

COMPREHENSIVE ANNUAL FINANCIAL REPORT

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM

GRIFFIN, GEORGIA

FISCAL YEAR ENDED JUNE 30, 2016

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

216 South Sixth Street
Griffin, Georgia 30224

Prepared by:
Finance Department,
Griffin-Spalding County School System

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BOARD MEMBERS
Mrs. Barbara Jo Cook
Will Doss
James A. "Pete" Graham
Zachery Holmes
Michael Kendall

James D. Smith, Superintendent



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Accredited by SACS and GAC

October 27, 2016

To the Honorable Members of the Griffin-Spalding County Board of Education and Citizens of Spalding County

The Comprehensive Annual Financial Report of the Griffin-Spalding County School System (System) for the fiscal year ended June 30, 2016, is herewith submitted. The report was prepared by the Finance Department of the Griffin-Spalding County School System. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management.

This report consists of management's representations concerning the finances of the System. To provide a reasonable basis for making these representations, management of the System has established a comprehensive internal control framework that is designed to protect the assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the System's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this report is complete and reliable in all material respects.

Designed to meet the needs of a broad spectrum of readers of financial statements, this comprehensive annual financial report (CAFR) is divided into four major sections:

- Introductory section – introduces the reader to the report and includes this transmittal letter, organizational chart of the System, and the list of elected and appointed officials.
- Financial section – consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, and combining and fund statements and schedules.
- Statistical section – contains substantial financial information, but presents tables that differ from financial statements in that they present non-accounting data, cover several years, and are designed to reflect social and economic data and financial and fiscal trends as well as the fiscal capacity of the System.

- Single Audit section – contains auditor's reports on the internal control structure and compliance with applicable laws and regulations, schedule of expenditures of federal awards, and findings and questioned costs as required by the provisions of the Single Audit Act, as amended and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Independent Audit

In accordance with state law, an annual audit of the financial records, books of account, and financial affairs of the System has been made by an independent auditor. The goal of the independent audit was to provide reasonable assurance that the financial statements of the System for the year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The auditor's opinion, as prepared by Robinson, Grimes and Company, P.C., is included within the financial section of this report.

The independent audit of the financial statements of the System is part of a broader, federally mandated "Single Audit" process designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit section of this report.

Management's Discussion and Analysis

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial reports in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The System's MD&A can be found immediately following the report of the independent auditors.

System Profile

The System was created pursuant to an amendment to the Constitution of the State of Georgia ratified in November 1952 and acts of the General Assembly of the State of Georgia. The System resulted from the consolidation of separate city and county school districts within the borders of Spalding County, Georgia. The System is a legally separate entity enjoying all rights and privileges accorded political subdivisions of the State of Georgia. The System is fiscally independent. Policymaking and legislative

authority are vested in the Board of Education consisting of five members, each elected from single member districts. Board members, elected on a non-partisan basis, serve four-year staggered terms with no more than three board members elected every two years. The Board of Education is responsible for, among other things, developing policy, adopting the budget, levying taxes, incurring bonded debt with voter approval, and hiring all System employees.

The primary purpose of the System is to provide public education for those who reside within the boundaries of Spalding County, Georgia. During the 2015-16 school year, the System serviced eleven elementary schools (pre-kindergarten through grade five), four middle schools (grades six through eight), and three high schools (grades nine through twelve). The third high school, A.Z. Kelsey Academy, opened in August, 2007, as an alternative setting for students in need of additional academic emphasis and greater organizational structure. In addition, the System operated a center for elementary school students qualifying for services under the gifted education program. The System also operated a center for middle and high school students with disciplinary issues.

The System served 10,261 students as of the student enrollment count taken in October 2015, a decrease of 213 from the prior year. Total enrollment includes 508 students served in the pre-kindergarten program funded through proceeds of the State of Georgia's lottery for education program. System enrollment has seen a slight decline for the past few years. Current trends suggest that enrollment will remain constant for the foreseeable future in line with the slow, but steady, growth in county population.

System of Internal Controls

Management of the System is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting records are maintained to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls over major business functions are subject to periodic evaluation by management. Included therein are controls over data processing functions as well as the security of backup information in the event of catastrophic damage or loss to the primary records. Financial policies adopted by the Board of Education are a primary component of the internal control system and are subject to annual review in light of current conditions.

Budgetary Control

The System adopts an annual budget for its funds. This budget acts as the financial operating plan for the entire year. Revisions may be implemented during the year authorizing a larger appropriation of available resources with approval from the Board of Education. All annual appropriations lapse at year-end with the exception of those indicated as assignment of fund balance.

The System Superintendent submits an annual budget to the Board of Education in May prior to the commencement of the new fiscal year on July 1. The budget includes proposed expenditures as well as the means of financing them. Public hearings are held on the budget after which the Board of Education adopts a budget for the year by resolution. In addition, under provisions of state law, public hearings must be held if the proposed property tax millage rate exceeds the rate of the prior year, or if the rate is not rolled back sufficiently to fully offset the effects of revaluation increases on the taxable value of property in the County.

Budgetary control is maintained at the aggregate level for each budgeted fund. For fiscal year 2016, budgets were adopted for the general fund, special revenue fund, school nutrition fund, debt service fund, and capital projects fund.

Major Initiatives

The Board of Education adopted a five year strategic plan in 2010 to guide our instructional program. 2015-16 represents the final year of the strategic plan. Five primary strategic directions form the framework of the strategic plan.

- Student Achievement
  - Increase Content Mastery
  - Post School Readiness
  - Predictors of High School Readiness
- Student and Stakeholder Engagement
  - Partner with Students
  - Partner with Parents
  - Partner with the Community
- Teacher Effectiveness
  - Be a Professional Learning Community
  - Know Technology
  - Do Standards-based Classrooms
- Reliable Organization
  - Manage Processes and Projects
  - Manage Finances and Personnel
  - Manage Perceptions
  - Maintain a Safe Learning Environment
- Learning and Growth
  - Recruit and Train the Right People
  - Learn GSCS Values and Culture
  - Grow from Evaluations

The Board of Education has approved a new, five year strategic plan and the new framework will be rolled out for the 2016-17 school year.

Several instructional initiatives have been implemented to support these goals. Examples include the following programs.

- Infinite Campus – student information system
- Mastery Connect – data analysis software
- Read 180 and Math 180 for remediation
- Instructional coaches for professional development
- Credit recovery programs
- Audio Enhancement program for recorded instruction, professional development and safety
- Special Entities
    - Program Challenge Elementary Gifted Center
    - Elementary Science Enrichment Center
    - A. Z. Kelsey Academy
    - Griffin Region College and Career Academy
    - Partnership with Southern Crescent Technical College
    - Partnership with University of Georgia – Griffin campus
    - Partnership with Georgia Institute of Technology
    - Elementary After School Program
- Parent/Community Involvement
    - PTA/PTO
    - School Councils
    - Griffin-Spalding Partners in Education, Inc.

Economic Condition and Outlook

Spalding County, Georgia, has experienced modest economic growth over the past several years with a varied manufacturing and industrial base adding to the relative stability of the area. The county government completed the development of infrastructure for a new, eco-friendly, industrial park. Within the past twelve months, two industrial companies have completed construction and one company has broken ground. A Dollar General distribution center is slated for construction on the border of Spalding County and Butts County, which should have a positive impact on job creation. The announcement of additional companies are anticipated in the near future. Negotiations aimed at securing the new industries to Spalding County included abatements of school property taxes on real property at declining percentages for up to five years. In addition, a new airport inside Spalding County, one large enough to accommodate approximately 95% of the current commercial fleet, is progressing with the acquisition of property.

The average annual unemployment rate in Spalding County dropped to 7.8% for calendar year 2015 from 9.5% the prior year. Southern Crescent Technical College and the University of Georgia – Griffin Campus have both experienced enrollment increases along with physical plant expansions designed to improve the level of preparedness of the available workforce.

Countywide population changes mirror those experienced within the school system. Total population in Spalding County is estimated to have remained virtually unchanged

over the past twelve months. The major residential development showing signs of construction activity has been designated as an "active adult community" with no school-age children to impact local enrollment. With the increases in intangible taxes and real estate transfer taxes, the housing market looks to be improving. At the same time, the increases in SPLOST collections have been a positive sign for the overall growth in economic transactions for the county.

Long-term Financial Planning

Since 1997, SPLOST has been the primary funding vehicle available to school districts for the construction and renovation of school facilities and technology enhancement. Currently, school facilities have an average age of thirty-six years. However, this includes buildings placed in service within the past five years as well as others that are over eighty years old. Despite the average age of facilities, SPLOST has allowed all schools to be renovated on a regular cycle. Spalding County voters approved an extension of SPLOST for a five year period ending June 30, 2020, covering a project list which included facility expansion and renovation along with the purchase of new technology for classroom use. The issuance of bonds is part of financial plans for the next five years. Bonds are being used for the construction of the Griffin Region College and Career Academy, technology infrastructure, and bus purchases. Work continued in fiscal year 2016 on renovations from SPLOST IV as well as new construction from SPLOST V.

The System continues to monitor budget related activity in the Georgia General Assembly. State revenues have continued to rise over the past several years. Cuts to the state funding formula have gradually reduced; however, during the time of this restored funding, the System has experienced increases to required expenditures such as classified employee health insurance. The System is reviewing several aspects of operations to identify areas for cost reduction and improvement in efficiency including personnel allocation, employee benefits, student transportation services, and technology infrastructure. Sustainability is a critical piece of budget planning. Budget items proposed for inclusion or modification are viewed in terms of the system's ability to sustain the item into the future. Adequate, available fund reserves are key to preserving the school system's ability to operate free of short-term borrowing to fund daily operations. As of June 30, 2016, fund balance for the System is 74 days of projected FY17 operations. Fund balance has steadily increased over the past four years and placed the System in a position of financial stability.

Relevant Financial Policies

During fiscal year 2016, financial policies related to purchasing and procurement continued to be important, particularly with the increase in federal funds coming to the school system. In particular, the establishment of procedures surrounding the purchase of computer hardware and software while maintaining compliance with applicable federal grant guidelines was significant. In addition, an annual review is conducted of all financial policies to determine the need for any additions or changes.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its Comprehensive Annual Financial Report for the year ended June 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. This is the eleventh consecutive year that the System has received this prestigious award. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will be submitting it to GFOA to determine its eligibility for another certificate.

The System also received the Association of School Business Officials (ASBO) International's Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended June 30, 2015.

The award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. The Certificate of Excellence is valid for a one year period. This is the eleventh consecutive year the System has received this prestigious award. We believe our current report continues to conform to Certificate of Excellence program requirements, and we will be submitting it to ASBO to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express appreciation to all members of the department who assisted in the preparation of this report. We would also like to express our appreciation to the members of the Board of Education who continue to show their interest and support in conducting the financial affairs of the System in a responsible and progressive manner.

Respectfully submitted,

James D. Smith, Ed.S., CPA
Superintendent

Ryan McLemore
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Griffin-Spalding County School System

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting Award
is presented to

Griffin-Spalding County School System

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ending June 30, 2015

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso, CAE, RSBA
Executive Director

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
BOARD OF EDUCATION

FUNCTION AND COMPOSITION

The Griffin-Spalding County Board of Education governs all matters relating to education and operations in the Griffin-Spalding County School System, as provided by Georgia law.

The Board is responsible, through its oversight function, for maintaining a reasonable and uniform system of public schools serving students in grades pre-kindergarten through 12. With the advice of the Superintendent, the Board determines policies and prescribes rules and regulations for the management of the school system. This includes, but is not limited to, adopting system wide goals and objectives, developing a financial budget for the school year, and receiving regular reports on the progress of serving students and families through out the year.

The Board currently consists of five members elected from single member districts. The Board has independent taxing authority for the purpose of funding public education inside Spalding County, Georgia.

Regular meetings of the Board of Education are held on the first Tuesday of each month beginning at 6:00 p.m. in the Board meeting room of the main administration building located at 216 South Sixth Street, Griffin, Georgia. Special meetings may be called at other times by the Board Chairperson. At all meetings, a majority of the entire membership constitutes a quorum. All meetings are open to the public.

The Board elects a Chairperson and Vice-Chairperson annually from its members.

As of June 30, 2016, the members of the Board of Education and dates of expiration of their terms are as follows:

Name	Title	Term Expiration
Mr. James A. Graham	Chairperson	12/31/18
Mr. Zachery B. Holmes	Vice-Chairperson	12/31/18
Mrs. Barbara Jo Cook	Member	12/31/16
Mr. Michael Kendall	Member	12/31/18
Mr. James Westbury	Member	12/31/16

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
ADMINISTRATIVE STAFF
As of June 30, 2016

EXECUTIVE ADMINISTRATION

James D. Smith	Superintendent of Schools
Joanie Mullins	Administrative Assistant to Superintendent

DIVISION OF TEACHING AND LEARNING

Sharlene Patterson	Assistant Superintendent
Ashley Crawford	Director of K-12 Curriculum
Sara Jones	Director of School Improvement
Shelia Mincey	Director Program Evaluation and Assessment/Special Education
Laura Ergle	Director of GRCCA and CTAE
Ashley McLemore	Director of Federal Programs
Pearla Hodo	Director of Pre-Kindergarten/ELL

DIVISION OF ADMINISTRATIVE SERVICES

Dr. Kiawana Kennedy	Assistant Superintendent
Bruce Ballard	Director of Facilities and Construction
Todd Harris	Director of Pupil Transportation
Laura Youmans	Director of Nutrition Services
Donna Parks/Bonita Fluker	Director of Student Services
Lonny Harper	Director of Instructional Technology
Josh Griffis	Director of Administrative Technology

FINANCE

Ryan McLemore	Chief Financial Officer

HUMAN RESOURCES

Stephanie Dobbins	Executive Director of Human Resources
Edna Aikens	Assistant Director of Human Resources

SCHOOL AND COMMUNITY SERVICES

Judy Parker	Executive Director of Communications and Partnerships

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
ADMINISTRATIVE STAFF (continued)
As of June 30, 2016

SCHOOL PRINCIPALS

Rachelle Heggie	Anne Street Elementary School
Tiffany Campbell	Atkinson Elementary School
Ken Bozeman	Beaverbrook Elementary School
Aleshia McCray	Cowan Road Elementary School
Natalie Wood	Crescent Road Elementary School
Ben Steele	Futral Road Elementary School
Karen Oot	Jackson Road Elementary School
Anthony Aikens	Jordan Hill Road Elementary School
Gloria Brown	Moore Elementary School
Stan Mangham	Moreland Road Elementary School
Evelyn Jones	Orrs Elementary School
Tiffany Taylor	Carver Road Middle School
Laura Jordan	Cowan Road Middle School
Dexter Sands	Kennedy Road Middle School
Larry Jones	Rehoboth Road Middle School
Darrell Evans	Griffin High School
Lindy Pruitt	Spalding High School
Stephanie Evans	A.Z. Kelsey Academy

LEGAL COUNSEL

Timothy N. Shepherd, P.C.	Griffin, Georgia

INDEPENDENT AUDITORS

Robinson, Grimes & Company, P.C.	Columbus, Georgia

Griffin-Spalding County School

Board of Education

June, 2015

Executive Assistant
Joanie Mullins

Superintendent
Jim Smith

Board Attorney
Tim Shepherd

- Assistant Superintendent of Administrative Services
  Dr. Kiawana Kennedy
- Director of Facilities & Maintenance
  Bruce Ballard
- Director of Administrative Technology
  Josh Griffis
- Director of Instructional Technology
  Lonny Harper
- Director of Transportation
  Todd Harris
- Director of Student Services
  Donna Parks
- Director of Nutrition
  Laura Youmans

- Executive Director of Human Resources
  Stephanie Dobbins
- Assistant Director of Human Resources
  Edna Aikens
- Director of Strategic Talent Management
  Dr. Mack Bullard

- Executive Director of School & Community Services
  Judy Parker

- Executive Director of Finance / CFO
  Ryan McLemore

- Assistant Superintendent for Instruction
  Sharlene Patterson
- Curriculum Director
  Ashley Crawford
- Director of Pre-Kindergarten/ELL
  Pearla Hodo
- Director of School Improvement
  Sara Jones
- Director of Federal Programs
  Ashley McLemore
- Director of Program Evaluation & Assessment
  Shelia Mincey
- Director of Special Education
  Shelia Mincey

Elementary Schools

- Anne Street
  Rachelle Heggie
- Atkinson
  Tiffany Campbell
- Beaverbrook
  Ken Bozeman
- Cowan Road
  Aleshia McCray
- Crescent
  Natalie Wood
- Futral Road
  Ben Steele
- Jackson Road
  Karen Oot
- Jordan Hill
  Anthony Aikens
- Moore
  Dr. Gloria Brown
- Moreland Road
  Stan Mangham
- Orrs
  Evelyn Jones

Middle Schools

- Carver
  Dr. Tiffany Taylor
- Cowan
  Laura Jordan
- Kennedy
  Dexter Sands
- Rehoboth
  Larry Jones

High Schools

- Griffin
  Dr. Darrell Evans
- Spalding
  Lindy Pruitt
- A. Z. Kelsey
  Stephanie Evans

District Programs

- Enrichment Center Directors
  Cara Cook
  Barbara King
- Mainstay Academy Director
  Chris Briggs

ROBINSON, GRIMES & COMPANY, P.C.
Certified Public Accountants & Consultants

Independent Auditor's Report

The Board of Education
Griffin-Spalding County School System
Griffin, 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 Griffin-Spalding County School System, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Griffin-Spalding County School System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Griffin-Spalding County School System'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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the government'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 government's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Griffin-Spalding County School System, as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund 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 on pages 4 through 14 and other required supplementary information on pages 49 through 51 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 Griffin-Spalding County School System's basic financial statements. The introductory section, combining nonmajor fund financial statements and other schedules, statistical tables and the Schedule of Expenditures of Federal Awards, required by the Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit 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 nonmajor fund financial statements and other schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 nonmajor fund financial statements and other schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections are presented for purposes of additional analysis, have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 27, 2016 on our consideration of Griffin-Spalding County School System'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 the 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 Griffin-Spalding County School System's internal control over financial reporting and compliance.

