GLYNN COUNTY BOARD OF EDUCATION

Brunswick, Georgia

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2017


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Annual Financial Report
For the Year Ended June 30, 2017

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INDEPENDENT AUDITORS' REPORT


GLYNN
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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, 2017, 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.

Tel 912-232-0475 *Fax* 912-232-0478
6600 Abercorn Street, Suite 200 | Savannah, GA 31405 | P.O. Box 16149 | Savannah, GA 31416 | krtcpa.com

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, 2017, 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 and pension schedules 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 audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements for Federal Awards (Uniform Guidance), 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 16, 2018, 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 16, 2018


GLYNN
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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, 2017. 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 2017 are as follows:

- In total, net position increased $11.2 million, which represents a 6.6 percent increase from fiscal year 2016. This increase was due to governmental activities since the Board has no business-type activities.
- General revenues accounted for $92.6 million in revenue or 56 percent of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for $72.4 million or 44 percent of total revenues of $165 million.
- The Board had $153.8 million in expenses related to governmental activities; only $72.4 million of these expenses were offset by program revenues. General revenues (primarily property and sales taxes) of $92.6 million funded the remaining expenses for these programs.
- Among major funds, the general fund has $125 million in revenues and $123.8 million in expenditures. The general fund's fund balance increased to $25.1 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 2017?" 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 2017 compared to fiscal year 2016.

Table 1
Net Assets
(In Thousands)

	2017	2016
Assets		
Current and other assets	$ 141,944	$ 134,942
Capital assets, net of accumulated depreciation	219,200	209,932
Total assets	361,144	344,874
Deferred Outflows of Resources		
Pension related	32,991	10,012
Liabilities		
Current and other liabilities	25,983	22,013
Long-term liabilities	184,150	151,735
Total liabilities	210,133	173,748
Deferred Inflows of Resources		
Pension related	3,882	12,216
Net Position		
Net investment in capital assets	209,386	208,030
Restricted	44,541	32,795
Unrestricted	(73,807)	(71,903)
Total net position	$ 180,120	$ 168,922

Total net position increased $11.2 million in fiscal year 2017.

Table 2 shows the changes in net assets for fiscal year 2017 compared to the changes in net position for fiscal year 2016.

Table 2 Change in Net Position
(In Thousands)

	2017	2016
Revenues		
Program revenues:		
Charges for services and sales	$ 3,052	$ 2,963
Operating grants and contributions	69,127	65,482
Capital grants and contributions	184	1,659
Total program revenues	72,363	70,104
General Revenues:		
Taxes		
Property taxes	68,168	65,303
Sales taxes	20,563	20,195
Other taxes	1,708	1,777
Grants and contributions not restricted to specific programs	682	338
Unrestricted investment earnings	11	15
Investment earnings restricted for capital projects	141	33
Miscellaneous	1,368	1,340
Total general revenues	92,641	89,001
Total revenues	165,004	159,105
Program Expenses		
Instruction	102,297	89,541
Support services		
Pupil services	4,538	3,895
Improvement of instructional services	5,439	4,597
Educational media services	2,099	1,902
Federal grant administration	155	145
General administration	1,055	1,026
School administration	7,222	6,449
Business administration	1,308	1,204
Maintenance and operation of plant	12,442	11,348
Student transportation services	6,166	7,453
Central support services	1,867	1,745
Other support services	98	519
Operations of non-instructional services		
Food services	8,094	8,216
Interest on short-term and long-term debt	1,026	441
Total expenses	153,806	138,481
Increase in net position	11,198	20,624
Net position - beginning	168,922	148,298
Net position - ending	$ 180,120	$ 168,922

Governmental Activities

Instruction comprises 66.5 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 2017 with fiscal year 2016. 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 2017	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2016
Instruction	$ 102,297	$ 89,541	$ 49,534	$ 39,912
Support services:				
Pupil services	4,538	3,895	3,261	3,175
Improvement of instructional services	5,439	4,597	3,763	3,115
Educational media services	2,099	1,902	953	610
Federal grant administration	155	145	155	145
General administration	1,055	1,026	(180)	(442)
School administration	7,222	6,449	4,855	3,798
Business administration	1,308	1,204	1,308	1,204
Maintenance and operation of plant	12,442	11,348	9,779	8,299
Student transportation services	6,166	7,453	4,985	6,079
Central support services	1,867	1,745	1,867	1,745
Other support services	98	519	98	90
Operations of non-instructional services:				
Food services	8,094	8,216	59	239
Community services	-	-	(22)	(34)
Interest on short-term and long-term debt	1,026	441	1,026	441
Total expenses	$ 153,806	$ 138,481	$ 81,441	$ 68,376

Expenditures for fiscal year 2017 increased about 11% from the prior year and net cost of services increased about 19%. The increase in net cost of services was due to increase in instructional and other support services. There were thirty-one new positions as well as raises that attributed to the increase in cost of net services. 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 $166.6 million and expenditures and other financing uses of $162.9 million with a net change of $3.7 in fund balance. The general fund had an increase of $1.2 million in fund balance. The positive change in the fund balance of the general fund for the year reflects that the Board was able to meet current costs without reducing reserves.

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 2017, 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 $124.4 million were higher than the original budgeted amount of $120.2 million by $4.2 million. The actual revenues and other financing sources of $125 million were more than the budgeted amount of $124.4 million by $0.6 million due to an increase in property tax collections.

The final budgeted expenditures and other financing uses of $125.4 million exceeded the original budgeted amount of $122.9 million by $2.5 million. This difference was due to changes in grants after the school year had begun, unanticipated expenditures and recording a capital lease. The actual expenditures and other financing uses of $123.7 million were $1.7 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 more than the expenditures and other financing uses by $1,225,669. 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 2017, the Board had $219.1 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2017 balances compared with fiscal year 2016 balances.

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

	2017	2016
Land	$ 5,368	$ 5,368
Construction in progress	35,596	18,453
Building and building improvements	172,383	179,367
Equipment	5,852	6,744
Total capital assets, net of accumulated depreciation	$ 219,199	$ 209,932

Capital Assets increased by $9.2 million for fiscal year 2017. The Board began building a replacement Burroughs-Molette elementary school. These capital expenditures are being funded with Educational Special Purpose Local Option Sales Tax (ESPLOST) revenues and General Obligation Bonds. 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, 2016. A third ESPLOST was approved by the Glynn County voters in November 2016 to be collected between January 1, 2017 and December 31, 2020.

Debt

At June 30, 2017, the Board had $47.3 million in bonds outstanding with $9.6 million due within one year. Table 5 summarizes general obligation bonds, capital leases, and compensated absences outstanding. Table 5 shows fiscal year 2017 balances compared with fiscal year 2016 balances.

Table 5
Debt at June 30
(In Thousands)

	2017	2016
General obligation bonds	$ 47,361	$ 48,543
Capital leases	1,443	1,612
Compensated absences	2,579	2,361
Total long-term obligations	$ 51,383	$ 52,516

In November 2016, voters approved a 1% ESPLOST in conjunction with a $43.6 million General Obligation Bond issue for the purpose of building new schools and renovating schools. The ESPLOST, collected between January 1, 2017, and December 31, 2020, will be used to retire the bonds. In May 2017, Glynn County Board of Education issued $43.6 million in General Obligation Sales Tax Bonds to advance fund the capital projects. At June 30, 2017, 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 $1 million in 2017, 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 $25.1 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 19% since fiscal year 2010. The Board raised the millage rate to 16.230 in 2014 but was able to roll the millage rate back to 16.157 in 2015 and remains at 16.157 for 2017. With the School District's second ESPLOST, a new Glynn Academy classroom building and cafeteria was completed and renovations began on the Glynn Academy Prep building. 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 $25.1 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
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Glynn County Board of Education

Statement of Net Position

June 30, 2017

	Governmental Activities
ASSETS	
Cash and investments	$ 117,743,458
Receivables:	
Intergovernmental	8,418,975
Taxes	2,693,325
Other	84,915
Inventory and prepaid expenses	709,401
Restricted cash and investments	12,295,052
Capital assets	
Land, improvements, and construction in progress	40,963,742
Other capital assets, net of accumulated depreciation	178,235,615
Total assets	361,144,483
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	32,991,141
LIABILITIES	
Accounts payable	4,842,721
Construction contracts payable - retainage	1,091,264
Accrued salaries and benefits	18,978,496
Interest payable	903,315
Other current liabilities	167,232
Long-term liabilities:	
Due within one year	10,511,246
Due in more than one year	40,872,140
Net pension liability	132,766,756
Total liabilities	210,133,170
DEFERRED INFLOWS OF RESOURCES	
Pension related	3,881,755
Net Position	
Net investment in capital assets	209,386,297
Restricted for	
Debt service	12,295,052
Capital projects	29,476,055
Grant programs	2,770,374
Unrestricted	(73,807,079)
Total net position	$ 180,120,699

