of the Perry Building. Acquisition of real and personal property for the school system, including any necessary demolition, site improvements and renovations, technology upgrades, computers and related technology, copiers, school buses, energy management systems, heating and air conditioning systems, lighting and similar equipment. Paying capitalized interst on General Obligation Bonds.	100,425,000	80,549,457	-	80,549,457	Complete
Totals.....	$ 100,425,000	$ 80,549,457	$ -	$ 80,549,457	
For the following capital outlay projects: (i) a new Southwest Middle School; (ii) a new Brunswick High School, including necessary demolition, renovation and upgrades to existing facilities and associated site and fieldwork; (iii) renovations and additions to Risley Early College Academy (formerly Risley Middle School); (iv) renovations and additions to Glynn Academy; (v) a new fine arts center to be known as the Coastal Community Center for the Arts; (vi) renovations to the Historic Risley Center; (vii) renovations to Altama and Burroughs-Molette Elementary Schools; (viii) a new elementary school; (ix) demolition at the former Jane Macon Middle School and Glynn Middle School; and (x) other real and personal property for the school system, including necessary demolition, site improvements, renovations, and improvement to facilities, land acquisition, technology upgrades, computers and related technology including fiber and software, telephone and communication equipment, computerized energy management systems, heating and air conditioning systems, lighting, and similar property and equipment in accordance withits facilities plans, as the same may be revised in accordance with the needs of the school district.	123,879,223	109,092,294	11,034,357	74,654,685	Ongoing
Totals.....	$ 123,879,223	$ 109,092,294	$ 11,034,357	$ 74,654,685	

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the one percent sales and use tax for educational purposes (the "Educational Sales Tax").

(2) The School District's current estimate of total costs for the project(s). Includes all cost from project inception to completion.

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


GLYNN
SCHOOLS
COUNTY

COMPLIANCE AND INTERNAL CONTROL REPORTS


GLYNN
SCHOOLS
COUNTY

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

Independent Auditor's Report

To the Superintendent and Members of the
Board of Education of Glynn County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Glynn County, Georgia (the "District') as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 11, 2015.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia
March 11, 2015

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

To the Superintendent and Members of the
Board of Education of Glynn County, Georgia

Report on Compliance for Each Major Program

We have audited the Board of Education of Glynn County, Georgia's (the "District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Board of Education of Glynn County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

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Report on Internal Control over Compliance

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

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

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

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

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia
March 11, 2015

Glynn County Board of Education

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

Grant Title	CFDA Number	Grantor's Number	Federal Expenditures
U.S. Department of Agriculture			
Pass-Through Georgia Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553	556	$ 1,788,744
National School Lunch Program - cash assistance	10.555	556	4,096,611
National School Lunch Program - non-cash assistance	10.555	556	470,955 (1)
Total Child Nutrition Cluster			6,356,310
Total U.S. Department of Agriculture			6,356,310
U.S. Department of Defense			
Direct Program			
Department of the Navy ROTC Program	12.000	n/a	102,178
U.S. Department of Education			
Direct Program			
Impact Aid	84.041	n/a	10,613
Pass-Through Georgia Department of Education			
Special Education Cluster:			
Special Education - Grants to States	84.027	553	2,124,492
Special Education - Preschool Grants	84.173	553	67,509
Total Special Education Cluster			2,192,001
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	551	3,920,982
Total Title I, Part A Cluster			3,920,982
Other Programs:			
Migrant Education - State Grant Program	84.011	628	24,336
Career and Technical Education - Basic Grants to States	84.048	562	84,847
Education for Homeless Children and Youth	84.196	573	37,954
Twenty-First Century Community Learning Centers	84.287	634	484,591
English Language Acquisition Grants	84.365	632	101,120
Improving Teacher Quality State Grants	84.367	630	531,522
Education Jobs Fund	84.410	n/a	2,481
Total U.S. Department of Education			7,390,447
U.S. Department of Transportation			
Pass-Through Governor's Office of Highway Safety			
Students Against Destructive Decisions Grant	20.601	n/a	500
Total Federal Financial Assistance			$ 13,849,435

(1) The amount shown for non-cash assistance represents the Federally assigned value of donated commodities received during the current fiscal year under the USDA Food Distribution program.

Glynn County Board of Education

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Board of Education of Glynn County, Georgia and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Glynn County Board of Education

Schedule of Findings and Questioned Costs and Status of Prior Year Audit Findings

For the Year Ended June 30, 2014

I. SCHEDULE OF FINDINGS AND QUESTIONED COSTS

A. Summary of Auditors Results

Financial Statements

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the Glynn County Board of Education.

2. Internal control over financial reporting:
   a Material weakness(es) identified? _____ yes __X__ no
   b Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes __X__ none reported

3. Noncompliance material to financial statements noted? _____ yes __X__ no

Federal Awards

4. Internal control over major programs:
   a Material weakness(es) identified? _____ yes __X__ no
   b Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes __X__ none reported

5. The auditors' report expresses an unqualified opinion for all major programs.

6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ yes __X__ no

7. The programs tested as major programs include:

Name of Federal Program	CFDA Number
Child Nutrition Cluster	10.553 and 10.555
Special Education Cluster	84.027 and 84.173
English Language Acquisition Grants	84.365

8. The threshold for distinguishing Type A and B programs was $415,483.

9. The Board of Education was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None reported.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None reported.

II. STATUS OF PRIOR YEAR AUDIT FINDINGS

No findings were reported relative to Major Federal Award Programs for the year ended June 30, 2013.