Robinson, Grimes & Company, P.C.

Certified Public Accountants

Columbus, Georgia

October 27, 2016

The discussion and analysis of Griffin-Spalding County School System's (herein referred to as the "System") financial performance provides an overall review of the System's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the System's financial performance as a whole. Readers should also review the financial statements and notes to the financial statements to enhance their understanding of the System's financial performance.

Financial Highlights

- The assets of the System exceeded its liabilities at June 30, 2016, by $118,306,550.

- Net position increased by a total of $7,381,294 from the beginning of the year. The increase is attributable, primarily, to Special Purpose Local Option Sales Tax (SPLOST) revenue which financed investments made in capital assets during the year.

- The System-wide Statement of Net Position includes the employer's proportionate share of pension liabilities in accordance with GASB 68. Net pension liability as of June 30, 2016, was $74,668,994.

- At June 30, 2016, the System's General Fund reported a fund balance of $16,994,661, an increase of $2,235,928, or 15.15% from the last fiscal year. Of this total, $348,175 has been committed to the risk management function in compliance with GASB 54. Unassigned fund balance totaled $16,646,486.

- SPLOST collections in fiscal year 2016 increased 2.59% from collections in fiscal year 2015.

- The System issued general obligation sales tax bonds in the amount of $13,370,000 for capital projects to be paid for by SPLOST collections. The first payments in FY16 were interest only payments in the amount of $446,083.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the System's basic financial statements. The basic financial statements comprise three components: 1) System-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

System-wide Financial Statements

The System-wide financial statements are designed to provide readers with a broad overview of the System's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the System's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the System is improving or deteriorating. It is important to note that this statement consolidates the System's current financial resources (short-term) with capital assets and long-term liabilities.

The Statement of Activities presents information showing how the System's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes, etc.)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The System, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the System can be divided into two categories: governmental funds and fiduciary funds

Governmental Funds

Most of the System's activities are reported in governmental funds focusing on how money flows in and out of those funds and the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the System's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds

The System is the trustee, or fiduciary, for assets that belong to others such as club and class funds and payroll withholding funds. The System is responsible for ensuring assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the system-wide and fund financial statements.

System-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2016, System assets exceeded liabilities by $118,306,550.

By far, the largest portion the System's total assets (71.6 percent) reflects its investment in capital assets (e.g. buildings, land, machinery and equipment, construction in progress) net of depreciation related to those assets. The System uses the capital assets to provide services to our students, faculty, and community; consequently, these assets are not available for future spending.

The following chart details the major categories of assets, liabilities, and net position with a comparison to the prior fiscal year.

Griffin-Spalding County School System
Net Position – as of June 30, 2016 and 2015

	Governmental Activities	
	FY 2016	FY 2015
Current and other assets	$ 66,932,330	$ 57,879,501
Capital Assets	153,571,360	146,141,475
Total assets	220,503,690	204,020,976
Deferred Outflows of Resources	7,667,253	6,826,825
Current and other liabilities	12,584,255	15,268,784
Long-term liabilities	89,475,754	62,232,724
Total liabilities	102,060,009	77,501,508
Deferred Inflows of Resources	7,804,384	22,421,037
Net Position:		
Net investment in capital assets	148,434,069	146,141,475
Restricted	23,777,771	23,835,228
Unrestricted	(53,905,290)	(59,051,447)
Total net position, as restated	$ 118,306,550	$ 110,925,256

An additional portion of the System's total net position represents resources that are subject to external restrictions on how they may be used (20.1%). Comprising the majority of restricted net position are assets being accumulated for use in capital projects accounting for 89.8% of total restricted net position. The remaining 10.2% of restricted net position represents non-expendable, permanent funds and funds set aside for the continuation of federal and other programs.

Unrestricted net position includes the school system's proportionate share of the collective net pension liability in each cost sharing benefit plan in which the district participates. This liability was first recorded on the FY2015 system-wide financials as part of the implementation of GASB 68. Because of this change, the System continues to report a deficit unrestricted net position on the System-wide Statement of Net Position.

Changes in Net Position from Operating Results

Net position increased $7,381,294 from operating results in the fiscal year ended June 30, 2015, compared to an increase of $10,800,574 in the prior fiscal year. Key elements of this increase are as follows on the next page:

Griffin-Spalding County School System
Changes in Net Position from Operating Results

	Governmental Activities	
	FY 2016	FY 2015
Revenues		
Program revenues:		
Operating grants and contributions	$ 76,669,919	$ 76,184,510
Capital grants and contributions	149,761	579,228
Charges for services	891,389	930,086
General revenues:		
Property taxes	26,108,637	26,035,024
Special purpose local option sales tax	8,818,726	8,596,211
Other general revenues	101,219	110,372
Total revenues	112,739,651	112,435,431
Expenses		
Instruction	63,207,574	61,195,688
Pupil support services	2,646,558	2,397,156
Improvement of instructional services	4,806,082	4,344,137
Educational media services	1,553,385	1,551,391
General and school administration	9,171,348	8,560,997
Business administration	398,971	373,588
Maintenance and operation of plant	8,687,442	8,747,253
Student transportation services	4,715,730	4,854,254
Central support services	1,784,328	1,567,518
Other support services	1,232,454	1,347,676
Food service operations	6,502,881	6,334,315
Community services operations	158,680	129,182
Interest on long-term debt	249,101	0
Unallocated depreciation	243,823	231,702
Total expenses	105,358,357	101,634,857
Increase in net position	7,381,294	10,800,574
Net position, beginning of year	110,925,256	100,124,682
Net position, end of year	$ 118,306,550	$ 110,925,256

Financial Analysis of the System's Funds

General Fund Budgetary Highlights

The System's budget is prepared in accordance with Georgia law and is based on accounting for certain transactions on the modified accrual basis of accounting. The System uses site-based budgeting and the budgeting system is designed to tightly control site budgets but provide flexibility for site management.

The most significant budgeted fund is the general fund. The original fiscal year 2016 budget, as adopted, projected a balanced budget with revenues equaling expenditures. Revenues and expenditures were projected to be $82,708,369. This amount represented an increase of .78% from fiscal year 2015 actual revenues and an increase of 3.12% in from fiscal year 2015 actual expenditures. The state revenue budget was negatively impacted by a $2,930,818 "austerity reduction" equaling 5.90% of the System's earnings under the State's Quality Basic Education funding formula. Austerity reductions, imposed for the fourteenth consecutive year, occur when the Georgia General Assembly fails to appropriate sufficient dollars in the state budget to fully fund formula earnings. Despite the continuation of the austerity reduction, the State decreased the amount of the cut for the third year in a row. In FY16, the austerity reduction was approximately $1.8 million less than the prior year. At the same time, the System benefited from a higher state equalization grant due to the System's drop in rankings comparing the relative property wealth per student among Georgia school districts. The net result was higher projected state revenues than the previous year. The Board of Education adopted a local property tax millage rate of 18.742, a decrease of .728 mills.

The final amended general fund budget added $358,707 to revenues, an increase of .43% from the original budget for the year. The amended budget included a decrease of $550,000 in property tax revenue to take into account the lower adopted millage rate. Amended revenues also included an increase of $231,660 in state bus bond funds for the purchase of buses as well as the addition of several local and state grants arising during the year.

The original budget for fiscal year 2016 included appropriated expenditures of $82,708,369. The original budget comprised funding for a 180 day instructional calendar, the addition of two assistant principals, startup costs related to the Griffin Region College and Career Academy, and the implementation of the results of a salary study initiated by the System to create a competitive pay scale. Implementing the results of the salary study was the main contributor to the increase in budgeted expenditures from FY15 to FY16. The employer's share of health insurance costs for certified employees remained the same while classified employees increased $100/month in January. The employer's contribution to the Teacher Retirement System of Georgia increased 8.5%.

As the year progressed, an amended budget totaling $83,257,895 was approved by the Board of Education, an increase of $549,526 in appropriated expenditures. Similar to the

revenue side, the amended budget included expenditures for bus purchases using state bus bond funds as well as expenditures related to several local grants and programs arising during the fiscal year. In addition, the self-insured workers compensation fund and after-school program are maintained separate from the general fund for internal purposes; however, the amended budget includes collapsing these two accounts into the general fund for the preparation of financial statements.

General Fund Operations

The general fund finished fiscal year 2016 with a fund balance of $16,994,661, an increase of $2,235,928, or 15.15%, from fiscal year 2015. $348,175 of the fund balance was committed to the risk management function in compliance with GASB 54. Actual revenues exceeded budget projections by $458,908 while actual expenditures were $1,912,143 lower than budgeted.

Local revenue sources represented 32.10% of total general fund revenues for the year, down from 34.10% in the prior year. Local revenues exceeded budgeted projections by $69,731. Collections of local ad valorem property tax, the largest single piece of local revenue, was on target for the year while other smaller revenue items such as intangible tax, real estate transfer tax and miscellaneous fees exceeded their budgets. State QBE revenues increased $353,836 to help offset the cost of certain benefit increases during the accrual (July and August) months. Federal revenues also increased as Medicaid reimbursements for speech services increased.

At year end, total expenditures were under budget by $1,912,143. Expenditures for direct classroom instruction (e.g. teacher salaries and benefits, textbooks, classroom supplies, etc.) accounted for 62.75% of total general fund expenditures, down slightly from the prior fiscal year. Savings in expenditures were spread out among the functional categories. Areas of savings include personnel changes that occur from the time of budget adoption to the end of the year. The budget is a snapshot at one point in time, and the school system experiences a significant amount of change in personnel over the summer and throughout the year. This change can lead to savings in salaries as new personnel fill positions held by retirees, people add or drop health benefits, or positions remained unfilled for a period of time. Two areas of operational savings included bus fuel and school maintenance. Utility costs came in approximately $250,000 under budget while low fuel prices led to fuel costs that were $264,000 under budget.

The following chart details the major components of revenues and expenditures by function for fiscal year 2016 as well as a comparison of changes with the previous fiscal year.

Griffin-Spalding County School System
General Fund - Revenue and Expenditures Comparison

		Amount	% of Total		Increase (Decrease) Over FY2015
Revenues					
State	$	56,521,227	67.47	$	2,538,768
Federal		443,798	0.53		95,077
Local and other		26,808,279	32.00		(1,177,448)
Totals	$	83,773,304	100.00	$	1,456,397
Expenditures					
Instruction	$	50,941,065	62.54	$	345,036
Pupil support services		1,658,493	2.04		103,627
Instructional staff support		2,469,760	3.03		362,907
Media Services		1,528,079	1.88		2,323
General and school administration		8,460,692	10.39		700,979
Business administration		417,103	0.51		32,979
Maintenance and Operations		8,147,720	10.01		23,454
Student Transportation		4,648,579	5.71		(626,528)
Other support services		2,825,108	3.47		152,814
Community services		159,403	0.2		25,011
School Nutrition Services		61,934	0.08		(2,335)
Capital Outlay		110,136	0.14		17,410
Totals	$	81,428,072	100.00	$	1,137,677

Capital Projects Fund Operations

The capital projects fund is used to account for school construction and the purchase of large capital assets. Current capital construction costs continue to be paid directly from prior receipts collected during the 2007 SPLOST (SPLOST III) and 2012 SPLOST (SPLOST IV) cycles and current receipts from the 2015 SPLOST (SPLOST V). SPLOST collections in fiscal year 2016 increased 2.59% compared to fiscal year 2015 with receipts of $8,818,726 and $8,596,211, respectively.

Renovation work continued for SPLOST IV projects, with new work beginning for SPLOST V projects. These projects included the completion of renovations at Cowan Road Middle, Futral Road Elementary, Jackson Road Elementary, Orrs Elementary, Atkinson Elementary and the Elementary Science Enrichment Center. Renovations still ongoing include Anne Street Elementary, Crescent Elementary, Beaverbrook Elementary, Moore Elementary and the Griffin Region College and Career Academy (GRCCA).

GRCCA is the largest renovation project on the SPLOST V list of projects. Additionally, $3,886,313 was spent to purchase instructional technology equipment system-wide as part of SPLOST V. The fund balance for the capital projects fund reflects amounts collected for use on projects not yet begun.

Debt Service Fund Operations

The debt service fund is used to accumulate resources for the retirement of long-term debt. The System issued general obligation sales tax bonds in the amount of $13,370,000 for capital projects to fund the initial construction of the Griffin Region College and Career Academy, the installation of system-wide instructional technology and bus purchases. The fund reflects interest only payments in the amount of $446,083.

Capital Assets and Debt Administration

Capital Assets

The System's investment in capital assets for its governmental activities as of June 30, 2016, totaled $153,571,360, net of accumulated depreciation. The investment in capital assets includes land, buildings, vehicles, and equipment used in providing services to our students and community as well as construction in progress on several building projects.

Many of the changes to the System's capital asset accounts came from the renovation of existing buildings. Renovation work at nine schools constituted the majority of the year's activity. Note 5 to the basic financial statements provides additional information on the System's capital assets including a detailed breakdown of the types of capital assets included in the computation of depreciation charges. As of June 30, 2016, 25.84% of the cost basis of depreciable assets had been taken as a depreciation charge since the various assets were placed in service. A summary of capital assets follows.

Griffin-Spalding County School System
Capital Assets, Net of Accumulated Depreciation

	Governmental Activities	
	FY 2016	FY 2015
Land	$ 3,360,708	$ 3,343,552
Construction in progress	3,880,557	9,381,402
Buildings	102,972,020	104,743,226
Building Improvements	36,562,730	23,465,255
Vehicles and Equipment	6,795,345	5,208,040
Total	$ 153,571,360	$ 146,141,475

Debt Administration

The Griffin-Spalding County School System issued General Obligation Sales Tax Bonds, Series 2015, in July 2015. The aggregate principal amount of these bonds is $13,370,000. The proceeds of this bond issuance will go toward the following 2015 SPLOST (SPLOST V) projects: Griffin Region College and Career Academy, the System-wide installation of the Audio Enhancement classroom technology product, and bus purchases.

At June 30, 2016, the System had $13,370,000 in outstanding general obligation bond indebtedness. The current debt limitation for the System is $133,031,620 based on state law limiting the amount of general obligation debt a government entity may issue to ten (10) percent of the total assessed value of taxable property.

The System maintains a rating of AA from Standard & Poor's for general obligation debt subject to the State intercept program.

Additional information on the System's long-term debt can be found in Note 5 to the basic financial statements.

Outlook for the Future

The System enjoys a strong financial position in light of current economic conditions affecting local revenues as well as the effect of state revenue pressures through austerity reductions to the QBE funding formula. Austerity reductions will continue in fiscal year 2017; however, these cuts to the funding formula are projected to decrease from 5.9% to 2.1% of state formula earnings. The State continues to provide waivers for class size requirements as well as other rules and regulations to help while cuts to the funding formula still exist. Revenues at the state level have continued to increase which, in turn, has led to increases in funding for schools. The System is anticipating the implementation of a proposed change to the funding formula in FY18. At this time, the System is not aware of the effect that this change will make on state funding allocations.

The assessed net value of the county property digest increased approximately 2.84% in 2016, however a third of this growth was from revaluations. Taxable property from new growth increased $25.65 million in the 2016 tax digest. The tax digest has remained fairly constant for many years. This lack of growth continues to be a pressure point on the System since Spalding County is considered to be low wealth in terms of taxable property per student.

The Board of Education adopted a millage rate of 18.57 mills, a decrease of .172 mills. This millage rate is the rollback rate that takes into account digest growth from revaluations. By adopting the rollback rate, the System negates the effect of the increased digest from revaluations. The Board of Education felt that the school system could handle the lower millage rate due to the strong financial position of the System.

The Board of Education will continue to be careful in obligating funds for programs and uses that might be needed to cover expenses not funded through state appropriations.

As of June 30, 2016, the General Fund reflected a fund balance of $16,994,661 translating to 74 days of operation based on the fiscal year 2017 budget. Of this balance, $348,175 was committed for risk management purposes by the Board of Education. Through careful planning, the System has not been forced to resort to personnel layoffs or major delays in the purchase of classroom materials to maintain financial strength despite cuts in funding from the State. The fiscal year 2017 budget includes a 175 day student calendar with 190 work days for teachers, a step (longevity) increase for eligible staff, a 1.5% cost-of-living raise for all employees and the addition of 25 teachers. Financial decisions focus on the sustainability of programs or costs as it is related to the System's ability to maintain adequate, available reserves minimizing needs for short-term borrowing to fund daily operations.