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, 2017

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	$ 102,297,122	$ 1,478,489	$ 51,100,341	$ 184,296	$ (49,533,996)
Support services:					
Pupil services	4,538,190	-	1,276,533	-	(3,261,657)
Improvement of instructional services	5,438,533	-	1,675,271	-	(3,763,262)
Educational media services	2,099,011	-	1,145,995	-	(953,016)
Federal grant administration	154,625	-	-	-	(154,625)
General administration	1,054,926	-	1,235,350	-	180,424
School administration	7,222,112	-	2,367,130	-	(4,854,982)
Business administration	1,307,479	-	-	-	(1,307,479)
Maintenance and operation of plant	12,442,031	-	2,662,413	-	(9,779,618)
Student transportation services	6,165,626	-	1,180,384	-	(4,985,242)
Central support services	1,866,627	-	-	-	(1,866,627)
Other support services	98,355	-	-	-	(98,355)
Operations of non-instructional services:					
Food services	8,094,348	1,551,730	6,483,904	-	(58,714)
Community services	-	21,893	-	-	21,893
Interest on long-term debt	1,025,524	-	-	-	(1,025,524)
Total governmental activities	153,804,509	$ 3,052,112	$ 69,127,321	$ 184,296	(81,440,780)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					68,167,658
Sales taxes for capital projects					20,562,743
Other taxes					1,707,984
Grants and contributions not restricted to specific programs:					
Other grants and contributions					681,566
Investment earnings:					
Unrestricted investment earnings					10,611
Restricted for capital projects					141,412
Miscellaneous					1,368,130
Total general revenues					92,640,104
Change in net position					11,199,324
Net position - beginning					168,921,375
Net position - ending					$ 180,120,699

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

FUND FINANCIAL STATEMENTS


GLYNN
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Glynn County Board of Education

Governmental Funds
Balance Sheet

June 30, 2017

	General	District-Wide Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	$ 35,821,354	$ 69,300,563	$ 6,404,978	$ 111,526,895
Receivables:				
Taxes	2,693,325	-	-	2,693,325
State government	4,393,153	1,889,211	185,065	6,467,429
Grants and other	238,056	-	1,797,293	2,035,349
Interfund receivables	4,314,589	337,266	-	4,651,855
Inventory and prepaid expenses	512,558	-	196,843	709,401
Restricted cash and investments	-	12,295,052	-	12,295,052
Total assets	$ 47,973,035	$ 83,822,092	$ 8,584,179	$ 140,379,306
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	$ 1,766,729	$ 1,955,653	$ 183,998	$ 3,906,380
Accrued salaries and benefits	16,862,422	-	2,116,074	18,978,496
Construction contracts payable - retainage	-	1,091,264	-	1,091,264
Interfund payables	2,668,815	13,236	2,288,891	4,970,942
Other current liabilities	167,232	-	-	167,232
Total liabilities	21,465,198	3,060,153	4,588,963	29,114,314
Deferred inflows of resources				
Unavailable income	1,361,662	-	-	1,361,662
Fund balances				
Nonspendable:				
Inventory and prepaid expenses	548,783	-	196,843	745,626
Restricted:				
Debt service	-	12,295,052	-	12,295,052
Capital projects	-	68,466,887	-	68,466,887
Federal and state grant programs	-	-	2,770,374	2,770,374
Assigned:				
Student activity accounts	-	-	703,722	703,722
Historic Glynn Academy	-	-	15,198	15,198
Athletic programs	-	-	309,079	309,079
Appropriations for fiscal year 2017 budget	2,691,500	-	-	2,691,500
Local capital outlay projects	11,082,147	-	-	11,082,147
Unassigned	10,823,745	-	-	10,823,745
Total fund balances	25,146,175	80,761,939	3,995,216	109,903,330
Total liabilities and fund balances	$ 47,973,035	$ 83,822,092	$ 8,584,179	$ 140,379,306

Glynn County Board of Education

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

June 30, 2017

Total Governmental Fund Balances		$ 109,903,330
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	$ 325,782,734	
Accumulated depreciation	(106,583,377)	219,199,357
Other long-term assets are not available to pay for current period expenditures:		
Unavailable property taxes		1,361,662
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	(903,315)	
Compensated absences	(2,579,493)	
General obligation debt	(47,361,253)	
Capital leases payable	(1,442,640)	
Net pension liability	(132,766,756)	(185,053,457)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the government fund financial statements		29,109,386
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		5,600,421
Net Position of Governmental Activities		$ 180,120,699

Glynn County Board of Education

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

For the Year Ended June 30, 2017

	General	District-Wide Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 70,111,223	$ -	$ -	$ 70,111,223
Sales taxes	-	20,562,743	-	20,562,743
State sources	51,666,908	184,296	2,388,183	54,239,387
Federal sources	946,142	-	14,835,955	15,782,097
Charges for services	-	-	1,168,185	1,168,185
Investment earnings	8,027	141,412	1,825	151,264
Miscellaneous	1,165,817	142,847	1,573,094	2,881,758
Total revenues	123,898,117	21,031,298	19,967,242	164,896,657
Expenditures				
Current				
Instruction	83,530,406	-	10,152,100	93,682,506
Support services:				
Pupil services	3,625,575	-	616,871	4,242,446
Improvement of instructional services	3,872,329	-	1,480,657	5,352,986
Educational media services	2,060,851	-	-	2,060,851
Federal grant administration	-	-	154,625	154,625
General administration	1,017,554	-	11,582	1,029,136
School administration	6,862,580	-	175,975	7,038,555
Business administration	1,293,377	-	-	1,293,377
Maintenance and operation of plant	12,221,198	-	115,076	12,336,274
Student transportation services	5,417,781	-	16,867	5,434,648
Central support services	1,681,538	-	660	1,682,198
Other support services	101,293	-	-	101,293
Food services	68,910	-	7,883,264	7,952,174
Capital Outlay	-	17,077,352	-	17,077,352
Debt Service				
Principal	1,282,373	-	-	1,282,373
Interest and other charges	59,257	1,489,667	-	1,548,924
Total expenditures	123,095,022	18,567,019	20,607,677	162,269,718
Excess of revenues over (under) expenditures	803,095	2,464,279	(640,435)	2,626,939
Other financing sources (uses)				
Capital lease	1,112,788	-	-	1,112,788
Transfers in	-	-	690,214	690,214
Transfers out	(690,214)	-	-	(690,214)
Total other financing sources (uses)	422,574	-	690,214	1,112,788
Net Changes in fund balances	1,225,669	2,464,279	49,779	3,739,727
Fund balances at beginning of year	23,920,506	78,297,660	3,945,437	106,163,603
Fund balances at end of year	$ 25,146,175	$ 80,761,939	$ 3,995,216	$ 109,903,330

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, 2017

Net change in Fund Balances - Total Governmental Funds		$ 3,739,727
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	$ 18,512,282	
Depreciation expense	(9,245,089)	9,267,193
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		(1,112,788)
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:		
Capital lease payments	1,282,373	1,282,373
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 (decreased) by this amount this year		(235,621)
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	(218,638)	
Net (increase) decrease in accrued interest expense	(657,737)	
Amortization of bond premium	1,181,137	304,762
Pension expense reported in the statement of activities is based on actuarially determined net pension liabilities and related deferred outflows and deferred inflows of resources. Pension contributions are reported in the governmental funds as a use of current financial resources. Pension contributions were less than the actuarially determined pension expense by this amount		(2,232,868)
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		186,546
Change in Net Position of Governmental Activities		$ 11,199,324

Glynn County Board of Education

Proprietary Funds
Statement of Net Position

June 30, 2017

	Governmental Activities - Internal Service Funds
Assets	
Current assets:	
Cash and investments	$ 6,216,563
Accounts receivable	1,112
Interfund receivables	319,087
Total assets	6,536,762
Liabilities	
Current liabilities:	
Accounts payable and contracts payable	936,341
Total liabilities	936,341
Net Position	
Unrestricted	5,600,421
Total net position	$ 5,600,421

Glynn County Board of Education

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

For the Year Ended June 30, 2017

	Governmental Activities - Internal Service Funds
Operating revenues	
Risk management fees	$ 1,095,601
Total operating revenues	1,095,601
Operating expenses	
Risk management	909,814
Total operating expenses	909,814
Operating income (loss)	185,787
Nonoperating revenues	
Investment income	759
Total nonoperating revenues (expenses)	759
Net income (loss) before transfers	186,546
Change in net position	186,546
Net position, beginning of year	5,413,875
Net position, end of year	$ 5,600,421

Glynn County Board of Education

Proprietary Funds
Statement of Cash Flows

For the Year Ended June 30, 2017

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Cash received for services and fees	$ 1,094,489
Cash payments for supplies and insurance	(1,043,927)
Net cash provided (used) by operating activities	50,562
Cash flows from noncapital financing activities:	
Decrease (increase) in interfund receivables	(9,503)
Net cash provided (used) by noncapital financing activities	(9,503)
Cash flows from investing activities:	
Interest earned on cash and investments	759
Net cash provided (used) by investing activities	759
Net increase (decrease) in cash and cash equivalents	41,818
Cash and cash equivalents, beginning of year	6,174,745
Cash and cash equivalents, end of year	$ 6,216,563
Operating income (loss)	$ 185,787
Change in liabilities:	
(Increase) decrease in accounts receivable	(1,112)
Increase (decrease) in accounts payable	(134,113)
Total adjustments	(135,225)
Net cash provided (used) by operating activities	$ 50,562

Glynn County Board of Education

Fiduciary Funds
Statement of Fiduciary Assets and Liabilities

June 30, 2017

	Agency Funds
Assets	
Cash and investments	$ 411,529
Total assets	$ 411,529
Liabilities	
Due to student groups	$ 411,529
Total liabilities	$ 411,529

NOTES TO THE BASIC FINANCIAL STATEMENTS


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Notes to the Basic Financial Statements

Year Ended June 30, 2017

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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 2017 and as of June 30, 2017, 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 $20,562,723 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 will report a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. Under the full accrual method of accounting, the district has reported the contributions to the cost sharing benefit pension plan subsequent to the measurement date and prior to the fiscal year end as deferred outflows of resources.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. Under the full accrual method of accounting, the district has reported the actuarial changes in the district's proportionate share of the governmental nonemployer cost sharing benefit pension plan, as discussed in Note III B. Additionally, the district has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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."