Of continuing concern is stagnant residential growth county-wide. The residential growth that is occurring is within an "active adult" community with no school age children. Therefore, we expect student enrollment to remain constant for the foreseeable future in line with slow growth in county population. The county is experiencing some commercial and industrial growth. One of the county's largest tax payers, Tenet Healthcare, was acquired by WellStar Health System, a non-profit, which will phase out property tax collections for this entity over the next few years. The impact of this transition remains to be seen as new growth in the industrial park could offset the loss of this tax payer.

Requests for Information

This financial report is designed to provide a general overview of Griffin-Spalding County School System's finances for those with an interest in the System's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ryan McLemore, CFO, Griffin-Spalding County School System, P.O. Drawer N, Griffin, Georgia 30224. Alternatively, you may send requests to the following e-mail address: ryan.mclemore@gscs.org.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2016

	ALL GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	$ 54,214,718
Property taxes receivable	2,283,426
Due from other governments	9,759,490
Other receivables	374,631
Investments	50,000
Inventories	156,463
Capital assets not depreciable	7,241,265
Capital assets, net of accumulated depreciation	146,330,095
Other assets	93,602
Total assets	220,503,690
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources - pension plan	7,667,253
LIABILITIES	
Accounts payable and other current liabilities	12,506,704
Unearned revenue	77,551
Long-term liabilities:	
Bonds payable - due in more than one year	14,806,760
Proportionate share of net pension liability	74,668,994
Total liabilities	102,060,009
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow of resources - pension plan	7,804,384
NET POSITION	
Net investment in capital assets	148,434,069
Restricted for:	
Capital projects	21,361,113
Debt service	283,916
Continuation of federal and state programs	1,010,275
Permanent funds - nonexpendable	1,122,467
Unrestricted	(53,905,290)
Total net position	$ 118,306,550

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: ALL GOVERNMENTAL ACTIVITIES
Primary government:					
Governmental activities:					
Instruction	$ 63,207,574	$ 382,156	$ 44,538,246	$ 149,761	$ (18,137,411)
Pupil support services	2,646,558		2,028,706		(617,852)
Improvement of instructional services	4,806,082		3,604,075		(1,202,007)
Educational media services	1,553,385		1,451,773		(101,612)
General and school administration	9,171,348		6,959,516		(2,211,832)
Business administration	398,971		308,324		(90,647)
Maintenance and operation of plant	8,687,442		6,039,393		(2,648,049)
Student transportation services	4,715,730		3,819,753		(895,977)
Central support services	1,784,328		1,376,098		(408,230)
Other support services	1,232,454		911,035		(321,419)
Food services operation	6,502,881	509,233	5,511,473		(482,175)
Community services operations	158,680		121,527		(37,153)
Interest on long-term debt	249,101				(249,101)
Unallocated depreciation (net of direct depreciation)	243,823				(243,823)
Total school system	$ 105,358,357	$ 891,389	$ 76,669,919	$ 149,761	(27,647,288)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					26,108,637
Special purpose local option sales tax					8,818,726
Investment earnings					86,916
Gain on sale of assets					14,303
Total general revenues					35,028,582
Change in net position					7,381,294
Net position, beginning, as restated (See Note 12)					110,925,256
Net position, ending					$ 118,306,550

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$ 17,898,117	$ 32,142,796	$ 283,916	$ 3,889,889	$ 54,214,718
Receivables					
Spalding County tax commissioner	2,283,426				2,283,426
State of Georgia, Department of Revenue		744,430			744,430
State of Georgia, Department of Education	6,822,746			2,192,314	9,015,060
Due from other funds	840,844	149,761		2,650	993,255
Other	231,822	3,651		139,158	374,631
Investments				50,000	50,000
Inventories				156,463	156,463
Other assets	81,855			11,747	93,602
Total assets	$ 28,158,810	$ 33,040,638	$ 283,916	$ 6,442,221	$ 67,925,585
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 810,450	$ 1,122,093	$ 0	$ 40,393	$ 1,972,936
Accrued salaries and benefits	8,372,879			2,160,889	10,533,768
Unearned revenue	8,687			68,864	77,551
Due to other funds	149,761	2,650		840,844	993,255
Total liabilities	9,341,777	1,124,743	0	3,110,990	13,577,510
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	1,822,372				1,822,372
Total deferred inflows of resources	1,822,372	0	0	0	1,822,372
FUND BALANCES					
Nonspendable:					
Inventories				156,463	156,463
Permanent funds				1,122,467	1,122,467
Restricted for:					
Debt service			283,916		283,916
Capital projects		31,030,582			31,030,582
Continuation of federal and state programs				1,010,275	1,010,275
Committed to:					
Risk management	348,175				348,175
School activity funds and other programs				963,413	963,413
Assigned to:					
Permanent funds				78,613	78,613
Capital projects		885,313			885,313
Unassigned	16,646,486				16,646,486
Total fund balances	16,994,661	31,915,895	283,916	3,331,231	52,525,703
Total liabilities, deferred inflows of resources and fund balances	$ 28,158,810	$ 33,040,638	$ 283,916	$ 6,442,221	$ 67,925,585

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total fund balances - governmental funds		$ 52,525,703
Amounts reported for governmental activities in the statement of net position are different because:		
Other long-term assets are not available to pay for current period expenditures:		
Property taxes reported as unavailable revenue in the funds		1,822,372
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $204,554,761 and the accumulated depreciation is $50,983,401		153,571,360
Long-term liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:		
Net pension liability	(74,668,994)	
Bonds payable	(13,370,000)	
Premium on bonds issued	(1,774,821)	
Accumulated amortization of bond premium	338,061	(89,475,754)
Deferred outflows and inflows of resouces related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflow of employer contributions related to pensions	$ 7,661,031	
Deferred outflow of resources from change in proportionate share of pension expense	6,222	7,667,253
Deferred inflow of resources - proportionate share of collective deferred inflows of resources	(6,952,718)	
Deferred inflow of resources from change in proportionate share of pension expense	(851,666)	(7,804,384)
Total net position - governmental activities		$ 118,306,550

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property taxes	$ 26,195,482				$ 26,195,482
Sales taxes		$ 8,088,727	$ 729,999		8,818,726
Fees and charges	347,156			$ 544,233	891,389
State funds	56,521,227	149,761		5,347,570	62,018,558
Federal funds	443,798			12,483,660	12,927,458
Earnings on investments	587	82,470		3,859	86,916
Miscellaneous	265,054			1,810,324	2,075,378
Total revenues	83,773,304	8,320,958	$ 729,999	20,189,646	113,013,907
EXPENDITURES					
Current operating					
Instruction	50,941,065			9,583,443	60,524,508
Support services					
Pupil support services	1,658,493			1,085,954	2,744,447
Improvement of instructional services	2,469,760			2,405,856	4,875,616
Educational media services	1,528,079				1,528,079
General and school administration	8,460,692			954,186	9,414,878
Business administration	417,103				417,103
Maintenance and operation of plant	8,147,720			22,410	8,170,130
Student transportation services	4,648,579	500,288		18,519	5,167,386
Central support services	1,859,430			2,164	1,861,594
Other support services	965,678			266,776	1,232,454
School nutrition services	61,934			6,198,549	6,260,483
Community service operations	159,403			5,000	164,403
Debt service					
Principal retirement					
Interest and fiscal charges			446,083		446,083
Capital outlay	110,136	13,431,528			13,541,664
Total expenditures	81,428,072	13,931,816	446,083	20,542,857	116,348,828
Excess (deficiency) of revenues over (under) expenditures	2,345,232	(5,610,858)	283,916	(353,211)	(3,334,921)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of bonds		13,370,000			13,370,000
Premium on issuance of bonds		1,774,821			1,774,821
Proceeds from sale of assets	14,303				14,303
Transfers in				123,607	123,607
Transfers out	(123,607)				(123,607)
Total other financing sources (uses)	(109,304)	15,144,821	0	123,607	15,159,124
Net change in fund balances	2,235,928	9,533,963	283,916	(229,604)	11,824,203
Fund balances, beginning	14,758,733	22,381,932	0	3,560,835	40,701,500
Fund balances, ending	$ 16,994,661	$ 31,915,895	$ 283,916	$ 3,331,231	$ 52,525,703

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
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, 2016

Total net change in fund balances - governmental funds		$ 11,824,203
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds 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 exceed depreciation in the period.		
Capital outlays	$ 11,168,152	
Depreciation	(3,738,267)	7,429,885
Proceeds from the issuance of bonds is an other financing source in the governmental funds, but the issuance of bonds increases long-term liabilities in the statement of net assets.		(13,370,000)
Governmental funds report the effect of premiums when the debt is first issued. These amounts are deferred and amortized in the Statement of Activities.		
Bond premium	(1,774,821)	
Amortization of bond premium	338,061	(1,436,760)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned:		
Property tax revenue		(86,845)
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
System pension contributions	7,661,031	
Pension contributions - State support	201,714	
Cost of benefits earned net of employee contributions	(4,841,934)	3,020,811
Change in net position of governmental activities		$ 7,381,294

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE OVER
	ORIGINAL	FINAL	AMOUNTS	(UNDER)
REVENUES				
Property taxes	$ 26,693,407	$ 26,143,407	$ 26,195,482	$ 52,075
State funds	55,470,962	55,919,528	56,273,907	354,379
Federal funds	373,000	409,000	443,798	34,798
Other local funds	171,000	595,141	612,797	17,656
Total revenues	82,708,369	83,067,076	83,525,984	458,908
EXPENDITURES				
Current operating				
Instruction	51,484,565	51,631,316	50,941,065	(690,251)
Support services				
Pupil services	1,613,072	1,723,072	1,658,493	(64,579)
Improvement of instructional services	2,421,442	2,493,357	2,469,760	(23,597)
Educational media services	1,593,355	1,593,355	1,528,079	(65,276)
General and school administration	8,686,582	8,621,582	8,459,551	(162,031)
Business administration	407,585	422,585	409,299	(13,286)
Maintenance and operation of plant	8,805,043	8,605,043	8,069,863	(535,180)
Student transportation services	4,849,539	4,936,199	4,573,669	(362,530)
Other support services	2,222,186	2,806,386	2,801,434	(4,952)
Community service operations	0	135,000	159,403	24,403
Capital outlay	125,000	125,000	110,136	(14,864)
Total expenditures	82,208,369	83,092,895	81,180,752	(1,912,143)
Excess (deficiency) of revenues over (under) expenditures	500,000	(25,819)	2,345,232	2,371,051
OTHER FINANCING USES				
Proceeds from sale of assets	0	0	14,303	14,303
Transfers in	0	400,000	400,000	0
Transfers out	(500,000)	(565,000)	(523,607)	41,393
Total other financing uses	(500,000)	(165,000)	(109,304)	55,696
Net change in fund balances	0	(190,819)	2,235,928	2,426,747
Fund balances, beginning	14,758,733	14,758,733	14,758,733	0
Fund balances, ending	$ 14,758,733	$ 14,567,914	$ 16,994,661	$ 2,426,747

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
AGENCY FUNDS - SCHOOL ACTIVITY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2016

ASSETS		
Cash and cash equivalents	$	182,956
Total assets	$	182,956
LIABILITIES		
Accounts payable	$	2,220
Due to student and faculty groups		180,736
Total liabilities	$	182,956

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Griffin-Spalding County School System (the "System") 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 financial statements of the System have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The System's combined financial statements include the accounts of all System operations. The criteria for including organizations as component units within the System's reporting entity, as set forth in Financial Reporting Standards, include whether:

- The organization is legally separate
- The Board holds the corporate powers of the organization
- The Board appoints a voting majority of the organization's board
- The Board is able to impose its own will on the organization
- The organization has the potential to impose a financial benefit/burden on the System
- There is fiscal dependency by the organization on the System

Based on the aforementioned criteria, the System has no component units.

B. System-wide and fund financial statements

The system-wide financial statements (i.e., the statement of net position and the statement of activities) report information of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Normally, governmental activities are supported by taxes and intergovernmental revenues.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the system-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The system-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting.* The fiduciary fund financial statements are also reported using the *accrual basis of accounting*; however, fiduciary funds have *no measurement focus*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education Formula Earnings program (QBE). Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31. In accordance with the respective rules and regulations of the QBE program, the State of Georgia reimburses the School System over the same twelve month period in which teachers are paid. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued. Since the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, the School System recognizes its portion of that reimbursement as a receivable and revenue, consistent with symmetrical recognition.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the System.

The System reports the following major governmental funds:

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

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *debt service fund* is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt.

Additionally, the School System reports the following funds:

The *special revenue funds* are used to account for federal and state funded grants. These grants are awarded to the System for the purpose of accomplishing specific educational tasks, which are defined in the grant agreements. These funds contain several locally funded programs whose expenditures are restricted to specific purposes. In addition, these funds are used to account for the school nutrition program whose revenues and expenditures are associated with the operations of the school cafeterias.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Permanent funds are used to account for assets held by the System resulting from a trust arrangement in which the System is the beneficiary which include scholarships and endowments.

The *permanent funds* apply the current financial resources measurement focus and modified accrual basis of accounting. Nonexpendable permanent funds account for assets of which the principal may not be spent.

Agency funds are used to account for assets held on behalf of outside parties.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present the results of operations nor have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These fiduciary funds are used to account for assets that the System holds on behalf of other funds of the System and are comprised primarily of amounts collected through fundraising efforts of individual school activity organizations.

Amounts reported as *program revenues* include 1) charges to customers or application for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, *general revenues* include all taxes.

When both restricted and unrestricted resources are available for use, it is the System's policy to use restricted resources first, then unrestricted resources as they are needed. As a general rule the effect of interfund activity has been eliminated from the system-wide financial statements.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Cash, Cash Equivalents and Investments

The System's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments of the System are reported at fair value.

Statutes authorize the System to invest in obligations of the United States and of its agencies and instrumentalities; bonds or certificates of indebtedness of the state of Georgia and of its agencies and instrumentalities; certificates of deposit of banks insured by the F.D.I.C. to the extent that such investments are legal investments; repurchase agreements;

NOTE 1: Summary of Significant Accounting Policies (Continued)

and the Local Government Investment Pool, administered by the State of Georgia. Certificates of deposit must be collateralized to the extent they exceed $250,000.

Receivables

Property taxes were levied on August 27, 2015, based on property values assessed as of January 1, 2015, and were payable on or before November 15, 2015. Property taxes became an enforceable lien on January 15, 2016. Taxes levied in calendar year 2015 for operations were levied at 18.74 mills.

Receivables due but not available are deferred inflows from resources in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Total property tax revenues reported for the fiscal year amounted to $26.2 million, including $2.3 million reported as taxes receivable of which $1.8 million is reflected as deferred inflow of resources in the general fund.

The State of Georgia, Department of Revenue receivable represents Special Local Option Sales Tax (SPLOST) revenues earned in the prior year but received within 30 days after year-end from the State Department of Revenue. Amounts due from the State of Georgia, Department of Education reflect QBE allotments related to the State's reimbursement amount for its portion of general fund salaries and benefits, which totaled $6.8 million at June 30, 2016.

Other receivables consist of amounts due to the System from other grants, tuition, or other revenue sources. The System anticipates collection of all receivables within one year.

Inventories

Inventories consist of donated food commodities and purchased foods used in the preparation of meals. Inventories are stated at cost (principally first in, first-out), which is not in excess of market. The System 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 reflected as nonspendable fund balance. 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 its Federally assigned value.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the system-wide financial statements. Capital assets are defined by the System as assets with an initial cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Land and construction in progress are not depreciated. Depreciation of all other capital assets is charged as an expense against their operations in the Statement of Activities. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Permanent buildings	40 - 80
Portable buildings	10
Building improvements	20
Vehicles	5 - 10
Office equipment	3 - 10
Computer equipment	3 - 10

Accrued Salaries and Benefits

Accrued salaries and benefits relate primarily to salaries of employees paid over a twelve-month period for contract services of ten months. The twelve-month pay period begins September 1 and ends August 31. Salaries payable in July and August along with the employee benefits relating to those salaries are accrued as of the end of the fiscal year.

Compensated Absences

It is the System's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the System does not have a policy to pay any amounts when employees separate from service with the System. Vacation pay is awarded on a fiscal year basis, with no provisions for carryover of unused days. Accordingly, as of June 30, there is no liability for accrued vacation pay.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Inflows of Resources

Government-wide

In addition to assets, the statement of net position and/or the balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources until then. Under the full accrual method of accounting, the System 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. The System has also reported the actuarial changes in the System's proportionate share of the State of Georgia cost sharing benefit pension plan, as discussed in Note 10.

In addition to liabilities, the statement of net position and/or the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources until that time. Under the full accrual method of accounting, the System has reported the actuarial changes in the System's proportionate share of the State of Georgia cost sharing benefit pension plan, as discussed in Note 10. This item is reported only in the System-wide Statement of Net Position.

Governmental funds

Additionally, the System has only one 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 this amount is deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

Pensions

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In accordance with the requirements of GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions", the following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance- amounts that are not in a spendable form or are required to be maintained intact;
- Restricted fund balance- amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation);
- Committed fund balance- amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The Board of Education is the System's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board;
- Assigned fund balance- amounts the System intends to use for a specific purpose; but are neither restricted nor committed. The Board of Education may assign fund balance. In addition, the Board has authorized the Superintendent or Chief Financial Officer to assign amounts to be used for specific purposes;
- Unassigned fund balance- amounts that are available for any legal purpose.

The Board establishes (and modifies or rescinds) fund balance commitments by taking formal action in the form of a resolution. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes). When multiple categories of fund balance are available for expenditure, the System will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

E. Budgetary Information

General Budget Policies

The System has a legally authorized appropriated budget which is formally approved by the Board at the aggregate level for each budgeted fund. Budgets are prepared to provide a basis for funding operations. There is no legal prohibition regarding over expenditure of the aggregate budget as long as there is an adequate available fund balance. The budget process begins when the System's administration prepares a tentative aggregated budget for the Board's approval. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality.

NOTE 1: Summary of Significant Accounting Policies (Continued)

At the next regular meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final school budget. This final budget is then submitted, in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167, to the Georgia Department of Education. From time to time, the budget is amended by Board approval at the fund level.

The System prepares its budgets on the modified accrual basis, which is the same basis it presents its fund financial statements. In addition, certain on-behalf payments for retirement benefits are not included in the general fund budget. The actual results on page 21 have, accordingly, been restated for comparative purposes. The System legally adopts budgets for its general fund, special revenue (excluding "other funds"), capital projects and debt service funds.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources recorded in order to reserve that portion of the applicable appropriation, is utilized by the System. Encumbrances outstanding at year-end are reported as assignments of fund balance since they do not constitute actual expenditures or liabilities. They are reappropriated in the subsequent fiscal year since appropriations lapse at year-end.

NOTE 2: Deposits and Investments

The System maintains a cash and investment pool that is available for use by all governmental funds. Each fund type's portion of this pool is included in "Cash and cash equivalents". In addition, deposits are separately held by several of the System's funds.

The System has not adopted a formal investment policy. Most of the System's cash is invested in the State of Georgia Government Pool. Other investments consist of securities backed by Federal Government agencies and one-day repurchase agreements with local banks. The following pages will disclose deposit and investment risks that could affect the System's ability to provide services and meet its obligations as they become due.

NOTE 2: Deposits and Investments (Continued)

Custodial Credit Risk – Deposits

The System's cash and cash equivalents are summarized below. All deposits are carried at cost plus accrued interest.

Depository Accounts	Bank Balance	Book Balance
Insured	$ 799,076	$ 799,076
Collateralized		
Collateral held by pledging bank's trust department in the System's name	24,799,619	20,505,494
Local government investment pool	32,960,148	32,960,148
Total Deposits	58,558,843	54,264,718
Less: Investments shown below	(50,000)	(50,000)
Net cash and cash equivalents	$ 58,508,843	$ 54,214,718

Agency funds had bank deposits totaling $182,956 as reported on the Statement of Fiduciary Assets and Liabilities.

The System's investment in the local government investment pool is comprised of Georgia Fund 1 and another local investment pool, which has not been categorized as to risk level because it is a pool managed by another government. Georgia Fund 1, which was created by the Official Code of Georgia Annotated (OCGA) 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAA rated market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the Securities and Exchange Commission as an investment company.

The pool's primary objectives are safety of capital, investment income liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. The Georgia State Department of Audits is the regulatory oversight agency of Georgia Fund 1.

NOTE 2: Deposits and Investments (Continued)

Credit Risk, Concentration of Credit Risk, and Interest Rate Risk – Investments
The System follows state law for its choices of investments. The System has few investments and chooses to disclose its investments by specifically identifying each. As of June 30, 2016, the System's investments were as follows:

Investment	Maturities	Fair Value	%
First National Bank - Certificate of Deposit	Fully matured	$ 30,000	60.00%
First National Bank - Certificate of Deposit	Fully matured	20,000	40.00%
Total		$ 50,000	100.00%

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The System has no investment policy that would further limit its investment choices.

Interest Rate Risk - the System does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk - the System is not limited on the amount that may be invested in any one issuer.

NOTE 3: Interfund Receivables, Payables and Transfers

During the course of its operations, the School System makes transfers between funds to finance operations, provide services, acquire assets, and service debt. To the extent that certain transfers between funds have not been received as of year-end, balances of interfund amounts receivable or payable have been recorded. Outstanding balances between funds are reported as "due to/from other funds."

Interfund receivable and payable balances are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 840,844
Capital Projects Fund	General Fund	149,761
Nonmajor Governmental Funds	Capital Projects Fund	2,650

The general fund was due $840,844 from other special revenue funds and the capital projects fund was due $149,761 from the general fund to be repaid upon receipt of grant revenues.

The permanent funds were due $2,650 from capital projects fund to be transferred in the next fiscal year.

NOTE 3: Interfund Receivables, Payables and Transfers (Continued)

Transfers from/to other funds at June 30, 2016 are as follows:

Transfers to	Transfers from	Amount
Nonmajor Governmental Funds	General Fund	$ 123,607

These transfers are to cover overages from the operation of certain grants.

NOTE 4: Capital Assets

Governmental capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 3,343,552	$ 17,156	$ 0	$ 0	3,360,708
Construction in progress	9,381,402	8,595,525	0	(14,096,370)	3,880,557
Total capital assets, not being depreciated	12,724,954	8,612,681	0	(14,096,370)	7,241,265
Capital assets, being depreciated:					
Buildings	135,186,863	0	0	0	135,186,863
Building improvements	28,791,110	169,923	0	13,593,849	42,554,882
Vehicles and equipment	17,227,949	2,385,548	(544,267)	502,521	19,571,751
Total capital assets, being depreciated	181,205,922	2,555,471	(544,267)	14,096,370	197,313,496
Less accumulated depreciation for:					
Buildings	(30,443,637)	(1,771,206)	0	0	(32,214,843)
Building improvements	(5,325,855)	(666,297)	0	0	(5,992,152)
Vehicles and equipment	(12,019,909)	(1,300,764)	544,267	0	(12,776,406)
Total accumulated depreciation	(47,789,401)	(3,738,267)	544,267	0	(50,983,401)
Total capital assets, being depreciated, net	133,416,521	(1,182,796)	0	14,096,370	146,330,095
Capital assets, net	$ 146,141,475	$ 7,429,885	$ 0	$ 0	$ 153,571,360

NOTE 4: Capital Assets (Continued)

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

Instruction	$ 1,802,863
Improvement of instructional services	60,785
Media services	90,666
General and school administration	79,979
Business Services	2,097
Maintenance and operations	673,572
Transporation	440,687
Central support services	10,528
School nutrition	333,267
Unallocated depreciation	243,823
Total depreciation expense	$ 3,738,267

NOTE 5: Long-Term Debt

Bonds Payable

In July 2015, the System issued $13,370,000 in General Obligation Sales Tax Bonds (the "Bonds") with interest rates ranging from 3.00% - 5.00%, based on current market rates. Interest is payable semi-annually beginning April 2016 and principal is due annually beginning in October 2018 with final payment due October 2020. The Bonds were issued to finance various planned construction activities for the System. The Bonds are direct and general obligations of the System. The System pays the principal and interest first from the System's portion of a 1 percent sales and use tax for educational purposes collected within the County. To the extent that the proceeds of the SPLOST are insufficient to make such payments, the principal and interest on the Bonds are payable from an ad valorem tax, unlimited as to rate or amount, to be levied upon all taxable property within the School System subject to taxation for school bond purposes.

NOTE 5: Long-Term Debt (Continued)

A summary of changes in bonds payable for the year ended June 30, 2016 follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due within one year
2015 General Obligation	$ 0	$ 13,370,000	$ 0	$ 13,370,000	$ 0
Unamortized bond premium	0	1,774,821	(338,061)	1,436,760	0
Total	$ 0	$ 15,144,821	$ (338,061)	$ 14,806,760	$ 0

The annual debt service requirements to maturity are as follows:

Years Ending June 30,	2015 General Obligation Principal	Interest
2017	$ 0	$ 609,100
2018	0	609,100
2019	1,770,000	582,550
2020	4,900,000	433,500
2021	6,700,000	155,500
	$ 13,370,000	$ 2,389,750

NOTE 6: Non-Monetary Transactions and On-Behalf Payments

The System received from the United States Department of Agriculture through the Georgia Department of Education approximately $305,848 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenues and expenditures in the Other Governmental Funds.

The Georgia Department of Education paid $7,885 to the Teachers Retirement System and $239,435 to the Public School Employee Retirement System on behalf of the System for the fiscal year ending June 30, 2016. These on-behalf payments were for health insurance and retirement contributions and were reported in the General Fund as both revenues and expenditures

NOTE 7: Special Purpose Local Option Sales Tax (SPLOST)

On March 20, 2007, the voters of Spalding County authorized the imposition of a Special Purpose Local Option Sales Tax (SPLOST) effective July 1, 2007. The sales tax was authorized for a maximum period of time not to exceed five years for the purpose of raising not more than $57,000,000, although the SPLOST only generated $42,783,556. Total expenditures of 2007 SPLOST proceeds incurred in 2016 were $1,366,391. The funds were used to fund school improvements.

On March 6, 2012, the voters of Spalding County authorized the SPLOST to be reimposed effective July 1, 2012. The reimposed sales tax was authorized for a maximum period of time not to exceed three years for the purpose of raising not more than $30,000,000, although the SPLOST only generated $25,332,346. Total expenditures of 2012 SPLOST proceeds incurred in 2016 were $7,458,564. The funds generated by the sales tax were used to renovate, remove, repair, improve, and equip existing school facilities and acquire system-wide technology improvements.

On March 17, 2015, the voters of Spalding County authorized the SPLOST to be reimposed effective July 1, 2015. The reimposed sales tax was authorized for a maximum period of time not to exceed five years for the purpose of raising not more than $50,000,000. Total expenditures of 2015 SPLOST proceeds incurred in 2016 were $5,475,352. The funds generated by the sales tax will be used to renovate, remove, repair, improve, and equip existing school facilities, acquire system-wide technology improvements and refurbish and renovate school buses.

The status of the SPLOST projects are as follows:

	2012 SPLOST	2015 SPLOST
Anticipated proceeds, as originally projected	$ 30,000,000	$ 50,000,000
Amount not yet collected	(4,667,654)	(41,181,274)
Amount collected through June 30, 2016	$ 25,332,346	$ 8,818,726
Amounts expended in previous years	$ 12,584,140	$ 0
Amounts expended in current year	7,458,564	5,475,352
Amounts expended to date	$ 20,042,704	$ 5,475,352

NOTE 8: Risk Management

The System is exposed to various risks of loss related to torts: theft of loss, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The System has established a limited risk management program for Workers' Compensation. Estimated claims are budgeted by management based on known claims and prior

NOTE 8: Risk Management (Continued)

experience. An excess coverage insurance policy covers aggregate claims in excess of $500,000 up to $1,000,000.

Claims and associated expenses incurred during the fiscal years 2016, 2015 and 2014 are shown below. Outstanding year end liabilities are considered to be immaterial.

Year	Balance July 1, 2015	Current Year Claims Accrued	Current Year Claims Paid	Unpaid Balance June 30, 2016
2016	$ 0	$ 387,641	$ (387,641)	$ 0
2015	$ 0	$ 534,569	$ (534,569)	$ 0
2014	$ 0	$ 502,701	$ (502,701)	$ 0

The System participates in Georgia School Boards Association Risk Management Fund for property and liability insurance. Coverage for losses arising from certain liability and property risks to the System is provided through a group self-insurance plan. For accounting purposes this plan is considered to be a Risk Transfer Pool. Under this plan, the System is responsible for the first $5,000 of each property loss, $5,000 of each machinery breakdown loss, $1,000 of auto physical damage loss, and the first $10,000 of each liability claim. The plan assumes certain risks of the System in excess of state retentions up to certain customary coverage limits. The System is required to make a financial contribution to the plan each year in an amount determined on the basis of actuarial projections of losses.

Settled claims have not exceeded insurance coverage in any of the past three years nor has the System significantly reduced coverage for these risks.

NOTE 9: Contingencies and Commitments

The System is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine System operations. It is the opinion of management and legal counsel that the System has adequate legal defenses or insurance coverage and these actions will not materially affect the System's results of operations or financial position.

At June 30, 2016, the System’s future construction commitments consist of additions to various schools in the amount of approximately $20,883,191. At June 30, 2016, the System had no significant encumbrances.

NOTE 10: Retirement Plans

The System participates in various retirement plans administered by the State of Georgia, as further explained below.

Teachers Retirement System (TRS)

Plan description: All teachers of the System as defined in §47-3-60 of the Official Code of Georgia Annotated (OCGA) 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 OCGA, assigns the authority to establish and amend benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

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

Contributions: Per Title 47 of the OCGA, contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to OCGA §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 2016. The System's contractually required contribution rate for the year ended June 30, 2016 was 14.27% excluding payroll attributable to those personnel funded on behalf of the School District by the state. For the year ended June 30, 2016, the System's contributions to TRS were $7,630,622 and $7,885 from the System and the State, respectively.

NOTE 10: Retirement Plans (Continued)

Employees Retirement System (ERS)

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

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

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

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

Contributions: Member contributions under the old plan are 4% of annual compensation, up to $4,200, 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

NOTE 10: Retirement Plans (Continued)

1.25% of annual compensation. The System's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. The System's contributions to ERS were $30,409 for the year ended June 30, 2016. 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 (PSERS)

Plan description: PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the OCGA 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 OCGA §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

NOTE 10: Retirement Plans (Continued)

contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The contribution by the State for the year ended June 30, 2016 amounted to $239,435.

Pension liabilities, Pension expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the System reported a liability of $74,668,994 for its proportionate share of the net pension liability for TRS ($74,481,171) and ERS $(187,823). The TRS net pension liability reflected a reduction for support provided to the System by the State of Georgia for certain public school support personnel. The amount recognized by the System 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 System were as follows:

	TRS	ERS	PSERS	Total
System's proportionate share of the net pension liability	$ 74,481,171	$ 187,823	$ 0	$ 74,668,994
State of Georgia's proportionate share of the net pension liability associated with the System	93,019	0	1,106,184	1,199,203
Total	$ 74,574,190	$ 187,823	$ 1,106,184	$ 75,868,197

The net pension liability for TRS and ERS was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The System's proportion of the net pension liability was based on contributions during the fiscal year ended June 30, 2015. At June 30 2015, the System's proportion was .489235% for TRS and .004636% for ERS, which was an increase (decrease) of (.002016 %) for TRS and .000113% for ERS from its proportion measured as of June 30, 2014.

At June 30, 2016, the System 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 System is $1,106,184.

The PSERS net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was used on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The State's proportion of the net pension liability

NOTE 10: Retirement Plans (Continued)

associated with the System was based on actuarially determined contributions paid by the State during the year ended June 30, 2015.

For the year ended June 30, 2016, the System recognized total net pension expense of $4,685,826 for its proportionate share of which $4,602,822 was for TRS, $17,038 for ERS and $65,966 for PSERS and total revenue of $86,326 of which $20,360 was for TRS and $65,966 for PSERS. The revenue is support provided by the State of Georgia. For TRS, the State of Georgia support is provided only for certain support personnel.

At June 30, 2016, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 0	$ 655,100	$ 0	$ 1,501
Changes in assumption	0	0	0	0
Net difference between projected and actual earnings on pension plan investments	0	6,282,565	0	13,552
Changes in proportion and differences between Employer contributions and proportionate share of contributions	0	851,666	6,222	0
Employer contributions subsequent to the measurement date	7,630,622	0	30,409	0
Total	$ 7,630,622	$ 7,789,331	$ 36,631	$ 15,053

NOTE 10: Retirement Plans (Continued)

System contributions subsequent to the measurement date of $7,630,622 for TRS and $30,409 for ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	TRS	ERS
Year ended June 30:		
2017	$ (3,308,297)	$ (1,874)
2018	(3,308,297)	(5,486)
2019	(3,308,302)	(6,040)
2020	2,179,965	4,569
2021	(44,400)	0
Thereafter	0	0
Total	$ (7,789,331)	$ (8,831)

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

	TRS	ERS	PSERS
Inflation	3.00%	3.00%	3.00%
Salary increase (average, including inflation)	3.75 - 7.00%	5.45 - 9.25%	N/A
Investment rate of return (net of pension plan investment expense, including inflation)	7.50%	7.50%	7.50%

For TRS, 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.

For ERS, 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 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

NOTE 10: Retirement Plans (Continued)

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

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

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 nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

NOTE 10: Retirement Plans (Continued)

those assumptions, the TRS, ERS, and PSERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the System's proportionate share of the net pension liability to changes in the discount rate: The following presents the System's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the System'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:

	TRS			ERS		
	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Employer's proportionate share of the net pension liability	127,990,261	74,481,171	30,376,949	266,246	187,823	120,964

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 www.ers.ga.gov/formspubs/formspubs.