The district-wide statement of net position includes a deficit unrestricted net position at June 30, 2017. The balance of unrestricted net position is as follows:

Unrestricted	
Net unfunded proportionate share of the pension liability	$ (132,766,756)
Remaining unrestricted	58,959,677
Net position, unrestricted, June 30, 2017	$ (73,807,079)

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.

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

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.

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.

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

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.

4. Compensated Absences

Eligible Board employees can earn annual vacation based on length of service, to a maximum of 15 days after 15 years of service. However, no more than 45 days, and no more than 30 days for employees hired after July 1, 2007, 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,

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, 2017, the carrying amount of the Board's deposits was $130,450,039 and the bank balances were $128,413,916. The bank balances were secured 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.

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

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	$ 117,743,458
Restricted cash and investments	12,295,052
Fiduciary fund cash	411,529
Total	$ 130,450,039
Notes to financial statements:	
Deposits and investments	$ 130,449,439
Cash on hand	600
Total	$ 130,450,039

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 $2,693,325 in the General Fund.

In the General fund, significant components of intergovernmental receivables include $4,393,153 from the State of Georgia for Quality Basic Education (QBE) formula grants.

In the District-wide capital projects fund, the intergovernmental receivables include $1,889,211 due from the State of Georgia for eSPLOST revenue collected but not remitted at June 30, 2017.

Taxes receivable reported in General Fund represents 2015 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 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, 2017, the allowance was $925,860.

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.

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

The property tax calendar is as follows:

Event	Date
Beginning of fiscal year for taxes	January 1, 2016
Vehicle personal property tax bill rendered	January 1, 2016
Delinquency date - vehicle personal property taxes	Taxpayer's birthday
Millage rate approved	July 28, 2016
Real and personal property tax bills rendered	September 15, 2016
Real and personal property tax payments due	November 15, 2016

D. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Increases	Decreases	Transfers	Balance June 30, 2017
Capital assets, not being depreciated:					
Land	$ 5,368,205	$ -	$ -	$ -	$ 5,368,205
Construction in progress	18,453,215	17,142,322	-	-	35,595,537
Total capital assets, not being depreciated	23,821,420	17,142,322	-	-	40,963,742
Capital assets, being depreciated:					
Buildings and improvements	252,396,001	-	-	-	252,396,001
Equipment	33,222,497	1,369,960	(2,169,466)	-	32,422,991
Total capital assets, being depreciated	285,618,498	1,369,960	(2,169,466)	-	284,818,992
Less accumulated depreciation for:					
Buildings and improvements	(73,029,166)	(6,983,015)	-	-	(80,012,181)
Equipment	(26,478,588)	(2,262,074)	2,169,466	-	(26,571,196)
Total accumulated depreciation	(99,507,754)	(9,245,089)	2,169,466	-	(106,583,377)
Total capital asset, being depreciated, net	186,110,744	(7,875,129)	-	-	178,235,615
Governmental activities capital assets, net	$ 209,932,164	$ 9,267,193	$ -	$ -	$ 219,199,357

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

Governmental activities:	
Instruction	$ 8,180,544
Business administration	989
Maintenance and operations	62,147
Pupil transportation	726,830
Support services	165,937
Food service operations	108,642
Total Depreciation expense - governmental activities	$ 9,245,089

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, 2017 are as follows:

Year	Principal	Interest	Total
2018	$ 890,382	$ 39,555	$ 929,937
2019	408,479	10,807	419,286
2020	30,759	1,635	32,394
2021	31,549	845	32,394
2022	81,471	119	81,590
Totals.....	$ 1,442,640	$ 52,961	$ 1,495,601

For the year ended June 30, 2017, depreciation expense recorded on leased assets was $1,044,404. At June 30, 2017, the net book value of assets under capital lease was as follows:

	Capital Assets Under Capital Leases
Equipment.....	$ 3,958,159
Less: accumulated depreciation.....	(2,354,415)
Total.....	$ 1,603,744

F. Long-term Debt

In May 2016, the district issued $43,600,000 in Series 2016 General Obligation Sales Tax Bonds to fund the acquisition, construction, furnishing, remodeling, renovating, improving and equipping projects included in the districts Educational Special Purpose Local Option Sales Tax (ESPLOST) projects. The following schedule summarizes the districts long-term debt issue, including interest rate, original debt and balance at year end.

	Interest Rates	Original Debt	Balance June 30, 2017
General Obligation Bonds:			
Sales Tax, Series 2016	5.00%	$ 43,600,000	$ 43,600,000

Requirements to Maturity - General Obligation Debt

Year	Principal	Interest
2018	$ 8,000,000	$ 1,980,000
2019	13,500,000	1,442,500
2020	13,500,000	767,500
2021	4,300,000	322,500
2022	4,300,000	107,500
TOTAL	$ 43,600,000	$ 4,620,000

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

Changes in Long-term Debt

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017	Due Within One Year
General obligation bonds:					
General obligation bonds	$ 43,600,000	$ -	$ -	$ 43,600,000	$ 8,000,000
Unamortized premium	4,942,390	-	(1,181,137)	3,761,253	1,605,796
Total general obligation bonds	48,542,390	-	(1,181,137)	47,361,253	9,605,796
Capital leases payable	1,612,225	1,112,788	(1,282,373)	1,442,640	890,382
Compensated absences	2,361,305	363,675	(145,487)	2,579,493	15,068
Totals	$ 52,515,920	$ 1,476,463	$ (2,608,997)	$ 51,383,386	$ 10,511,246

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, 2017, is as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General	Other governmental	$ 4,314,589
Capital Projects	General	337,266
Total governmental fund interfund receivables		4,651,855
Proprietary Funds:		
Internal service	General	319,087
Subtotal Internal Service Fund interfund receivable		319,087
Total due to / from other funds		$ 4,970,942

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, 2017, interfund transfers of $690,214 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 2017 amounted to $228,345.

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 Position because their use is limited by applicable bond covenants or statutory provisions. Restricted assets at June 30, 2017, were $29,476,055.

III. OTHER NOTES

A. Retirement Plans

The Glynn County Board of Education participates in various retirement plans administered by the State of Georgia. There are two major retirement systems in which the district participates: Teachers Retirement System of Georgia and Public School Employees' Retirement System of Georgia (PSERS). These systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

Teachers' Retirement System

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

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

III. OTHER NOTES (*continued*)

Contributions. Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2017. The school district's contractually required contribution rate for the year ended June 30, 2017 was 13.57% of annual school district payroll.

Fiscal Year	Percentage Contributed	Required Contribution
2017	100%	$ 10,737,013
2016	100%	9,939,621
2015	100%	8,931,282

Employees' Retirement System

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

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

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

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

III. OTHER NOTES (*continued*)

Contributions. Member contributions under the old plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The District's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2017 was 24.72% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. The District's contributions to ERS totaled $65,422 for the year ended June 30, 2017. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Public School Employees' Retirement System

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

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

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

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

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

IV. OTHER NOTES (*continued*)

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

At June 30, 2017, the district reported a liability of $132,766,756 for its proportionate share of the net pension liability for TRS ($132,272,474) and ERS ($494,282).

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

School District's proportionate share of the net pension liability.....	$	132,766,756
State of Georgia's proportionate share of the net pension.....		276,251
Total.....	$	133,043,007

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

At June 30, 2016, the district's TRS proportion was .641131%, which was a decrease .000784% from its proportion measured as of June 30, 2015.

At June 30, 2017, the district did not have a PSERS liability for a proportionate share of the net pension liability because of a special funding situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the district is $1,914,043.

The PSERS net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2016.

For the year ended June 30, 2017, the district recognized pension expense of 13,074,580 for TRS, $54,094 for ERS and $313,783 for PSERS. Revenue of $28,215 for TRS and $313,783 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

III. OTHER NOTES (*continued*)

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

	TRS		ERS	
	Deferred Outflow of Resources	Deferred Inflows of Resources	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,970,503	$ 654,088	$ -	$ 1,142
Changes in assumptions	3,428,320	-	4,187	-
Net difference between projected and actual earnings on pension plan investments	16,733,013	-	50,255	-
Changes in proportion and differences between districts contributions and proportionate share of contributions	-	3,226,525	2,408	-
District contributions subsequent to the measurement date	10,737,013	-	65,442	-
Total	$ 32,868,849	$ 3,880,613	$ 122,292	$ 1,142

District contributions subsequent to the measurement date of June 30, 2017 for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	TRS	ERS
2018	$ 1,485,491	$ 7,216
2019	1,485,485	4,601
2020	8,852,773	27,095
2021	6,220,576	16,796
2022	206,898	-
	$ 18,251,223	$ 55,708

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

Teachers Retirement System

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

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

III. OTHER NOTES (*continued*)

Employees' Retirement System

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

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

Public School Employees' Retirement System

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

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Fixed income	30.00%	-0.50%
Domestic large stocks	37.20%	9.00%
Domestic mid stocks	3.40%	12.00%
Domestic small stocks	1.40%	13.50%
International developed market stocks	17.80%	8.00%
International emerging market stocks	5.20%	12.00%
Alternative	5.00%	10.50%
	100.00%	

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

III. OTHER NOTES (continued)

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

Sensitivity of the district's proportionate share of the net pension liability to changes in the discount rate. The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1.0% Decrease (6.50%)	Current Discount Rate (7.50%)	1.0% Increase (8.50%)
TEACHERS' RETIREMENT SYSTEM			
District's proportionate share of the net pension liability	$ 205,883,737	$ 132,272,474	$ 71,665,732
EMPLOYEES' RETIREMENT SYSTEM			
District's proportionate share of the net pension liability	669,843	494,282	344,668

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

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 2017, employee contributions amounted to $63,991.

C. Post-employment Benefits

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

III. OTHER NOTES (continued)

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

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

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended June 30, 2017:

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

July 1, 2016 – June 30, 2017	$945 per member per month

For non-certificated school personnel:

July 1, 2016 – December 31, 2016	$746 per member per month
January 1, 2017 – June 30, 2017	$846 per member per month

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

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

Fiscal Year	Percentage Contributed	Required Contribution
2017	100%	$ 18,465,038
2016	100%	17,103,644
2015	100%	15,850,177

III. OTHER NOTES (continued)

D. 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, 2017, 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.

E. 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 1.25% 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.

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
2017	$ 1,061,662	$ 1,095,601	$ 1,224,823	$ 932,440
2016	1,144,161	1,034,950	1,117,449	1,061,662
2015	1,098,404	1,083,534	1,037,777	1,144,161

III. OTHER NOTES (*continued*)

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
2017	$ 8,792	$ -	$ 4,891	$ 3,901
2016	4,820	3,972	-	8,792
2015	7,973	24,655	27,808	4,820

Risk Transfer

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

F. On-Behalf of Payments

The Board has recognized revenues and expenditures in the amount of $291,631 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	$ 30,288
Office of Treasury and Fiscal Services	
Paid to the Public School Employees Retirement System (PSERS)	
For the PSERS Employer's Cost	261,343
Total on-behalf of payments	$ 291,631


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REQUIRED SUPPLEMENTARY INFORMATION


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Glynn County Board of Education

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Postive
	Original	Final	Amounts	(Negative)
Revenues				
Propety taxes	$ 66,627,400	$ 69,462,200	$ 70,111,223	$ 649,023
State sources	52,102,900	52,139,800	51,666,908	(472,892)
Federal sources	427,100	560,600	946,142	385,542
Investment earnings	100,000	100,000	8,027	(91,973)
Miscellaneous	995,400	1,120,000	1,165,817	45,817
Total revenues	120,252,800	123,382,600	123,898,117	515,517
Expenditures				
Current				
Instruction	83,012,700	83,899,700	83,530,406	369,294
Support services:				
Pupil services	3,562,900	3,665,900	3,625,575	40,325
Improvement of instructional services	3,643,100	4,003,400	3,872,329	131,071
Educational media services	2,052,500	2,085,300	2,060,851	24,449
General administration	1,029,300	1,052,900	1,017,554	35,346
School administratioin	6,622,400	6,874,500	6,862,580	11,920
Business administration	1,275,300	1,384,000	1,293,377	90,623
Maintenance and operation of plant	12,763,800	12,884,900	12,221,198	663,702
Student transportation services	5,661,300	5,615,400	5,417,781	197,619
Central support services	1,598,200	1,773,500	1,681,538	91,962
Other support services	100,100	110,500	101,293	9,207
Food services	-	69,000	68,910	90
Community services	5,800	5,800	-	5,800
Debt Service				
Principal	1,133,700	1,283,400	1,282,373	1,027
Interest and other charges	56,500	59,400	59,257	143
Total expenditures	122,517,600	124,767,600	123,095,022	1,672,578
Excess of revenues over (under) expenditures	(2,264,800)	(1,385,000)	803,095	2,188,095
Other financing sources (uses)				
Capital lease proceeds	-	1,112,900	1,112,788	(112)
Transfers out	(426,700)	(690,400)	(690,214)	186
Total other financing sources (uses)	(426,700)	422,500	422,574	74
Net Changes in fund balances	(2,691,500)	(962,500)	1,225,669	2,188,169
Fund balances at beginning of year	23,920,506	23,920,506	23,920,506	-
Fund balances at end of year	$ 21,229,006	$ 22,958,006	$ 25,146,175	$ 2,188,169

Glynn County Board of Education

Schedule of Proportionate Share of the Net Pension Liability

Teachers' Retirement System of Georgia

Year Ended June 30, 2017

	2015	2016	2017
District's proportion of the net pension liability	0.657949%	0.648971%	0.641131%
District's proportionate share of the net pension liability	$ 83,123,178	$ 98,799,390	$ 132,272,474
State of Georgia's proportionate share of the net pension liability associated with the District	173,839	205,220	276,251
Total	$ 83,297,017	$ 99,004,610	$ 132,548,725
District's covered-employee payroll during measurement period	$ 68,430,702	$ 70,273,413	$ 75,664,038
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	121.471%	140.593%	174.816%
Plan fiduciary net position as a percentage of the total pension liability	84.03%	81.44%	81.44%

NOTE: This schedule is intended to report information for the last ten fiscal years. Additional years will be reported as information becomes available.

Glynn County Board of Education

Schedule of Proportionate Share of the Net Pension Liability

Employees' Retirement System of Georgia

Year Ended June 30, 2017

	2015	2016	2017
District's proportion of the net pension liability	0.010323%	0.010369%	0.010449%
District's proportionate share of the net pension liability	$ 387,176	$ 420,089	$ 494,282
State of Georgia's proportionate share of the net pension liability associated with the District	3,750,618,000	4,051,398,000	4,051,398,000
Total	$ 3,751,005,176	$ 4,051,818,089	$ 4,051,892,282
District's covered-employee payroll during measurement period	$ 237,065	$ 251,565	$ 261,899
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	163.321%	166.990%	188.730%
Plan fiduciary net position as a percentage of the total pension liability	88.29%	87.00%	72.34%

NOTE: This schedule is intended to report information for the last ten fiscal years. Additional years will be reported as information becomes available.

Glynn County Board of Education

Schedule of Contributions

Teachers' Retirement System of Georgia

Year Ended June 30, 2017

	2008	2009	2010	2011
Contractually required contribution				
Contributions in relation to the contractually required contribution				
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered employee payroll				
Contribution as a percentage of covered employee payroll				

NOTE:

Information prior to the year ended June 30, 2014 is not readily available

2012	2013	2014	2015	2016	2017
		$ 8,242,809	$ 8,931,282	$ 9,939,621	$ 10,737,013
		8,242,809	8,931,282	9,939,621	10,737,013
$ -	$ -	$ -	$ -	$ -	$ -
		$ 67,400,262	$ 68,430,702	$ 70,273,413	$ 75,644,038
		12.23%	13.05%	14.14%	14.19%

Glynn County Board of Education

Schedule of Contributions

Employees' Retirement System of Georgia

Year Ended June 30, 2017

	2008	2009	2010	2011
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered employee payroll	$ -	$ -	$ -	$ -
Contribution as a percentage of covered employee payroll				

NOTE:

Information prior to the year ended June 30, 2014 is not readily available

2012	2013	2014	2015	2016	2017
$ -	$ -	$ 45,544	$ 52,059	$ 63,051	$ 65,442
-	-	45,544	52,059	63,051	65,442
$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ 232,440	$ 237,065	$ 251,565	$ 261,899
		19.59%	21.96%	25.06%	24.99%

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, 2017, the following supplemental and decrease in appropriations were approved:

Fund Type	Original Appropriations	Supplemental Appropriations	Supplemental Decreases	Final Appropriations
General	$ 122,944,300	$ 2,559,600	$ 45,900	$ 125,458,000

RETIREMENT SYSTEMS

I. Teachers' Retirement System

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

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

Valuation date	June 30, 2015
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Seven-year smoothed market
Inflation rate	3.00%
Salary increases	3.25 - 9.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

II. Employees' Retirement System

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

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

Valuation date	June 30, 2015
Actuarial cost method	Entry age
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Seven-year smoothed market
Inflation rate	3.00%
Salary increases	3.25 - 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation


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SUPPLEMENTARY DATA –

COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES


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Glynn County Board of Education

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	Special Programs	Title I	Title II	Special Education
Assets				
Cash and investments	$ 610,601	$ -	$ -	$ -
Receivables:				
State government	-	-	-	-
Grants and other	141,419	915,769	111,916	628,165
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 752,020	$ 915,769	$ 111,916	$ 628,165
Liabilities and fund balances				
Liabilities				
Accounts payable	$ 23,364	$ 1,583	$ 24,020	$ 14,170
Accrued salaries and benefits	9,736	631,191	41,904	489,905
Interfund payables	-	282,995	45,992	124,090
Total liabilities	33,100	915,769	111,916	628,165
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted:				
School food service	-	-	-	-
Assigned:				
Student activity accounts	703,722	-	-	-
Historic Glynn Academy	15,198	-	-	-
Athletic programs	-	-	-	-
Total fund balances	718,920	-	-	-
Total liabilities and fund balances	$ 752,020	$ 915,769	$ 111,916	$ 628,165

Pre-Kindergarten	Athletics	School Food Service	Total
$ 457,318	$ 334,992	$ 5,002,067	$ 6,404,978
-	-	185,065	185,065
-	24	-	1,797,293
-	-	-	-
-	-	196,843	196,843
$ 457,318	$ 335,016	$ 5,383,975	$ 8,584,179
$ 22,957	$ 24,117	$ 73,787	$ 183,998
434,361	-	508,977	2,116,074
-	1,820	1,833,994	2,288,891
457,318	25,937	2,416,758	4,588,963
-	-	196,843	196,843
-	-	2,770,374	2,770,374
-	-	-	703,722
-	-	-	15,198
-	309,079	-	309,079
-	309,079	2,967,217	3,995,216
$ 457,318	$ 335,016	$ 5,383,975	$ 8,584,179

Glynn County Board of Education

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2017

	Special Revenue Funds			
	Special Programs	Title I	Title II	Special Education
Revenues				
State sources	$ -	$ -	$ -	$ -
Federal sources	635,861	3,996,969	557,316	2,990,794
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	1,150,690	-	-	-
Total revenues	1,786,551	3,996,969	557,316	2,990,794
Expenditures				
Current				
Instruction	1,665,316	3,179,017	-	2,354,646
Support services:				
Pupil services	2,140	427,491	-	161,088
Improvement of instructional services	138,220	240,016	549,256	543,490
Federal grant administration	4,180	150,445	-	-
General administration	-	-	7,400	4,013
School administration	-	-	-	-
Maintenance and operations	-	-	-	-
Student transportation services	-	-	-	16,867
Central support services	-	-	660	-
Other support services	-	-	-	-
Food service operations	-	-	-	-
Total expenditures	1,809,856	3,996,969	557,316	3,080,104
Excess of revenues over (under) expenditures	(23,305)	-	-	(89,310)
Other financing sources (uses)				
Transfers in	214	-	-	89,310
Total other financing sources (uses)	214	-	-	89,310
Net Changes in fund balances	(23,091)	-	-	-
Fund balances at beginning of year	742,011	-	-	-
Fund balances at end of year	$ 718,920	$ -	$ -	$ -

Pre-Kindergarten	Athletics	School Food Service	Total
$ 2,188,995	$ -	$ 199,188	$ 2,388,183
-	-	6,655,015	14,835,955
-	-	1,168,185	1,168,185
-	332	1,493	1,825
-	409,158	13,246	1,573,094
2,188,995	409,490	8,037,127	19,967,242
2,569,756	383,365	-	10,152,100
1,933	24,219	-	616,871
7,140	2,535	-	1,480,657
-	-	-	154,625
-	169	-	11,582
175,975	-	-	175,975
34,881	12,411	67,784	115,076
-	-	-	16,867
-	-	-	660
-	-	-	-
-	-	7,883,264	7,883,264
2,789,685	422,699	7,951,048	20,607,677
(600,690)	(13,209)	86,079	(640,435)
600,690	-	-	690,214
600,690	-	-	690,214
-	(13,209)	86,079	49,779
-	322,288	2,881,138	3,945,437
$ -	$ 309,079	$ 2,967,217	$ 3,995,216

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Special Programs

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 406,200	$ 667,800	$ 635,861	$ (31,939)
Miscellaneous	900,000	900,000	1,150,690	250,690
Total revenues	1,306,200	1,567,800	1,786,551	218,751
Expenditures				
Current				
Instruction	1,175,100	1,416,200	1,665,316	(249,116)
Support services:				
Improvement of instructional services	123,300	142,600	138,220	4,380
Federal grant administration	5,600	5,000	4,180	820
Other support services	2,200	-	-	-
Total expenditures	1,306,200	1,568,100	1,809,856	(241,756)
Excess of revenues over (under) expenditures	-	(300)	(23,305)	(23,005)
Other financing sources (uses)				
Transfers in	-	300	214	(86)
Total other financing sources (uses)	-	300	214	(86)
Net Changes in fund balances	-	-	(23,091)	(23,091)
Fund balances at beginning of year	742,011	742,011	742,011	-
Fund balances at end of year	$ 742,011	$ 742,011	$ 718,920	$ (23,091)

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Title I

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 3,991,900	$ 4,132,800	$ 3,996,969	$ (135,831)
Total revenues	3,991,900	4,132,800	3,996,969	(135,831)
Expenditures				
Current				
Instruction	3,329,700	3,243,500	3,179,017	64,483
Support services:				
Pupil services	300	437,900	427,491	10,409
Improvement of instructional services	2,500	265,700	240,016	25,684
Federal grant administration	149,400	151,900	150,445	1,455
General administration	59,000	33,800	-	33,800
Student transportation services	-	-	-	-
Other support services	451,000	-	-	-
Total expenditures	3,991,900	4,132,800	3,996,969	135,831
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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 903,600	$ 855,700	$ 557,316	$ (298,384)
Total revenues	903,600	855,700	557,316	(298,384)
Expenditures				
Current				
Instruction	-	1,300	-	1,300
Support services:				
Improvement of instructional services	849,600	808,300	549,256	259,044
Federal grant administration	2,400	2,000	-	2,000
General administration	35,100	27,600	7,400	20,200
Central suport services	16,500	16,500	660	15,840
Total expenditures	903,600	855,700	557,316	298,384
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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 3,114,900	$ 2,990,800	$ 2,990,794	$ (6)
Total revenues	3,114,900	2,990,800	2,990,794	(6)
Expenditures				
Current				
Instruction	2,341,800	2,358,800	2,354,646	4,154
Support services:				
Pupil services	243,200	158,400	161,088	(2,688)
Improvement of instructional services	493,600	548,000	543,490	4,510
General administration	15,500	4,600	4,013	587
Maintenance and operations	-	-	-	-
Student transportation services	20,800	10,400	16,867	(6,467)
Total expenditures	3,114,900	3,080,200	3,080,104	96
Excess of revenues over (under) expenditures	-	(89,400)	(89,310)	90
Other financing sources (uses)				
Transfers in	-	89,400	89,310	(90)
Total other financing sources (uses)	-	89,400	89,310	(90)
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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
State sources	$ 1,964,800	$ 2,189,000	$ 2,188,995	$ (5)
Total revenues	1,964,800	2,189,000	2,188,995	(5)
Expenditures				
Current				
Instruction	2,192,400	2,572,600	2,569,756	2,844
Support services:				
Pupil services	2,500	2,500	1,933	567
Improvement of instructional services	6,000	6,000	7,140	(1,140)
School administration	157,200	175,800	175,975	(175)
Maintenance and operations	33,400	32,800	34,881	(2,081)
Total expenditures	2,391,500	2,789,700	2,789,685	15
Excess of revenues over (under) expenditures	(426,700)	(600,700)	(600,690)	10
Other financing sources (uses)				
Transfers in	426,700	600,700	600,690	(10)
Total other financing sources (uses)	426,700	600,700	600,690	(10)
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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Investment earnings	$ 1,200	$ 1,200	$ 332	$ (868)
Miscellaneous	270,900	270,900	409,158	138,258
Total revenues	272,100	272,100	409,490	137,390
Expenditures				
Current				
Instruction	232,100	232,100	383,365	(151,265)
Support services:				
Pupil services	17,700	17,700	24,219	(6,519)
Improvement of instructional services	4,200	4,200	2,535	1,665
General administration	-	-	169	(169)
Maintenance and operations	7,100	7,100	12,411	(5,311)
Total expenditures	261,100	261,100	422,699	(161,599)
Excess of revenues over (under) expenditures	11,000	11,000	(13,209)	(24,209)
Net Changes in fund balances	11,000	11,000	(13,209)	(24,209)
Fund balances at beginning of year	322,288	322,288	322,288	-
Fund balances at end of year	$ 333,288	$ 333,288	$ 309,079	$ (24,209)