Supplemental Retirement Plan- Public School Employees' Retirement System Only

Plan Description: All employees participating in the Public School Employees' Retirement System are also eligible to participate in the System's Supplemental Retirement Plan. The Board of Education recognized that PSERS was a limited defined benefit plan which did not provide for an adequate retirement for this group of employees and thus established this Plan in 2016 to supplement the retirement for this group of employees.

This Plan, as a defined contribution plan, puts 3% of salary for all PSERS employees into a 403(b) type plan. The plan requires 36 months of service or meeting normal retirement age to vest 100% in the employer portion. Failure to complete the 36 month vesting requirement will result in forfeiture of the employer contributions. The employee contributions will be refunded 100%, if the vesting requirement is not met.

NOTE 10: Retirement Plans (Continued)

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment and 3 years of service to the System. If an employee terminates employment prior to achieving 3 years of service, funds paid on behalf of the non-vested employee are credited back to the System.

Valic Retirement Services is the supplemental plan provider and National Benefit Services, LLC, has been set up as the third party administrator. The plan offers an investment menu from which the employees may select their investment mix.

Funding Policy: the System contributes 3% of the employee's monthly compensation for all eligible employees. Contributions are sent monthly to the third party administrator to be invested based upon the employee's investment choices.

The System's contributions to the Supplemental Retirement Plan for the fiscal year ending June 30, 2016 were $80,428.

NOTE 11: Post Employment Benefits

Georgia Retiree Health Benefit Fund

Plan Description: The System contributes to the Georgia Retiree Health Benefit Fund (GRHBF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Department of Community Health. GRHBF provides health insurance benefits to eligible retirees and their qualified beneficiaries. Pursuant to Title 45, Chapter 18 of the Official Code of Georgia Annotated, the authority to establish and amend the benefit provisions of the plan is assigned to the Board of Community Health. The Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary information for GRHBF. That report may be obtained from the Department of Community Health at 2 Peachtree Street, Atlanta, Georgia 30303.

Funding Policy: The contribution requirements of plan members and participating employers are established and may be amended by the Board of Community Health. Contributions of plan members or beneficiaries receiving benefits vary based on plan elections, dependent coverage, and Medicare eligibility and election. On average, plan members pay approximately twenty-five percent (25%) of the cost of health insurance coverage.

NOTE 11: Post Employment Benefits (Continued)

Participating employers are required by statute to contribute in accordance with the employer contribution rate established by the Board of Community Health. This contribution rate is established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements. The employer contribution rates for the combined active and retiree plans varied during the fiscal year ended June 30, 2016 as follows:

Teachers:	
July 2015 - June 2016	$945.00 per month
Non-Certified Employees:	
July 2015 - February 2016	$596.20 per month
February 2016 - June 2016	$746.20 per month

The School System's contribution to the State Health Benefit Plan for the fiscal years 2016, 2015 and 2014, which equaled the required contribution are as follows:

2016	$10,874,199
2015	$10,564,931
2014	$10,484,548

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
DEFINED BENEFIT PENSIONS PLANS
FOR THE YEAR ENDED JUNE 30, 2016

	TRS	
	2016	**2015**
System's proportion of the net pension liability	0.489235%	0.492510%
System's proportionate share of the net pension liability	74,481,171	62,063,084
State of Georgia's proportionate share of the net pension liabilty associated with the System	93,019	148,698
System's covered-employee payroll	51,677,582	50,116,513
System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	144.13%	123.84%
Plan fiduciary net position as a percentage of the total pension liability	81.44%	84.03%

	ERS	
	2016	**2015**
System's proportion of the net pension liability	0.004636%	0.004523%
System's proportionate share of the net pension liability	187,823	169,640
State of Georgia's proportionate share of the net pension liabilty associated with the System	0	0
System's covered-employee payroll	105,989	101,849
System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	177.21%	166.56%
Plan fiduciary net position as a percentage of the total pension liability	76.20%	77.99%

	PSERS	
	2016	**2015**
System's proportion of the net pension liability	N/A	N/A
System's proportionate share of the net pension liability	0	0
State of Georgia's proportionate share of the net pension liabilty associated with the System	1,106,184	943,529
System's covered-employee payroll	4,820,391	4,955,076
System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	87.00%	88.29%

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSIONS PLANS
FOR THE YEAR ENDED JUNE 30, 2016

	TRS		ERS	
	2016	2015	2016	2015
Contractually required contribution	$ 7,630,622	$ 6,795,397	$ 30,409	$ 23,275
Contributions in relation to the contractually required contribution	7,630,622	6,795,397	30,409	23,275
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0
System's covered-employee payroll	$ 53,473,168	$ 51,677,582	$ 123,014	$ 105,989
Contributions as a percentage of covered-employee payroll	14.27%	13.15%	24.72%	21.96%

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

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

For ERS, there were no changes in assumptions or benefits that affect the measurement of the total pension liability since the prior measurement date.

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

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2015 reported in that schedule:

	TRS	ERS	PSERS
Valuation date	June 30, 2014	June 30, 2014	June 30, 2014
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level dollar, open	Level dollar, open	Level dollar, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Seven-year smoothed market	Seven-year smoothed market	Seven-year smoothed market
Inflation rate	3.00%	3.00%	3.00%
Salary increase	3.75% - 7.00%	5.45% - 9.25%	N/A
Investment rate of return (net of pension plan investment expense, including inflation)	7.50%	7.50%	7.50%
Cost of living adjustment	0	0	1.50% semi-annually

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Description

Special revenue funds are used to account for revenues received from other governmental agencies or locally generated revenues that are legally restricted to expenditures for specified purposes.

School Nutrition Program: This fund was established to provide accounting of the System's School Food Service operations.

Other Special Revenue Funds:

Title I: This fund used to account for federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of providing remedial education in the areas of reading and math.

Title VIB & Project Aware: This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of providing special education programs for handicapped students and increasing awareness of mental health issues among school-aged youth; provide training in Youth Mental Health First Aid; and connect children, youth, and families who have behavioral health issues with appropriate services.

Perkins CTAE: This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of developing career, technical, vocation, and academic skills of students.

Title IIA: This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of improving teacher and principal quality and ensuring that all teachers are highly qualified.

Title III (LEP & Immigrant): This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of improving the education of limited English proficient (LEP) and immigrant students by helping them learn English and meet student academic achievement standards.

School Activity Accounts: Consistent with the philosophy of financial independence of the schools, this fund was established to provide accounting for the accounts maintained at the school level.

Other Special Revenue Funds: (Continued)

Mainstay Psycho Ed: This fund was established to provide accounting of state and federal grant funds flowing through the Georgia Network for Educational and Therapeutic Support (GNETS), State of Georgia, for the purpose of providing specialized educational treatment for emotionally disturbed students.

Pre-K: This fund was established to provide accounting of state lottery funds flowing through the Georgia Department of Early Care and Learning, for the purpose of providing early care and education programs for pre-kindergarten students.

Nursing Grant: This fund was established to provide accounting of funds donated by the Hospital Authority, a local foundation, for the purpose of providing nurses in each school.

Other Funds: This fund was established to provide accounting for certain special programs that are typically one-time monies awarded for distinct program objectives.

PERMANENT FUNDS

Description

The permanent funds are used to account for assets held by the System resulting from a trust arrangement in which the System is the beneficiary which include scholarships and endowments.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	SPECIAL REVENUE FUNDS				
	SCHOOL NUTRITION PROGRAM	OTHER SPECIAL REVENUE FUNDS	TOTAL SPECIAL REVENUE FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$ 1,387,890	$ 1,362,213	$ 2,750,103	$ 1,139,786	$ 3,889,889
Receivables					
State of Georgia, Department of Education		2,192,314	2,192,314		2,192,314
Due from other funds				2,650	2,650
Other	35,403	92,685	128,088	11,070	139,158
Investments				50,000	50,000
Inventories	156,463		156,463		156,463
Other assets		10,387	10,387	1,360	11,747
Total assets	$ 1,579,756	$ 3,657,599	$ 5,237,355	$ 1,204,866	$ 6,442,221
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 2,179	$ 38,214	$ 40,393		$ 40,393
Accrued salaries and benefits	433,464	1,727,425	2,160,889		2,160,889
Unearned revenue	29,906	35,172	65,078	$ 3,786	68,864
Due to other funds		840,844	840,844		840,844
Expired grant balances payable					
Due to Student and Faculty Groups					
Capitalized Lease Obligations					
General Obligation Bonds Payable					
Total liabilities	465,549	2,641,655	3,107,204	3,786	3,110,990
FUND BALANCES					
Nonspendable:					
Inventories	156,463		156,463		156,463
Permanent funds				1,122,467	1,122,467
Restricted for:					
Continuation of federal and state programs	957,744	52,531	1,010,275		1,010,275
Committed to:					
School activity funds and other programs		963,413	963,413		963,413
Assigned to:					
Permanent funds				78,613	78,613
Total fund balances	1,114,207	1,015,944	2,130,151	1,201,080	3,331,231
Total liabilities and fund balances	$ 1,579,756	$ 3,657,599	$ 5,237,355	$ 1,204,866	$ 6,442,221

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS				
	SCHOOL NUTRITION PROGRAM	OTHER SPECIAL REVENUE FUNDS	TOTAL SPECIAL REVENUE FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES					
Property taxes					
Sales taxes					
Fees and charges	$ 509,233	$ 35,000	$ 544,233		$ 544,233
State funds	154,746	5,192,824	5,347,570		5,347,570
Federal funds	5,356,727	7,126,933	12,483,660		12,483,660
Earnings on investments	1,102	583	1,685	$ 2,174	3,859
Miscellaneous	328	1,765,519	1,765,847	44,477	1,810,324
Total revenues	6,022,136	14,120,859	20,142,995	46,651	20,189,646
EXPENDITURES					
Current operating					
Instruction		9,568,511	9,568,511	14,932	9,583,443
Support services					
Pupil support services		1,085,954	1,085,954		1,085,954
Improvement of instructional services		2,405,856	2,405,856		2,405,856
Educational media services					
General and school administration		954,186	954,186		954,186
Business administration					
Maintenance and operation of plant		22,410	22,410		22,410
Student transportation services		18,519	18,519		18,519
Central support services		2,164	2,164		2,164
Other support services		216,599	216,599	50,177	266,776
School nutrition services	6,198,549		6,198,549		6,198,549
Community service operations		5,000	5,000		5,000
Total expenditures	6,198,549	14,279,199	20,477,748	65,109	20,542,857
Excess (deficiency) of revenues over (under) expenditures	(176,413)	(158,340)	(334,753)	(18,458)	(353,211)
OTHER FINANCING SOURCES					
Sale of bonds					
Proceeds from sale of assets					
Transfers in		123,607	123,607		123,607
Total other financing sources	0	123,607	123,607	0	123,607
Net change in fund balances	(176,413)	(34,733)	(211,146)	(18,458)	(229,604)
Fund balances, beginning	1,290,620	1,050,677	2,341,297	1,219,538	3,560,835
Fund balances, ending	$ 1,114,207	$ 1,015,944	$ 2,130,151	$ 1,201,080	$ 3,331,231

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2016

	TITLE I	TITLE VI-B (IDEA) & PROJECT AWARE	PERKINS CTAE	TITLE II A	TITLE III (LEP & IMMIGRANT)	SCHOOL ACTIVITY ACCOUNTS
ASSETS						
Cash and cash equivalents	$ 0	$ 0	$ 0	$ 0	$ 0	$ 560,335
Receivables						
State of Georgia, Department of Education	664,583	483,802	792	144,914	3,919	
Other	161	149		32		
Other assets	1,023	1,468	7,896			
Total assets	$ 665,767	$ 485,419	$ 8,688	$ 144,946	$ 3,919	$ 560,335
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 8,166	$ 3,390	$ 4,386	$ 1,326	$ 323	$ 8,475
Accrued salaries and benefits	389,713	288,947		36,001		
Unearned revenue						
Due to other funds	222,949	193,048	4,302	107,619	3,596	
Total liabilities	620,828	485,385	8,688	144,946	3,919	8,475
FUND BALANCES						
Restricted for:						
Continuation of federal and state programs	44,939	34				
Committed to:						
School activity funds and other programs						551,860
Total fund balances	44,939	34	0	0	0	551,860
Total liabilities and fund balances	$ 665,767	$ 485,419	$ 8,688	$ 144,946	$ 3,919	$ 560,335

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2016

	MAINSTAY PSYCHO ED	PRE-K	NURSING GRANT	OTHER FUNDS	TOTAL OTHER SPECIAL REVENUE FUNDS
ASSETS					
Cash and cash equivalents	$ 0	$ 297,400	$ 69,304	$ 435,174	$ 1,362,213
Receivables					
State of Georgia, Department of Education	894,304				2,192,314
Other		8,000	58,333	26,010	92,685
Other assets					10,387
Total assets	$ 894,304	$ 305,400	$ 127,637	$ 461,184	$ 3,657,599
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable		$ 456		$ 11,692	$ 38,214
Accrued salaries and benefits	$ 581,273	290,087	$ 126,347	15,057	1,727,425
Unearned revenue		11,000	1,290	22,882	35,172
Due to other funds	309,330				840,844
Total liabilities	890,603	301,543	127,637	49,631	2,641,655
FUND BALANCES					
Restricted for:					
Continuation of federal and state programs	3,701	3,857			52,531
Committed to:					
School activity funds and other programs				411,553	963,413
Total fund balances	3,701	3,857	0	411,553	1,015,944
Total liabilities and fund balances	$ 894,304	$ 305,400	$ 127,637	$ 461,184	$ 3,657,599

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	TITLE I	TITLE VI-B (IDEA) & PROJECT AWARE	PERKINS CTAE	TITLE II A	TITLE III (LEP & IMMIGRANT)	SCHOOL ACTIVITY ACCOUNTS
REVENUES						
Fees and charges						
State funds						
Federal funds	$ 3,877,499	$ 2,346,231	$ 114,631	$ 452,248	$ 19,908	
Earnings on investments						$ 583
Miscellaneous						1,383,397
Total revenues	3,877,499	2,346,231	114,631	452,248	19,908	1,383,980
EXPENDITURES						
Current operating						
Instruction	1,807,213	1,604,805	98,116	92,319	9,906	1,330,353
Support services						
Pupil support services		282,059				
Improvement of instructional services	1,571,601	447,539	14,519	348,880	6,495	
General and school administration	282,961	4,351	1,996	8,970	193	
Maintenance and operation of plant						
Student transportation services	9,351	7,477				
Central support services				2,079		
Other support services	206,373				3,314	
School nutrition services						
Community service operations						
Total expenditures	3,877,499	2,346,231	114,631	452,248	19,908	1,330,353
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	53,627
OTHER FINANCING SOURCES						
Transfers in						
Total other financing sources	0	0	0	0	0	0
Net change in fund balances	0	0	0	0	0	53,627
Fund balances, beginning	44,939	34	0	0	0	498,233
Fund balances, ending	$ 44,939	$ 34	$ 0	$ 0	$ 0	$ 551,860

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	MAINSTAY PSYCHO ED	PRE-K	NURSING GRANT	OTHER FUNDS	TOTAL OTHER SPECIAL REVENUE FUNDS
REVENUES					
Fees and charges				$ 35,000	$ 35,000
State funds	$ 3,433,540	$ 1,759,284			5,192,824
Federal funds	316,416				7,126,933
Earnings on investments					583
Miscellaneous			$ 339,583	42,539	1,765,519
Total revenues	3,749,956	1,759,284	339,583	77,539	14,120,859
EXPENDITURES					
Current operating					
Instruction	2,808,972	1,814,277		2,550	9,568,511
Support services					
Pupil support services	375,736		339,583	88,576	1,085,954
Improvement of instructional services	4,822	7,965		4,035	2,405,856
General and school administration	559,805	55,920		39,990	954,186
Maintenance and operation of plant	621			21,789	22,410
Student transportation services				1,691	18,519
Central support services				85	2,164
Other support services		72		6,840	216,599
School nutrition services					
Community service operations				5,000	5,000
Total expenditures	3,749,956	1,878,234	339,583	170,556	14,279,199
Excess (deficiency) of revenues over (under) expenditures	0	(118,950)	0	(93,017)	(158,340)
OTHER FINANCING SOURCES					
Transfers in		118,950		4,657	123,607
Total other financing sources	0	118,950	0	4,657	123,607
Net change in fund balances	0	0	0	(88,360)	(34,733)
Fund balances, beginning	3,701	3,857	0	499,913	1,050,677
Fund balances, ending	$ 3,701	$ 3,857	$ 0	$ 411,553	$ 1,015,944

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Sales taxes	$ 7,960,000	8,088,727	$ 128,727
State funds	0	149,761	149,761
Earnings on Investments	25,000	82,470	57,470
Total revenues	7,985,000	8,320,958	335,958
EXPENDITURES			
Current operating			
Student transportation services	0	500,288	500,288
Capital outlay *	17,749,000	13,431,528	(4,317,472)
Total expenditures	17,749,000	13,931,816	(3,817,184)
Excess (deficiency) of revenues over (under) expenditures	(9,764,000)	(5,610,858)	4,153,142
OTHER FINANCING SOURCES			
Proceeds from issuance of bonds	13,500,000	13,370,000	(130,000)
Premium on issuance of bonds	0	1,774,821	1,774,821
Total other financing uses	13,500,000	15,144,821	1,644,821
Net change in fund balances	3,736,000	9,533,963	5,797,963
Fund balances, beginning	22,381,932	22,381,932	0
Fund balances, ending	$ 26,117,932	$ 31,915,895	$ 5,797,963

* Capital outlay for budget purposes reflects the entire project; but actual amount reflects expenditures incurred during the fiscal year.

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Sales taxes	$ 700,010	$ 729,999	$ 29,989
Total revenues	700,010	729,999	29,989
EXPENDITURES			
Debt Service			
Interest and Fiscal Charges	444,982	446,083	1,101
Other	8,675	0	8,675
Total expenditures	453,657	446,083	(7,574)
OTHER FINANCING USES			
Transfers out	0	0	0
Total other financing uses	0	0	0
Net change in fund balances	246,353	283,916	37,563
Fund balances, beginning	0	0	0
Fund balances, ending	$ 246,353	$ 283,916	$ 37,563

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SCHOOL NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
State funds	$ 155,764	$ 154,746	$ (1,018)
Federal funds	5,403,534	5,356,727	(46,807)
Other local funds	585,865	510,663	(75,202)
Total revenues	6,145,163	6,022,136	(123,027)
EXPENDITURES			
Current operating			
Support services			
School nutrition services	6,274,456	6,198,549	(75,907)
Total expenditures	6,274,456	6,198,549	(75,907)
Excess (deficiency) of revenues over (under) expenditures	(129,293)	(176,413)	(47,120)
OTHER FINANCING SOURCES			
Proceeds from sale of assets	0	0	0
Total other financing uses	0	0	0
Net change in fund balances	(129,293)	(176,413)	(47,120)
Fund balances, beginning	1,290,620	1,290,620	0
Fund balances, ending	$ 1,161,327	$ 1,114,207	$ (47,120)

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	TITLE I			TITLE VI-B (IDEA) & PROJECT AWARE		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
Federal funds	$ 4,325,952	$ 3,877,499	$ (448,453)	$ 2,865,502	$ 2,346,231	$ (519,271)
Total revenues	4,325,952	3,877,499	(448,453)	2,865,502	2,346,231	(519,271)
EXPENDITURES						
Current operating						
Instruction	1,984,975	1,807,213	(177,762)	1,367,318	1,604,805	237,487
Support services						
Pupil services	0		0	583,563	282,059	(301,504)
Improvement of instructional services	1,702,331	1,571,601	(130,730)	899,621	447,539	(452,082)
General and school administration	386,330	282,961	(103,369)	0	4,351	4,351
Student transportation services	31,392	9,351	(22,041)	15,000	7,477	(7,523)
Other support services	220,924	206,373	(14,551)	0	0	0
Total expenditures	4,325,952	3,877,499	(448,453)	2,865,502	2,346,231	(519,271)
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	0
Fund balances, beginning	44,939	44,939	0	0	0	0
Fund balances, ending	$ 44,939	$ 44,939	$ 0	$ 0	$ 0	$ 0

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	PERKINS CTAE			TITLE IIA		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
Federal funds	$ 120,550	$ 114,631	$ (5,919)	$ 531,200	$ 452,248	$ (78,952)
Total revenues	120,550	114,631	(5,919)	531,200	452,248	(78,952)
EXPENDITURES						
Current operating						
Instruction	97,838	98,116	278	96,696	92,319	(4,377)
Support services						
Improvement of instructional services	17,712	14,519	(3,193)	410,024	348,880	(61,144)
General and school administration	5,000	1,996	(3,004)	20,480	8,970	(11,510)
Central support services	0	0	0	0	2,079	2,079
Other support services	0	0	0	4,000	0	(4,000)
Total expenditures	120,550	114,631	(5,919)	531,200	452,248	(78,952)
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	0
Fund balances, beginning	0	0	0	0	0	0
Fund balances, ending	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	TITLE III (LEP & IMMIGRANT)			SCHOOL ACTIVITY ACCOUNTS		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
Federal funds	$ 39,405	$ 19,908	$ (19,497)	$ 0	$ 0	$ 0
Other local funds	0	0	0	1,500,000	1,383,980	(116,020)
Total revenues	39,405	19,908	(19,497)	1,500,000	1,383,980	(116,020)
EXPENDITURES						
Current operating						
Instruction	27,664	9,906	(17,758)	1,500,000	1,330,353	(169,647)
Support services						
Pupil services	1,365	0	(1,365)	0	0	0
Improvement of instructional services	8,150	6,495	(1,655)	0	0	0
General and school administration	326	193	(133)	0	0	0
Other support services	1,900	3,314	1,414	0	0	0
Total expenditures	39,405	19,908	(19,497)	1,500,000	1,330,353	(169,647)
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	53,627	53,627
Fund balances, beginning	0	0	0	498,233	498,233	0
Fund balances, ending	$ 0	$ 0	$ 0	$ 498,233	$ 551,860	$ 53,627

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	MAINSTAY PSYCHO ED			PRE-K		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
State funds	$ 3,494,441	$ 3,433,540	$ (60,901)	$ 1,723,000	$ 1,759,284	$ 36,284
Federal funds	515,097	316,416	(198,681)	0	0	0
Other local funds	0	0	0	0	0	-
Total revenues	4,009,538	3,749,956	(259,582)	1,723,000	1,759,284	36,284
EXPENDITURES						
Current operating						
Instruction	2,928,498	2,808,972	(119,526)	1,838,000	1,814,277	(23,723)
Support services						
Pupil services	472,174	375,736	(96,438)	0	0	0
Improvement of instructional services	20,690	4,822	(15,868)	0	7,965	7,965
General and school administration	586,176	559,805	(26,371)	50,000	55,920	5,920
Maintenance and operation of plant	2,000	621	(1,379)	0	0	0
Other support services	0	0	0	0	72	72
Total expenditures	4,009,538	3,749,956	(259,582)	1,888,000	1,878,234	(9,766)
Excess (deficiency) of revenues over (under) expenditures	0	0	0	(165,000)	(118,950)	46,050
OTHER FINANCING SOURCES						
Transfers in	0	0	0	165,000	118,950	(46,050)
Total other financing sources	0	0	0	165,000	118,950	(46,050)
Net change in fund balances	0	0	0	0	0	0
Fund balances, beginning	3,701	3,701	0	3,857	3,857	0
Fund balances, ending	$ 3,701	$ 3,701	$ 0	$ 3,857	$ 3,857	$ 0

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	NURSING GRANT		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Other local funds	$ 325,000	$ 339,583	$ 14,583
Total revenues	325,000	339,583	14,583
EXPENDITURES			
Current operating			
Support services			
Pupil services	325,000	339,583	14,583
Total expenditures	325,000	339,583	14,583
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balances, beginning	0	0	0
Fund balances, ending	$ 0	$ 0	$ 0

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
AGENCY FUNDS - SCHOOL ACTIVITY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
ASSETS				
Cash and cash equivalents	$ 153,543	$ 520,410	$ 490,997	$ 182,956
Total assets	$ 153,543	$ 520,410	$ 490,997	$ 182,956
LIABILITIES				
Accounts payable	$ 5,117	$ 2,220	$ 5,117	$ 2,220
Due to student and faculty groups	148,426	518,190	485,880	180,736
Total liabilities	$ 153,543	$ 520,410	$ 490,997	$ 182,956

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY BOARD OF EDUCATION
GRIFFIN, GEORGIA
SCHEDULE OF ALLOTMENTS AND EXPENDITURES - BY PROGRAM
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2016

	ALLOTMENTS FROM DEPARTMENT OF EDUCATION	DIRECT INSTRUCTIONAL EXPENDITURES AMOUNT REPORTED TO DEPARTMENT OF EDUCATION		
	AMOUNT	SALARIES	OPERATIONS	TOTAL
GENERAL AND CAREER EDUCATION PROGRAMS				
Kindergarten	$ 2,419,325	$ 4,086,503	$ 40,959	$ 4,127,462
Kindergarten EIP	2,110,296	123,771	2,414	126,185
Grades 1 – 3	6,443,960	9,911,461	77,653	9,989,114
Grades 1 – 3 EIP	5,161,923	113,172	3,925	117,097
Sub-Total - K-3	16,135,504	14,234,907	124,951	14,359,858
Grades 4 - 5	3,029,476	6,250,486	235,077	6,485,563
Grades 4 - 5 EIP	2,865,048	178,240	4,737	182,977
Middle School (6 - 8)	6,717,554	7,443,722	120,404	7,564,126
Grades 9 - 12	5,769,126	7,879,062	176,067	8,055,129
Vocational Education Laboratories	1,791,050	758,541	103,644	862,185
Total General and Career Education Programs	36,307,758	36,744,958	764,880	37,509,838
SPECIAL EDUCATION PROGRAMS				
Students with Disabilities				
Category I	109,800	0	3,733	3,733
Category II	1,010,458	970,552	4,765	975,317
Category III	3,932,177	4,489,524	18,520	4,508,044
Category IV	1,530,656	273,914	7,077	280,991
Category V	370,644	0	5,889	5,889
Sub-Total – Regular	6,953,735	5,733,990	39,984	5,773,974
Category VI (Gifted)	2,463,148	420,626	27,227	447,853
Total Special Education Programs	9,416,883	6,154,616	67,211	6,221,827
REMEDIAL EDUCATION PROGRAM	820,052	159,801	2,705	162,506
ALTERNATIVE EDUCATION PROGRAMS	470,618	465,603	0	465,603
ENGLISH FOR SPEAKERS OF OTHER LANGUAGES	357,856	391,306	0	391,306
SPECIAL EDUCATION ITINERANT	4,084	0	0	0
SPECIAL EDUCATION SUPPLEMENTAL SPEECH	13,726	0	0	0
Direct Instruction Total	47,390,977	43,916,284	834,796	44,751,080
TWENTY DAYS ADDITIONAL INSTRUCTION	380,902	0	0	0
Twenty Days Additional Instruction Total	380,902	0	0	0
MEDIA CENTER PROGRAMS	1,252,102	1,429,099	99,050	1,528,149
Media Center Total	1,252,102	1,429,099	99,050	1,528,149
PROFESSIONAL DEVELOPMENT PROGRAMS	225,287	0	73,651	73,561
Professional Development Total	225,287	0	73,651	73,561
Grand Total	$ 49,249,268	$ 45,345,383	$ 1,007,497	$ 46,352,790

Note: Expenditure tests focus on spending 100% of allotted direct instructional funds on a system-wide basis rather than by school or program. However, certain programs such as twenty days additional instruction, media, and professional development are under a 100% expenditure requirement. Griffin-Spalding County School System met the spending requirements for fiscal year June 30, 2016.

See Independent Auditor's Report.

STATISTICAL SECTION

This part of the System's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes, and required supplementary information says about the System's overall financial health.

Contents

	Page
Financial Trends *These schedules contain trend information to help the reader understand how the System's financial performance and well-being have changed over time.*	71
Revenue Capacity *These schedules contain information to help the reader assess the System's most significant local revenue source, the property tax.*	76
Debt Capacity *These schedules present information to help the reader assess the affordability of the System's current levels of outstanding debt and the System's ability to issue additional debt in the future.*	84
Demographic and Economic Information *These schedules offer demographic and economic indicators to help the reader understand the environment within which the System's financial activities take place.*	89
Operating Information *These schedules contain service and infrastructure data to help the reader understand how the information in the System's financial report relates to the services the System provides and the activities it performs.*	94

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Griffin-Spalding County School System
Comparative Statement of Net Position, Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015[1]	2016
Assets:										
Cash and cash equivalents	$31,737,875	$32,840,302	$37,161,880	$40,383,138	$33,498,312	$32,831,774	$35,266,312	$39,502,468	$44,312,538	$54,214,718
Property taxes receivable	516,847	438,372	2,127,120	2,150,347	2,780,354	2,564,245	2,969,255	3,135,866	2,767,012	2,283,426
Due from other governments	8,270,564	9,064,167	6,866,538	6,856,779	9,675,630	11,195,238	10,191,867	9,594,956	9,661,485	9,759,490
Other receivables	148,211	362,433	203,080	593,176	983,744	250,087	308,194	317,248	359,288	374,631
Note receivable				332,270	272,270	212,270	152,270	77,270		
Investments	15,152,151	9,518,481	1,050,000	1,050,000	1,050,000	1,050,000	1,075,483	1,059,715	554,774	50,000
Inventories	107,369	65,052	88,389	65,202	51,577	126,169	13,029	27,016	127,417	156,463
Prepaid assets					52,000		6,135			
Capital assets not depreciable	16,491,980	11,269,135	23,453,521	9,104,843	13,792,646	10,866,707	15,374,752	3,700,571	12,724,954	7,241,265
Capital assets, net of accumulated depreciation	93,863,856	105,258,172	102,974,193	120,065,795	117,476,627	124,186,955	122,020,657	134,764,729	133,416,521	146,330,095
Other assets (net of accumulated amortization)	205,786	155,148	118,961	82,776	46,591	10,407	11,926	50,462	96,987	93,602
Total assets	166,494,639	168,971,262	174,043,682	180,684,326	179,679,751	183,293,852	187,389,880	192,230,301	204,020,976	220,503,690
Deferred Outflows of Resources:									6,826,825	7,667,253
Liabilities:										
Accounts payable and other current liabilities	13,967,372	14,081,769	14,495,698	14,655,769	12,561,257	13,557,279	12,093,085	11,454,304	15,209,391	12,506,704
Unearned revenue	142,021	401,983	284,447	265,894	276,968	176,484	58,708	106,378	59,393	77,551
Long-term liabilities:										
Capitalized lease obligations - due within one year	176,469	233,311	298,515	192,021	201,084	88,838				
Capitalized lease obligations - due in more than one year	358,902	550,247	481,942	289,922	88,837					
Bond premium	286,623	232,028	177,433	122,838	68,243	13,649				1,436,760
Bonds payable - due within one year	6,005,000			4,495,000	4,665,000	4,840,000				
Bonds payable - due in more then one year	14,000,000	14,000,000	14,000,000	9,505,000	4,840,000					13,370,000
Net pension liability									62,232,724	74,668,994
Total liabilities	34,936,387	29,499,338	29,738,035	29,526,444	22,701,389	18,676,250	12,151,793	11,560,682	77,501,508	102,060,009
Deferred Inflows of Resources:									22,421,037	7,804,384
Net Position:										
Net investment in capital assets	104,268,507	109,607,847	111,587,425	114,565,857	121,406,109	130,111,176	137,395,409	138,465,300	146,141,475	148,434,069
Restricted for:										
Capital projects	869,081	7,037,643	10,415,093	13,605,759	15,239,012	14,516,860	19,060,913	22,637,265	21,480,389	21,361,113
Debt service	12,146,215	9,079,722	8,679,188	8,092,803	3,832,266	4,954,100	605			283,916
Other purposes	2,040,762	1,496,779	1,520,779	1,356,314	2,269,853	2,186,850	2,200,973	2,217,705	2,354,839	2,132,742
Unrestricted	12,233,687	12,249,933	12,103,162	13,537,149	14,231,122	12,848,616	16,580,187	17,349,349	(59,051,447)	(53,905,290)
Total net position	$131,558,252	$139,471,924	$144,305,647	$151,157,882	$156,978,362	$164,617,602	$175,238,087	$180,669,619	$110,925,256	$118,306,550

[1] First year of implementation of GASB Statement No. 68.

Griffin-Spalding County School System
Net Position by Component, Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015[1]	2016
Governmental activities:										
Current and other assets	$56,138,803	$52,443,955	$47,615,968	$51,513,688	$48,358,478	$48,240,190	$49,988,336	$53,765,001	$57,879,501	$66,932,330
Capital assets	110,355,836	116,527,307	126,427,714	129,170,638	131,269,273	135,053,662	137,395,409	138,465,300	146,141,475	153,571,360
Total assets	166,494,639	168,971,262	174,043,682	180,684,326	179,627,751	183,293,852	187,383,745	192,230,301	204,020,976	220,503,690
Deferred Outflows of Resources									6,826,825	7,667,253
Current and other liabilities	14,109,393	14,483,752	14,780,145	14,921,663	12,838,225	13,733,763	12,151,793	11,560,682	15,268,784	12,584,255
Long-term liabilities outstanding	20,826,994	15,015,586	14,957,890	14,604,781	9,863,164	4,942,487	0	0	62,232,724	89,475,754
Total liabilities	34,936,387	29,499,338	29,738,035	29,526,444	22,701,389	18,676,250	12,151,793	11,560,682	77,501,508	102,060,009
Deferred Inflows of Resources									22,421,037	7,804,384
Net position:										
Net investment in capital assets	104,268,507	109,607,847	111,587,425	114,565,857	121,406,109	130,111,176	137,395,409	138,465,300	146,141,475	148,434,069
Restricted	15,056,058	17,614,144	20,615,060	23,054,876	21,341,131	21,657,810	21,262,491	24,854,970	23,835,228	23,777,771
Unrestricted	12,233,687	12,249,933	12,103,162	13,537,149	14,231,122	12,848,616	16,580,187	17,349,349	(59,051,447)	(53,905,290)
Total governmental activities net position	$131,558,252	$139,471,924	$144,305,647	$151,157,882	$156,978,362	$164,617,602	$175,238,087	$180,669,619	$110,925,256	$118,306,550

[1] First year of implementation of GASB Statement No. 68.