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – School Food Service

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
State sources	$ 156,000	$ 156,000	$ 199,188	$ 43,188
Federal sources	6,235,000	6,235,000	6,655,015	420,015
Charges for services	1,155,500	1,155,500	1,168,185	12,685
Investment earnings	2,400	2,400	1,493	(907)
Miscellaneous	2,000	2,000	13,246	11,246
Total revenues	7,550,900	7,550,900	8,037,127	486,227
Expenditures				
Current				
Support services:				
Maintenance and operations	60,000	60,000	67,784	(7,784)
Food service operations	7,490,900	7,490,900	7,883,264	(392,364)
Total expenditures	7,550,900	7,550,900	7,951,048	(400,148)
Net Changes in fund balances	-	-	86,079	86,079
Fund balances at beginning of year	2,881,138	2,881,138	2,881,138	-
Fund balances at end of year	$ 2,881,138	$ 2,881,138	$ 2,967,217	$ 86,079

INTERNAL SERVICE FUNDS


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Glynn County Board of Education

Combining Statement of Net Position
Internal Service Funds

June 30, 2017

	Unemployment Compensation Fund	Workers' Compensation Fund	Total
ASSETS			
Current assets:			
Cash and investments	$ 1,595,048	$ 4,621,515	$ 6,216,563
Accounts receivable		1,112	1,112
Due from other funds	-	319,087	319,087
Total assets	1,595,048	4,941,714	6,536,762
LIABILITIES			
Current liabilities:			
Accounts payable and contracts payable	3,901	932,440	936,341
Total liabilities	3,901	932,440	936,341
NET POSITION			
Unrestricted	1,591,147	4,009,274	5,600,421
Total net position	$ 1,591,147	$ 4,009,274	$ 5,600,421

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, 2017

	Unemployment Compensation Fund	Workers' Compensation Fund	Total
Operating revenues			
Risk management fees	$ -	$ 1,095,601	$ 1,095,601
Total operating revenues	-	1,095,601	1,095,601
Operating expenses			
Risk management	7,885	901,929	909,814
Total operating expenses	7,885	901,929	909,814
Operating income (loss)	(7,885)	193,672	185,787
Nonoperating revenues			
Investment income	-	759	759
Total nonoperating revenues (expenses)	-	759	759
Net income (loss) before transfers	(7,885)	194,431	186,546
Transfers in (out)	-	-	-
Change in net position	(7,885)	194,431	186,546
Net position, beginning of year	1,599,032	3,814,843	5,413,875
Net position, end of year	$ 1,591,147	$ 4,009,274	$ 5,600,421

Glynn County Board of Education

Combining Statement Cash Flows
Internal Service Funds

For the Year Ended June 30, 2017

	Unemployment Compensation Fund	Workers' Compensation Fund	Total
Cash flows from operating activities:			
Cash received for services and fees	$ -	$ 1,094,489	$ 1,094,489
Cash payments for supplies and insurance	(12,776)	(1,031,151)	(1,043,927)
Net cash provided (used) by operating activities	(12,776)	63,338	50,562
Cash flows from noncapital financing activities:			
Decrease (increase) in interfund receivables	-	(9,503)	(9,503)
Net cash provided (used) by noncapital financing activities	-	(9,503)	(9,503)
Cash flows from investing activities:			
Interest earned on cash and investments	-	759	759
Net cash provided (used) by investing activities	-	759	759
Net increase (decrease) in cash and cash equivalents	(12,776)	54,594	41,818
Cash and cash equivalents, beginning of year	1,607,824	4,566,921	6,174,745
Cash and cash equivalents, end of year	$ 1,595,048	$ 4,621,515	$ 6,216,563
Operating income (loss)	$ (7,885)	$ 193,672	$ 185,787
Change in liabilities:			
(Increase) decrease in accounts receivable	-	(1,112)	(1,112)
Increase (decrease) in accounts payable	(4,891)	(129,222)	(134,113)
Total adjustments	(4,891)	(130,334)	(135,225)
Net cash provided (used) by operating activities	$ (12,776)	$ 63,338	$ 50,562


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, 2017

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Student Activity Funds				
Assets				
Cash and investments.....	$ 378,172	$ 1,166,143	$ 1,132,786	$ 411,529
Liabilities				
Due to student groups.....	$ 378,172	$ 1,166,143	$ 1,132,786	$ 411,529


GLYNN
SCHOOLS
COUNTY

SUPPLEMENTAL SCHEDULE
AND OTHER INFORMATION


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Schedule of Approved Special Purpose Local Option Sales Tax Projects

For the Year Ended June 30, 2017

PROJECT DESCRIPTION	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	EXPENDED IN CURRENT YEAR (3)	EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	ESTIMATED COSTS NOT EXPENDED	ESTIMATED COMPLETION DATE
Acquiring, constructing, and equiping the following capital outlay projects:							
New:							
Southwest Middle School (Risley Middle School)	$ 22,000,000	$ 21,416,160	$ -	$ 21,416,160	$ 21,416,160	$ -	Completed
Brunswick High School, including necessary demolition, renovation and upgrades to existing facilities and associated site and field work	52,000,000	59,047,326	655,515	58,391,812	59,047,326	-	To Be Determined
Fine arts center to be known as the Coastal Community Center for the Arts	19,483,106	-	-	-	-	-	To Be Determined
Renovations and additions to:							
Risley Early College Academy (formerly Risley Middle School)	-	-	-	-	-	-	To Be Determined
Glynn Academy	23,940,281	31,107,927	5,687,451	15,475,409	21,162,860	9,945,067	To Be Determined
Renovations to:							
The Historic Risley Center	-	-	-	-	-	-	To Be Determined
Altama Elementary	-	-	-	-	-	-	To Be Determined
Burroughs-Molette Elementary	-	-	-	-	-	-	To Be Determined
New elementary school	-	-	-	-	-	-	To Be Determined
Demolition at:							
Perry Building	-	186,692	-	186,692	186,692	-	Completed
Former Glynn Middle School	-	399,585	-	399,585	399,585	-	Completed
Other real and personal property for the school system, including any necessary demolition, site improvements, renovations, and improvements 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 with its facilities plans, as the same may be revised to address the needs of the School District	-	4,250,000	382,171	370,798	752,969	3,497,031	To Be Determined
Glynn Academy 9th Grade Center (Design Only)	-	-	-	-	-	-	To Be Determined
Paying capitalized interest on General Obligation Bonds	5,144,836	6,689,158	-	6,689,158	6,689,158	-	Completed
GUDE Management Group	1,311,000	1,341,000	-	1,341,000	1,341,000	-	Completed
Totals	$ 123,879,223	$ 124,437,848	$ 6,725,136	$ 104,270,614	$ 110,995,750	$ 13,442,098	

(continued)

Glynn County Board of Education

Schedule of Approved Special Purpose Local Option Sales Tax Projects

For the Year Ended June 30, 2017

PROJECT DESCRIPTION	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	EXPENDED IN CURRENT YEAR (3)	EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	ESTIMATED COSTS NOT EXPENDED	ESTIMATED COMPLETION DATE
Acquiring, constructing, and equiping the following capital outlay projects:							
New:							
Burroughs-Molette Elementary School	$ 23,000,000	$ 28,517,866	$ 2,514,058	$ 14,300	$ 2,528,358	$ 25,989,508	To Be Determined
Altama Elementary School	24,250,000	24,250,000	7,826	2,975	10,801	24,239,199	To Be Determined
Coastal Community Center for the Arts	20,000,000	20,000,000	-	-	-	20,000,000	To Be Determined
Elementary School #11	25,000,000	-	-	-	-	-	To Be Determined
Renovations and Improvements to:							
Glynn Academy including Athletic Facilities	19,000,000	22,613,476	6,147,118	24,700	6,171,818	16,441,658	To Be Determined
Brunswick High Athletic Facilities	4,000,000	4,978,160	1,309,105	21,052	1,330,157	3,648,003	To Be Determined
The Glynn County Stadium	4,250,000	-	-	-	-	-	To Be Determined
Needwood Middle Baseball Field and Weight Room	500,000	1,011,520	-	-	-	1,011,520	To Be Determined
Other real and personal property for the school system, including any necessary demolition, site improvements, renovations, and improvements to facilities, land acquisition, technology upgrades, computers and related technology including fiber and software, telephone and communication equipment, comuterized energy management systems, heating and air conditioning systems, lighting, and similar property and equipment in accordance with its facilities plans.	10,000,000	2,532,546	104,109	-	104,109	2,428,437	To Be Determined
GUDE Management Group	-	1,125,000	270,000	150,000	420,000	705,000	To Be Determined
Paying Capitalized Principal and Interest on General Obligaton Bonds	-	49,709,667	1,489,667	-	1,489,667	48,220,000	To Be Determined
Totals	$ 130,000,000	$ 154,738,235	$ 11,841,882	$ 213,027	$ 12,054,910	$ 142,683,325	

(concluded)

(1) The School District's original cost estimate as specified in the resolution calling purposes (the "Educational Sales Tax").

(2) The School District's current estimate of total costs for the project(s) includes all costs 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.

Historical Educational Sales Tax Data. The prior special one percent sales and use tax for educational purposes first began being collected in Glynn County on January 1, 2011, and ended on December 31, 2015, as approved by the majority of the voters of Glynn County voting in an election held for such purposes on November 3, 2009.