Griffin-Spalding County School System
Changes in Net Position, Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
Instruction	$65,253,840	$66,961,194	$65,503,742	$65,038,443	$63,217,366	$62,865,938	$60,807,268	$63,560,323	$61,195,688	$63,207,574
Pupil support services	2,535,688	2,850,621	3,010,602	3,041,075	3,155,458	2,650,382	2,367,075	2,459,659	2,397,156	2,646,558
Improvement of instructional services	3,993,270	4,035,198	3,928,254	3,649,259	4,540,524	4,875,165	4,288,607	3,804,161	4,344,137	4,806,082
Educational media services	2,060,554	2,056,494	1,960,650	1,974,281	1,928,462	1,752,187	1,524,908	1,568,570	1,551,391	1,553,385
General and school administration	7,566,244	8,409,899	8,524,664	8,022,284	8,175,375	8,250,954	8,068,277	8,338,418	8,560,997	9,171,348
Business administration	448,203	455,536	470,007	421,419	330,052	335,644	348,784	386,548	373,588	398,971
Maintenance and plant operations	8,013,536	8,517,290	8,622,179	8,999,351	8,507,364	8,235,705	8,405,731	9,163,199	8,747,253	8,687,442
Student transportation services	3,423,768	3,269,753	3,775,162	3,680,349	3,799,576	4,040,572	4,394,079	4,712,870	4,854,254	4,715,730
Central support services	1,346,868	1,713,408	1,336,515	1,167,341	1,154,965	1,173,057	1,257,984	1,462,350	1,567,518	1,784,328
Other support services	1,194,036	903,268	1,318,394	1,247,689	1,309,216	1,011,001	1,181,099	1,209,923	1,347,676	1,232,454
Food service operations	5,359,583	5,464,577	5,621,521	5,470,823	5,619,731	5,940,725	6,125,485	6,388,230	6,334,315	6,502,881
Community services operations	137,175	147,285	161,947	152,963	149,722	132,624	126,811	128,120	129,182	158,680
Interest on long-term debt	401,996	668,075	644,019	644,738	535,173	337,402	123,280			249,101
Unallocated depreciation and other expenses	985,141	1,788,753	301,107	266,318	228,752	232,792	244,769	270,621	231,702	243,823
Total governmental activities expenses	102,719,902	107,241,351	105,178,763	103,776,333	102,651,736	101,834,148	99,264,157	103,452,992	101,634,857	105,358,357
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	577,487	531,783	503,645	391,364	377,149	334,172	293,976	346,634	382,589	382,156
Food service operations	1,173,971	1,102,205	952,409	894,109	786,979	749,548	663,209	585,734	547,497	509,233
Operating grants and contributions	73,216,823	74,066,266	70,672,931	72,330,693	72,127,662	69,263,558	71,892,094	72,773,169	76,184,510	76,669,919
Capital grants and contributions	8,842,505	982,501				3,093,618	2,119,430		579,228	149,761
Total governmental activities program revenues	83,810,786	76,682,755	72,128,985	73,616,166	73,291,790	73,440,896	74,968,709	73,705,537	77,693,824	77,711,069
Net (Expense) Revenue										
Governmental activities	(18,909,116)	(30,558,596)	(33,049,778)	(30,160,167)	(29,359,946)	(28,393,252)	(24,295,448)	(29,747,455)	(23,941,033)	(27,647,288)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	26,364,301	26,890,762	27,063,701	27,434,435	26,111,674	26,660,363	25,567,376	26,841,369	26,035,024	26,108,637
Special Purpose Local Option Sales Taxes	9,101,483	9,447,388	7,910,893	8,479,090	8,243,365	8,706,803	8,450,570	8,285,565	8,596,211	8,818,726
Investment earnings	1,706,358	1,861,304	520,363	117,706	72,348	31,392	7,457	22,898	34,457	86,916
Gain on sale of fixed assets				613,986	21,138	159,823	283,113	29,155	75,915	14,303
Miscellaneous	168,151	272,814	820,844	367,185	731,901	474,111	607,417			
Total general revenues and other changes in net position - governmental activities	37,340,293	38,472,268	36,315,801	37,012,402	35,180,426	36,032,492	34,915,933	35,178,987	34,741,607	35,028,582
Change in Net Position	$18,431,177	$7,913,672	$3,266,023	$6,852,235	$5,820,480	$7,639,240	$10,620,485	$5,431,532	$10,800,574	$7,381,294

Griffin-Spalding County School System
Fund Balances, Governmental Funds
Last Ten Fiscal Years

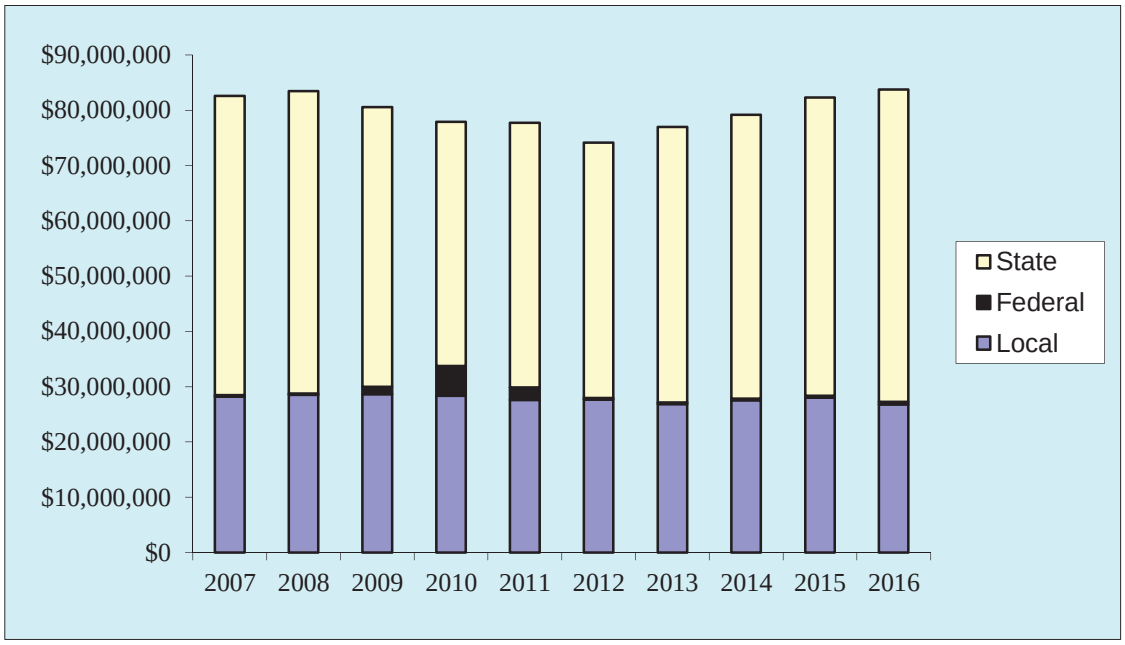
	2007	2008	2009	2010	2011 [1]	2012	2013	2014	2015	2016
General Fund										
Reserved	$559,813									
Unreserved	$10,870,654	$10,668,058	$8,992,617	$9,223,538						
Committed to:										
Risk Management					$366,497	$409,223	$428,995	$444,070	$334,926	$348,175
Assigned to:										
Subsequent period expenditures					$3,125,760		$400,693			
Unassigned					$6,630,770	$8,222,547	$11,487,321	$12,448,015	$14,423,807	$16,646,486
Total general fund	$11,430,467	$10,668,058	$8,992,617	$9,223,538	$10,123,027	$8,631,770	$12,317,009	$12,892,085	$14,758,733	$16,994,661
All Other Governmental Funds										
Reserved	$29,031,485	$25,556,483	$20,615,060	$23,120,078						
Unreserved, reported in:										
Debt service funds										
Capital projects funds										
Special revenue funds	1,363,033	1,581,875	1,539,589	1,924,775						
Nonspendable					1,358,704	1,264,789	1,183,886	1,159,714	1,266,522	1,278,930
Restricted for:										
Debt service funds					3,832,266	4,954,100	605			283,916
Capital projects funds					15,239,012	14,516,860	19,060,913	22,637,265	21,480,389	31,030,582
Continuation of federal and state programs					1,021,787	978,601	1,027,880	1,061,959	1,215,734	1,010,275
Committed to:										
School activity funds and other programs					905,857	943,830	993,205	958,252	998,146	963,413
Assigned to:										
Permanent funds					86,126	88,606	79,366	80,833	80,433	78,613
Capital projects funds					662,008	737,514	654,914	800,518	901,543	885,313
Unassigned					(7,061)					
Total all other governmental funds	$30,394,518	$27,138,358	$22,154,649	$25,044,853	$23,098,699	$23,484,300	$23,000,769	$26,698,541	$25,942,767	$35,531,042

[1] First year of implementation of GASB Statement No. 54.

Griffin-Spalding County School System
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
State Funds	$68,229,616	$61,403,329	$56,051,777	$49,449,766	$53,242,210	$54,158,030	$57,015,876	$56,516,224	$59,861,710	$62,018,558
Federal Funds	11,525,217	11,468,651	12,387,424	20,640,398	16,691,914	16,165,493	14,609,040	13,992,709	13,994,514	12,927,458
Local and Other Funds	41,390,774	42,283,043	40,002,330	40,015,559	38,846,616	39,167,672	37,875,737	38,257,965	39,046,240	38,067,891
Total Revenues	121,145,607	115,155,023	108,441,531	110,105,723	108,780,740	109,491,195	109,500,653	108,766,898	112,902,464	113,013,907
Expenditures										
Current operating										
Instruction	64,194,862	65,827,975	63,930,654	63,487,687	61,224,513	61,049,695	58,259,041	60,249,928	61,212,322	60,524,508
Support Services										
Pupil Services	2,535,688	2,850,621	3,010,605	3,041,075	3,155,458	2,650,382	2,367,075	2,459,659	2,485,603	2,744,447
Improvement of Instructional Services	3,988,732	4,056,132	3,918,482	3,641,134	4,583,898	4,878,330	4,259,348	3,784,362	4,471,213	4,875,616
Educational Media Services	1,997,469	1,987,827	1,889,175	1,899,632	1,850,640	1,671,982	1,442,319	1,483,960	1,525,756	1,528,079
General and School Administration	7,517,259	8,354,596	8,466,181	8,159,136	8,320,708	8,287,053	8,095,367	8,339,489	8,774,022	9,414,878
Business Administration	442,411	455,536	470,007	421,419	330,052	335,644	348,784	386,548	384,124	417,103
Maintenance and Operations of Plant	7,968,967	8,402,192	8,340,576	8,575,642	7,997,423	7,757,671	7,976,520	8,745,331	8,141,627	8,170,130
Student Transportation Services	3,444,101	3,401,255	3,358,858	3,352,294	3,530,820	4,180,543	4,342,653	5,383,792	5,304,096	5,167,386
Central Support Services	1,375,379	1,696,278	1,318,323	1,146,642	1,158,270	1,171,163	1,250,969	1,472,731	1,606,199	1,861,594
Other Support Services	1,194,036	903,268	1,318,393	1,247,689	1,309,216	1,011,001	1,181,099	1,209,923	1,347,676	1,232,454
Food Services Operations	5,197,001	5,278,862	5,434,491	5,554,164	5,652,494	6,033,570	5,830,828	6,078,352	6,055,545	6,260,483
Community Services Operations	137,175	147,285	161,947	152,963	149,722	132,624	126,811	128,120	134,392	164,403
Other Operations of Non-Instructional Services										
Debt Service										
Principal Retirement	5,937,681	6,300,671	296,560	298,515	4,687,021	4,866,084	4,928,832			
Interest and Fiscal Charges	401,996	668,075	644,019	644,738	535,173	337,402	123,280			446,083
Capital Outlay	12,914,140	9,386,875	12,835,870	5,643,587	5,423,135	6,467,491	6,109,132	4,917,055	10,534,389	13,541,664
Total Expenditures	119,246,897	119,717,448	115,394,141	107,266,317	109,908,543	110,830,635	106,642,058	104,639,250	111,976,964	116,348,828
Excess (Deficiency) of Revenues over (under) expenditures	1,898,710	(4,562,425)	(6,952,610)	2,839,406	(1,127,803)	(1,339,440)	2,858,595	4,127,648	925,500	(3,334,921)
Other Financing Sources (Uses)										
Proceeds from issuance of bonds	14,000,000									13,370,000
Premium on issuance of bonds	286,623									1,774,821
Capital Leases		543,856	293,460							
Proceeds from sale of assets	5,473			281,719	81,138	233,784	343,113	145,200	185,374	14,303
Operating Transfers In	1,014,676	6,369,874	4,144	25,210		8,698	47,444	153,320	166,218	123,607
Operating Transfers Out	(1,014,676)	(6,369,874)	(4,144)	(25,210)		(8,698)	(47,444)	(153,320)	(166,218)	(123,607)
Total Other Financing Sources (Uses)	14,292,096	543,856	293,460	281,719	81,138	233,784	343,113	145,200	185,374	15,159,124
Net change in fund balance	$16,190,806	($4,018,569)	($6,659,150)	$3,121,125	($1,046,665)	($1,105,656)	$3,201,708	$4,272,848	$1,110,874	$11,824,203
Debt service as a percentage of noncapital expenditures	5.96%	6.32%	0.92%	0.93%	5.00%	4.99%	5.03%	0.00%	0.00%	0.43%

Griffin-Spalding County School System
Revenues by Source, Last Ten Fiscal Years
General Fund



Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
2007	28,196,293	54,101,688	297,488	82,595,469
2008	28,496,743	54,736,244	243,312	83,476,299
2009	28,645,732	50,576,790	1,342,194	80,564,716
2010	28,373,970	44,123,199	5,379,059	77,876,228
2011	27,608,225	47,914,514	2,232,918	77,755,657
2012	27,673,947	46,155,540	300,250	74,129,737
2013	26,843,508	49,837,533	306,186	76,987,227
2014	27,530,900	51,380,415	283,899	79,195,214
2015	27,985,727	53,982,459	348,721	82,316,907
2016	26,808,279	56,521,227	443,798	83,773,304

Griffin-Spalding County School System
Percentage Change in Revenues by Source, Last Ten Fiscal Years
General Fund

Total Dollars

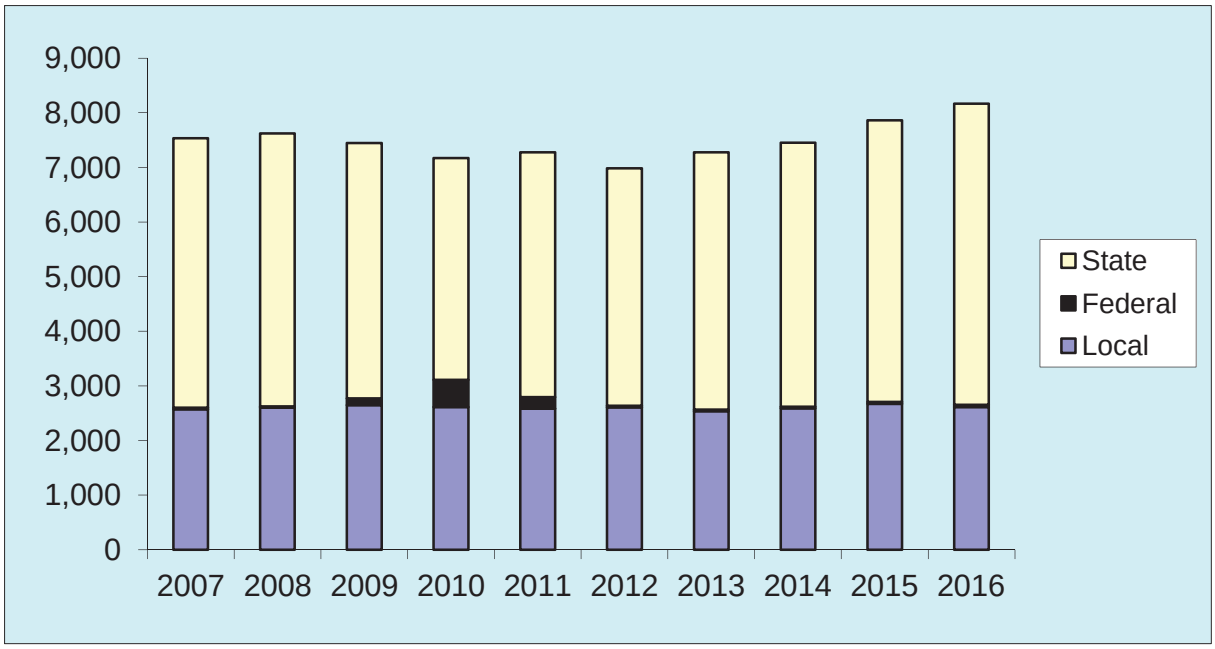
Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
2007	28,196,293	54,101,688	297,488	82,595,469
2008	28,496,743	54,736,244	243,312	83,476,299
2009	28,645,732	50,576,790	1,342,194	80,564,716
2010	28,373,970	44,123,199	5,379,059	77,876,228
2011	27,608,225	47,914,514	2,232,918	77,755,657
2012	27,673,947	46,155,540	300,250	74,129,737
2013	26,843,508	49,837,533	306,186	76,987,227
2014	27,530,900	51,380,415	283,899	79,195,214
2015	27,985,727	53,982,459	348,721	82,316,907
2016	26,808,279	56,521,227	443,798	83,773,304
Percentage Change [1]	**-4.9%**	**4.5%**	**49.2%**	**1.4%**