Set forth below is the total amount of the sales and use tax for educational purposes distributed by the Collection Agent to the School District as of December 31 in the years 2011 through 2016.

Year	Amount[1]	Percentage Change
2011	$17,961,359.96	--
2012	18,779,573.49	4.56%
2013	18,563,381.57	(1.15)
2014	19,411,834.55	4.57
2015	20,165,601.40	3.88
2016	20,676,787.00	2.53

[1] Net of deduction allowed to dealers and net of commission allowed to the Revenue Commissioner.

Source: State of Georgia Department of Revenue.

The historical sales tax data presented above should not be considered to represent future results that may be obtained by the School District from collections of the Educational Sales Tax. Although the Board of Education believes that future financial results will be comparable to, or exceed, those set forth above, certain of the assumptions upon which it presently is relying may not materialize, and unanticipated events and circumstances, such as a recession, may occur that may adversely affect such results.

Enrollment

Set forth below is information concerning enrollment in the School District over the past five school years:

School Year[1]	(PK)	(K)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total
2012-2013	527	1,061	1,007	981	1,007	988	922	952	958	900	1,169	891	734	679	12,776
2013-2014	546	1,091	1,047	976	974	993	970	925	944	956	1,151	847	744	654	12,818
2014-2015	531	1,078	1,102	1,031	1,002	980	1,000	988	935	964	1,198	923	782	654	13,168
2015-2016	524	1,097	1,073	1,038	1,073	996	963	1,000	1,005	950	1,188	1,030	814	623	13,374
2016-2017	510	1,048	1,050	1,043	1,050	1,031	982	966	996	1,007	1,208	950	860	675	13,376

[1] Enrollment numbers based on information obtained from the October FTE for each respective school year.
(PK) = Preschool; (K) = Kindergarten. Special education students are mainstreamed throughout K – 12th grades.

Employees, Employee Relations, and Labor Organizations

The School District had approximately 1,915 employees as of June 30, 2017, in the following categories:

Classroom teachers …….	908
Administrators and Supervisors……..	68
Librarians, Counselors, Specialists and Social Workers……..	90
Aides, Nurse and Clerical Personnel……	380
Transportation, Maintenance and Security Personnel……	213
Food Service Personnel and Custodians……..	232
Other…….	24
Total…….....	1,915

There are currently approximately 895 certified personnel serving 13,376 students in the various schools. Specialists are available in the fields of speech, hearing, vision, learning disabilities, emotionally disturbed, physically handicapped, mentally retarded, hospital/homebound, and gifted children. The 2016-2017 pupil-classroom teacher ratio for all schools is 15:1; this does not include non-teaching personnel such as counselors and librarians.

Debt Limitation

State Law. Article IX, Section V, Paragraph I(a) of the Constitution of the State of Georgia provides that the School District may not incur long-term obligations (other than refunding obligations) payable out of general property taxes without the approval of a majority of the qualified voters of the School District voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the School District may not incur long-term obligations payable out of general property taxes in excess of 10% of the assessed value of all taxable property within the School District. Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental obligations are not subject to the legal limitations described above.

As computed in the table below, based upon assessed values as of January 1, 2016, the School District could incur, upon necessary voter approval, immediately after the issuance of the Bonds, approximately $373,574,769 of long-term obligations payable out of general property taxes.

Computation of Legal Debt Margin

Gross Tax Digest for the School District as of January 1, 2016	$5,460,825,639
Less M&O Exemptions[1]	(1,289,077,943)
Net M&O Tax Digest	$4,171,747,696
Debt Limit (10% of Net M&O Tax Digest)	$417,174,769
Less Amount of Debt Outstanding, after Issuance of the Bonds, Applicable to Debt Limit	($43,600,000)
Legal Debt Margin	$373,574,769

[1] Based on M&O exemptions. Actual bond exemptions are not available because in past years it has not been necessary for the School District to levy a tax for general obligation debt; debt service on outstanding debt has been paid by the Educational Sales Tax. It is not expected that the amount of bond exemptions would be materially higher than the amount of M&O exemptions.

Source: State of Georgia Department of Revenue.

O.C.G.A. § 20-2-506(a)(4) provides that lease and installment purchase contracts subject to annual appropriation must contain provisions limiting the total combined annual payments for such contracts and intergovernmental contracts in any calendar year to an amount equal to 7.5% of the total local revenue collected for M&O of the School District in the most recently completed fiscal year. Seven and a half percent (7.5%) of the total local revenue collected for maintenance and operation of the School District in fiscal year 2016 was $4,741,044 ($63,213,923 x 7.5%) and the School District's total combined annual payments for lease and installment purchase contracts and intergovernmental contracts in calendar year 2016 is $1,308,167.35.

M&O Tax Digest

Set forth below is information concerning the assessed and estimated actual value of taxable property within the School District for the past five calendar years.

	2012	2013	2014	2015	2016
ASSESSED VALUES[1]:					
Residential	$3,269,630,106	$3,209,867,242	$3,272,557,390	$3,374,181,685	$3,520,932,714
Historical	-0-	-0-	-0-	-0-	-0-
Agricultural	4,407,030	4,526,597	4,244,069	4,120,733	2,165,493
Preferential	9,960	-0-	-0-	-0-	-0-
Conservation	23,012,300	22,938,868	24,140,708	23,834,028	21,691,708
Brownfield Property	1,629,880	1,629,880	1,629,880	1,645,440	1,693,000
Forest Land Cons Use	10,823,034	9,279,621	10,783,267	11,511,240	15,392,400
Commercial	716,966,727	703,445,472	735,501,252	715,258,465	763,815,555
Industrial	548,542,615	591,845,869	581,424,251	701,097,380	904,810,365
Utility[2]	96,046,779	101,711,388	108,165,311	106,444,594	107,644,765
Motor Vehicles[3]	204,074,310	216,542,020	195,648,840	140,487,920	100,248,240
Mobile Home[4]	10,431,244	10,380,851	10,708,028	10,610,388	10,842,189
Timber 100%	4,799,335	5,506,043	5,825,579	7,447,357	11,587,710
Heavy Equipment	4,400	-0-	-0-	500	1,500
Gross Tax Digest	$4,890,477,720	$4,877,673,851	$4,950,628,575	$5,096,639,730	$5,460,825,639
Less M&O Exemptions	(861,348,369)	(882,989,070)	(898,304,839)	(1,048,338,031)	(1,289,077,943)
Net M&O Tax Digest[5]	$4,029,129,351	$3,994,684,781	$4,052,323,736	$4,048,301,699	$4,171,747,696
Estimated Actual Value:	$12,218,995,298	$12,185,925,563	$12,367,833,069	$12,730,428,290	$13,634,682,532

[1] The State requires all counties to assess real estate and personal property at the rate of at least 40% of estimated actual value, with the exception of timber, which is assessed at 100%.

[2] The State of Georgia Property Tax Unit assesses the value of the property of public utilities at the percentage of fair market value used by the County. The Property Tax Unit then divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these figures to the County which bills these taxes to the utilities with the amount of tax for each.

[3] The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia assesses the value of motor vehicles at the percentage of fair market value used by the County.

[4] The State of Georgia assesses the value of mobile homes at the percentage of fair market value used by the County.

[5] Total assessed value, after deducting exemptions, for purposes of levying tax for the School District's general obligation bonds.

Source: State of Georgia Department of Revenue, Property Tax Division

Largest Taxpayers

Set forth below is information concerning the largest taxpayers in the School District in calendar year 2016.

Taxpayer	Type of Business	2016 Assessed Value for the School District	Assessed Value as a Percent of 2016 Gross Assessed Values[1]	2016 Taxes Levied for the School District
Brunswick Cellulose Inc.	Manufacturing	$156,924,907	46.02%	$2,535,435.72
Georgia Power Company	Public Utility	73,569,500	21.57%	1,188,662.41
Sea Island Acquisition	Resort/Real Estate	38,803,022	11.38%	626,940.43
Mercedes-Benz USA	Imports	21,390,438	6.27%	345,605.31
Exclusive Resorts	Real Estate	14,415,800	4.23%	232,916.08
King & Prince Seafood	Manuf./Seafood	13,734,738	4.03%	221,912.16
Gulfstream Aerospace		9,138,090	2.68%	147,644.12
GP Mall LLC	Retail	4,511,604	1.32%	72,893.99
GA Pacific Wood Products	Manufacturing	3,974,483	1.17%	64,215.72
NV LNWA JIC Hotel		4,530,506	1.33%	73,199.39
Total:		$340,993,088	100.00%	$5,509,425.33

1 Based on calendar year 2016 Gross Tax Digest of $5,460,825,639

Source: Glynn County Tax Commissioner.

Millage Rates

Set forth below is information concerning the rate of levy of property taxes per $1,000 of assessed value, or millage rates, of the School District, unincorporated and incorporated Glynn County, and the State of Georgia for the past five calendar years.

Millage Rates by Category	2012	2013	2014	2015	2016
State of Georgia	0.200	0.150	0.100	0.050	0.000
County School	15.230	16.230	16.157	16.157	16.157
County Incorporated	5.673	5.673	5.673	5.673	5.673
City of Brunswick	12.719	12.719	13.219	13.219	13.219
Fire District 3,4,5 (Unincorporated)	1.680	1.680	1.680	1.680	1.680
Fire District 2 Rural (Unincorporated)	0.000	0.000	0.000	0.000	0.000
County Unincorporated - Jekyll Island	4.981	4.981	4.981	4.981	4.981
County Unincorporated	5.673	5.673	5.673	5.673	5.673
SSD Sea Island Police	0.220	0.220	0.220	0.220	0.220
SSD Capital Projects	0.490	0.490	0.490	0.490	0.490

Source: State of Georgia Department of Revenue, Local Government Services Division.

M&O Tax Levies and Collections

Glynn County levies M&O taxes on behalf of the School District on January 1 of each year and normally bills said taxes by September. M&O taxes are due and payable on the earlier of November 15th or 60 days after the tax bill is mailed. Set forth below is information concerning total real and personal property tax and public utilities tax collections of the School District reported as of the School District's fiscal years ended June 30, 2012, through June 30, 2016, for the prior calendar year's tax levy. The figures below exclude taxes levied and collected on motor vehicles, mobile homes, heavy equipment and timber.

	2012	2013	2014	2015	2016
Current Year's M&O Tax Levy[1]	$61,174,707.93	$57,081,809.78	$60,458,683.78	$60,486,066.20	$61,935,639.32
Less 2.5% Collection Fee	1,529,367.70	1,427,045.24	1,511,467.09	1,512,151.66	1,548,390.98
Current Year's Net M&O Tax Levy	59,645,340.23	55,654,764.54	58,947,216.69	58,973,914.54	60,387,248.34
Distribution Current Year's Taxes	57,596,622.63	53,853,416.18	57,245,109.38	57,798,355.75	59,367,101.68
Distribution of Prior Year's Taxes	1,842,083.22	2,248,693.13	1,642,585.81	1,859,381.96	1,117,063.52
Total Tax Collections	$59,438,705.85	$56,102,109.31	$58,887,695.19	$59,657,737.71	$60,484,165.20
Current Years' Tax Collections as a Percent of Current Year's Net M&O Tax Levy	97%	97%	97%	98%	98%
Total Tax Collections as a Percent of Current Year's Net M&O Tax Levy	100%	100%	100%	100%	100%
Uncollected Current Year's M&O Property Taxes	$2,048,717.60	$1,801,348.36	$1,702,107.31	$1,175,558.79	$1,020,146.66
Due Date of Taxes	11/15/2012	11/15/2013	11/15/2014	11/15/2015	11/15/2016
Tax Period Begins	01/01/2012	01/01/2013	01/01/2014	01/01/2015	01/01/2016
Tax Period Ends	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016

[1] Current Year's M&O Tax Levy represents the tax levy after errors, omissions and appeals have been deducted from the original bill.

Source: Glynn County Tax Commissioner.

Insurance Coverage. The School District is self-insured for unemployment compensation claims. It carries commercial insurance for risk of loss associated with assets, and has neither significantly reduced coverage for this risk nor incurred losses which exceeded its insurance coverage in the current fiscal year or the past two fiscal years. Automobile coverage with Georgia School Board Association Risk Management Fund is summarized as follows:

AUTOMOBILE	
Bodily Injury:	$500,000 per person / per accident
Property Damage:	$500,000 per accident
Medical:	$5,000 per person
Uninsured Motor Vehicle	$75,000 per accident
SURETY BONDS	
School Superintendent:	$50,000
Drivers Education:	$2,500 per bond

The School District is a participating member of the Georgia School Board Association Risk Management Fund ("**GSBA-RMF**"), an interlocal risk management agency established for Georgia school districts to pool liability and property risks. GSBA-RMF serves as the agent of its members for claims adjustment and administration of the risk sharing pool. GSBA-RMF offers its members risk management services in order to reduce losses. Annual contributions by members are weighted to reflect the exposures of the member, the level of proprietary services offered to the member and the member's claim history. The School District's estimated total contribution for the period from July 1, 2011, to June 30, 2016, was $3,227,261.48. Although protected by reinsurance purchased directly by GSBA-RMF, the solvency of the pool is assured through retained surplus funds and the agreement of its members to be jointly and severally liable for the self-insurance pool's obligations.

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, 2017, 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 16, 2018.

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.

Tel 912-232-0475 *Fax* 912-232-0478
6600 Abercorn Street, Suite 200 | Savannah, GA 31405 | P.O. Box 16149 | Savannah, GA 31416 | krtcpa.com

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 16, 2018

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITUES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Board of Public Education of Glynn County, Georgia, (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. 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.

Auditors' Responsibility

Our responsibility is to express opinions 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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.

Tel 912-232-0475 *Fax* 912-232-0478
6600 Abercorn Street, Suite 200 | Savannah, GA 31405 | P.O. Box 16149 | Savannah, GA 31416 | krtcpa.com

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 16, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly presented in all material respects in relation to the basic financial statements as a whole.

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia
March 16, 2018


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2017

Grant Title	CFDA Number	FAIN 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	17175GA324N1009	556	$ 1,943,877
National School Lunch Program - cash assistance	10.555	17175GA324N1009	556	4,340,839
National School Lunch Program - non-cash assistance	10.555	17175GA324N1009	556	370,299 (1)
Total Child Nutrition Cluster				6,655,015
Total U.S. Department of Agriculture				6,655,015
U.S. Department of Defense				
Direct Program				
Department of the Navy ROTC Program	12.000		n/a	126,498
U.S. Department of Education				
Direct Program				
Impact Aid	84.041		n/a	9,371
Pass-Through Georgia Department of Education				
Special Education Cluster:				
Special Education - Grants to States	84.027	H027A150073	553	311,706
Special Education - Grants to States	84.027	H027A160073	553	2,572,332
Special Education - Preschool Grants	84.173	H173A150081	553	23,917
Special Education - Preschool Grants	84.173	H173A160081	553	82,839
Total Special Education Cluster				2,990,794
Title I Grants to Local Educational Agencies	84.010	S010A150010	551	205,618
Title I Grants to Local Educational Agencies	84.010	S010A160010	551	3,791,351
				3,996,969
Other Programs:				
Career and Technical Education - Basic Grants to States	84.048	V048A150010	562	138
Career and Technical Education - Basic Grants to States	84.048	V048A160010	562	126,190
English Language Acquisition Grants	84.365	S365A150010	632	22,095
English Language Acquisition Grants	84.365	S365A160010	632	70,019
Mathmatics Science Partnership Grants	84.366	S366B150011	579	40,177
Improving Teacher Quality State Grants	84.367	S367A150001	630	121,455
Improving Teacher Quality State Grants	84.367	S367A160001	630	395,684
Striving Readers Birth to Age 5	84.371	S3716110049	637	417,419
Total U.S. Department of Education				8,190,311
U.S. Department of Homeland Security				
Pass-Through Georgia Emergency Management Agency				
Disaster Releif Funds	97.036		n/a	53,877
Total Federal Financial Assistance				$ 15,025,701

(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, 2017

Note 1 – Basis of Presentation

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

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The District has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 – Non-cash Awards

The District received non-cash awards under the National School Lunch Program, CFDA 10.555, in the amount of $370,299 for the year ended June 30, 2017.

I. SCHEDULE OF FINDINGS AND QUESTIONED COSTS

A. SUMMARY OF AUDITORS RESULTS

1. An unmodified opinion, dated March 16, 2018, was issued on the financial statements for the year ended June 30, 2017.
2. The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" dated March 16, 2018 disclosed no significant deficiencies or material weaknesses for the year ended June 30, 2017.
3. The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" dated March 16, 2018 disclosed no instances of noncompliance for the year ended June 30, 2017.
4. The "Independent Auditor's Report on Compliance for Each Major Federal Program; on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance," dated March 16, 2018 disclosed no significant deficiencies or material weaknesses in internal control over major federal award programs for the year ended June 30, 2017.
5. An unmodified opinion, dated March 16, 2018, was issued on the District's compliance with its major federal programs in the "Independent Auditor's Report on Compliance for Each Major Federal Program; on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance," for the year ended June 30, 2017.
6. No audit findings were disclosed that are required to be reported in accordance with 2 CFR 200.516(a) for the year ended June 30, 2017.
7. The major programs of the District for the year ending June 30, 2017 were as follows:

Name of Federal Program	CFDA Number
Title I Grants to Local Educational Agencies	84.010

8. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.
9. Under Circular A-133, Section .530, the District did qualify as a low-risk auditee.

B. FINDINGS RELATING TO THE FINANCIAL STATEMENTS

The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" dated March 16, 2018, disclosed no findings required to be reported in accordance with GAGAS for the year ended June 30, 2017.

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

The "Independent Auditor's Report on Compliance for Each Major Federal Program; on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance" dated March 16, 2018, disclosed no findings or questioned costs for Federal awards in accordance with 2 CFR 200.516(a), for the year ended June 30, 2017.

II. STATUS OF PRIOR YEAR AUDIT FINDINGS

No findings were reported relative to Major Federal Award Programs for the year ended June 30, 2016.