Percentage of Dollars

Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
2007	34.14%	65.50%	0.36%	100.0%
2008	34.14%	65.57%	0.29%	100.0%
2009	35.55%	62.78%	1.67%	100.0%
2010	36.43%	56.66%	6.91%	100.0%
2011	35.51%	61.62%	2.87%	100.0%
2012	37.33%	62.26%	0.41%	100.0%
2013	34.86%	64.73%	0.40%	100.0%
2014	34.76%	64.88%	0.36%	100.0%
2015	34.00%	65.58%	0.42%	100.0%
2016	32.00%	67.47%	0.53%	100.0%

[1]Percentage change computed by using the following formula:
(2016 revenue/2007 revenue)-1 = percentage change

Griffin-Spalding County School System
Per Pupil Revenues by Source, Last Ten Fiscal Years
General Fund



Year Ended June 30	Total Revenues	Student Enrollment [1]	Per Pupil Local & Other Funds	Per Pupil State Funds	Per Pupil Federal Funds	Per Pupil Total Revenues [2]
2007	82,595,469	10,967	2,571	4,934	27	7,531
2008	83,476,319	10,953	2,602	4,997	22	7,621
2009	80,564,716	10,823	2,646	4,673	124	7,444
2010	77,876,228	10,860	2,613	4,063	495	7,171
2011	77,755,657	10,685	2,584	4,484	209	7,277
2012	74,129,737	10,614	2,607	4,349	28	6,984
2013	76,987,227	10,582	2,536	4,710	29	7,275
2014	79,195,214	10,626	2,591	4,835	27	7,453
2015	82,316,907	10,474	2,672	5,154	33	7,859
2016	83,773,304	10,261	2,613	5,508	43	8,164
Percentage Change [3]	1.4%	-6.4%	1.6%	11.6%	59.4%	8.4%

[1] Student enrollment figures are taken from fall enrollment (October 1) reports.

[2] Revenues restated on a per pupil basis by using the following formula:

Revenue/current enrollment = per pupil revenue

[3] Percentage change computed by using the following formula:

(2016 revenue/2007 revenue)-1 = percentage change

Griffin-Spalding County School System
Assessed Value and Actual Value of Taxable Property,
Last Ten Calendar Years

Set forth below is information concerning the assessed (40% of fair market value) and estimated actual (fair market) value of taxable property within the District for the last ten years.

		Assessed Values									
Calendar Year	Millage Rate	Real & Personal Property	Public Utilities	Motor Vehicles	Mobile Homes	Gross Tax Digest	Bond Exemptions	General Obligation Bonds Tax Digest[1]	Maintenance & Operation Exemptions	Maintenance & Operation Tax Digest[2]	Estimated Actual Value
2006	18.82	1,423,109,722	29,564,396	116,185,470	2,282,951	1,571,142,539	123,840,983	1,447,301,556	174,886,694	1,396,255,845	3,927,856,348
2007	18.81	1,505,681,286	30,847,807	125,665,010	2,286,459	1,664,480,562	157,845,895	1,506,634,667	211,020,027	1,453,460,535	4,161,201,405
2008	18.80	1,536,597,246	28,045,755	128,525,790	2,165,173	1,695,333,964	149,990,795	1,545,343,169	203,265,241	1,492,068,723	4,238,334,910
2009	18.80	1,535,803,959	30,632,259	133,827,370	2,091,994	1,702,355,582	157,180,465	1,545,175,117	213,342,187	1,489,013,395	4,255,888,955
2010	18.80	1,535,823,213	26,487,026	115,267,630	1,945,727	1,679,523,596	122,376,559	1,557,147,037	216,690,191	1,462,833,405	4,198,808,990
2011	19.06	1,511,231,094	31,294,800	113,708,460	1,831,893	1,658,066,247	147,310,052	1,510,756,195	246,727,800	1,411,338,447	4,145,165,618
2012	19.47	1,462,533,127	34,640,971	119,331,500	1,737,824	1,618,243,422	149,965,965	1,468,277,457	248,484,241	1,369,759,181	4,045,608,555
2013	19.47	1,445,747,006	34,269,621	124,174,530	1,645,629	1,605,836,786	120,465,804	1,485,370,982	223,127,568	1,382,709,218	4,014,591,965
2014	19.47	1,430,057,323	33,809,411	104,295,620	2,275,598	1,570,437,952	130,528,110	1,439,909,842	236,423,353	1,334,014,599	3,926,094,880
2015	18.74	1,487,458,607	33,811,678	77,650,790	2,168,548	1,601,089,623	137,073,427	1,464,016,196	244,984,605	1,356,105,018	4,002,724,058

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

[2]Total assessed value, after deducting exemptions, for purposes of levying tax for the support and maintenance of the System's school system.

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

Griffin-Spalding County School System
Millage Rates of the District
Last Ten Calendar Years

Set forth below is information concerting the rate of levy of property taxes per $1,000 of assessed value, or millage rates, of the School System and all overlapping governments for the last ten calendar years.

	School System										
Calendar Year	Support and Maintenance	Legal Limit	Debt Service	Total	Spalding County [1]	Fire District	State of Georgia	County-wide Total	City of Griffin	City of Orchard Hill	City of Sunny-Side
2006	18.82	20.00	0	18.82	13.39	3.04	0.25	35.50	8.63	4.95	4.36
2007	18.81	20.00	0	18.81	13.89	3.04	0.25	35.99	8.60	4.95	4.36
2008	18.80	20.00	0	18.80	13.88	3.03	0.25	35.96	8.60	4.95	4.36
2009	18.80	20.00	0	18.80	14.88	3.23	0.25	37.16	8.60	4.95	4.36
2010	18.80	20.00	0	18.80	14.81	4.17	0.25	38.03	8.64	4.95	4.29
2011	19.06	20.00	0	19.06	15.01	4.17	0.25	38.49	8.64	4.95	4.29
2012	19.47	20.00	0	19.47	15.01	4.17	0.20	38.85	8.64	4.95	4.08
2013	19.47	20.00	0	19.47	16.01	4.17	0.15	39.80	8.61	6.31	5.00
2014	19.47	20.00	0	19.47	16.01	4.17	0.10	39.75	8.40	6.31	5.00
2015	18.74	20.00	0	18.74	16.01	4.17	0.05	38.97	7.89	6.31	5.00

[1] Represents the millage rate for the unincoporated areas of Spalding County. The millage rate for the incorporated areas of Spalding County for calendar year 2015 was 16.01.

Source: Spalding County Tax Commissioner

Griffin-Spalding County School System
Principal Property Tax Payers,
Current Year and Nine Years Ago

	2016 [1]			2007		
	Taxes Levied	Rank	Percentage of Total Tax Levy [2]	Taxes Levied	Rank	Percentage of Total Tax Levy [3]
Tenet Healthcare Corp.	$329,383	1	1.30%	$198,718	4	0.76%
Caterpillar Inc.	244,976	2	0.97%	351,701	3	1.34%
Norcom	216,015	3	0.85%			
Bandag, Inc.	208,220	4	0.82%			
Coveris Holding Corp .	199,963	5	0.79%			
Walmart Stores	175,102	6	0.69%	163,228	5	0.62%
North Griffin Square	158,364	7	0.62%			
Pulte Homes	155,853	8	0.61%			
AEP Industries	145,981	9	0.58%	134,372	7	0.51%
Kroger	142,605	10	0.56%			
NACOM Corporation				603,943	1	2.30%
Springs Industries, Inc.				384,692	2	1.46%
Ware Industries, Inc.				153,884	6	
Cooper-Standard Automotive				132,971	8	0.51%
Halpern Enterprises				128,473	9	0.49%
Hoshizaki America, Inc.				119,377	10	0.45%
Totals	$1,976,462		6.50%	$2,371,359		7.69%

[1] Represents calendar year 2015 assessed values before bond and maintenance and operation exemptions

[2] Calendar year 2015 total tax levy was $25,353,871

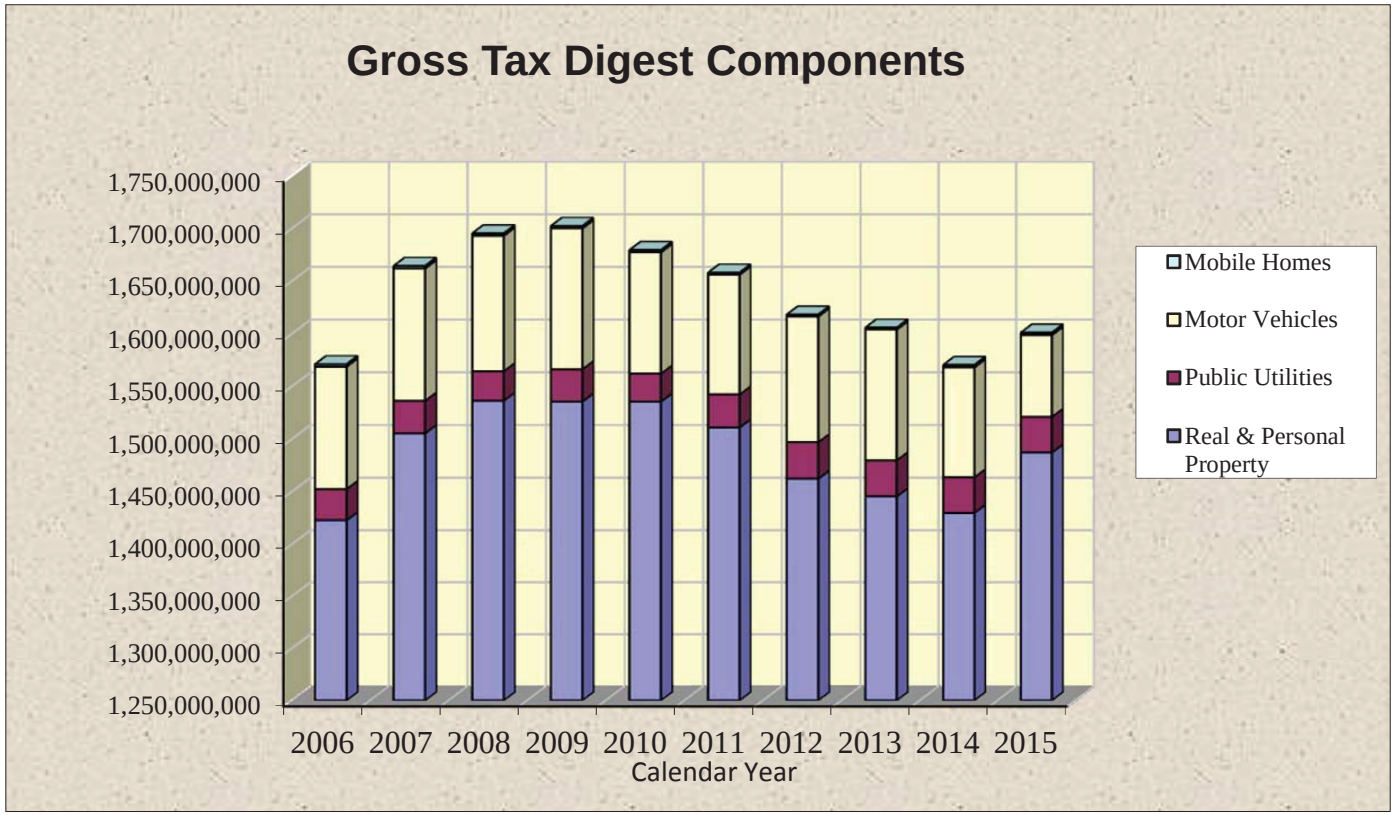
[3] Calendar year 2006 total tax levy was $26,277,535

Source: Spalding County Tax Commissioner

Griffin-Spalding County School System
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	26,277,535	25,627,196	97.53%	577,602	26,204,798	99.72%
2008	27,339,592	26,202,872	95.84%	1,011,711	27,214,583	99.54%
2009	28,050,892	26,475,872	94.39%	1,214,123	27,689,995	98.71%
2010	27,993,452	25,873,304	92.43%	1,542,225	27,415,529	97.94%
2011	27,501,268	25,073,703	91.17%	1,441,660	26,515,363	96.42%
2012	26,900,111	25,098,857	93.30%	1,324,809	26,423,666	98.23%
2013	26,669,211	24,609,215	92.28%	1,442,566	26,051,781	97.68%
2014	26,921,348	24,300,171	90.26%	1,110,176	25,410,347	94.39%
2015	25,973,264	23,590,360	90.83%	617,263	24,207,623	93.20%
2016	25,353,871	23,599,123	93.08%		23,599,123	93.08%

Source: Spalding County Tax Commissioner


Gross Tax Digest Components
1,750,000,000
1,700,000,000
1,650,000,000
1,600,000,000
1,550,000,000
1,500,000,000
1,450,000,000
1,400,000,000
1,350,000,000
1,300,000,000
1,250,000,000
2006 2007 2008 2009 2010 2011 2012 2013 2014 2015
Calendar Year
Mobile Homes
Motor Vehicles
Public Utilities
Real & Personal Property

Griffin-Spalding County School System
Ratio of Annual Debt Service to Total Governmental Fund Expenditures
Last Ten Fiscal Years

Year Ended June 30	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service to Governmental Fund Expenditures
2007	5,937,681	401,996	6,339,677	119,246,897	5.32%
2008	6,300,671	668,075	6,968,746	119,717,448	5.82%
2009	296,560	644,019	940,579	115,394,141	0.82%
2010	298,515	644,738	943,253	107,266,317	0.88%
2011	4,687,021	535,173	5,222,194	109,908,542	4.75%
2012	4,866,084	337,402	5,203,486	110,830,635	4.69%
2013	4,928,832	123,280	5,052,112	106,642,058	4.74%
2014	0	0	0	104,639,250	0.00%
2015	0	0	0	111,976,964	0.00%
2016	0	446,083	446,083	116,348,828	0.38%

Griffin-Spalding County School System
Ratio of Net Bonded Debt to Estimated Actual Value
and General Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year Ended June 30	Estimated Population[1]	Estimated Actual Value	General Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2007	62,232	3,927,856,348	20,005,000	12,146,215	7,858,785	0.20%	126.28
2008	63,056	4,161,201,405	14,232,028	9,079,722	5,152,306	0.12%	81.71
2009	63,651	4,238,334,910	14,177,433	8,679,188	5,498,245	0.13%	86.38
2010	64,135	4,255,888,955	14,122,838	8,092,803	6,030,035	0.14%	94.02
2011	64,073	4,198,808,990	9,573,243	3,832,266	5,740,977	0.14%	89.60
2012	64,033	4,145,165,593	4,853,649	4,954,100	(100,451)	0.00%	(1.57)
2013	63,865	4,045,608,555	0	605	(605)	0.00%	(0.01)
2014	63,829	4,014,591,965	0	0	0	0.00%	-
2015	63,988	3,926,094,880	0	0	0	0.00%	-
2016	64,051	4,002,724,058	14,806,760	283,916	14,522,844	0.36%	226.74

[1] *Source: Bureau of Economic Analysis (Revised) and US Census Bureau*

Griffin-Spalding County School System
Outstanding Debt, By Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities		Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
	General Obligation Bonds	Capital Lease Obligations			
2007	20,005,000	535,371	20,540,371	1.27%	331.45
2008	14,000,000	783,558	14,783,558	0.88%	235.85
2009	14,000,000	780,457	14,780,457	0.87%	232.21
2010	14,000,000	481,943	14,481,943	0.84%	225.80
2011	9,505,000	289,922	9,794,922	0.57%	152.84
2012	4,840,000	88,838	4,928,838	0.28%	76.87
2013	0	0	0	0.00%	0.00
2014	0	0	0	0.00%	0.00
2015	0	0	0	0.00%	0.00
2016	13,370,000	0	13,370,000	0.69%	208.74

Note: Details regarding the System's outstanding debt can be found in the notes to the financial statements.

[1]See the Schedule of Demographic and Economic Statistics for personal income and population data. The Bureau of Economic Analysis revised estimates for years 2001-2013 in November 2014.

Griffin-Spalding County School System
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016

Governmental Unit	Debt Outstanding	Percentage Applicable	Share of Overlapping Debt
Debt repaid with property taxes:			
Spalding County:			
General obligation bonds	$8,800,000		
Certificates of participation	2,500,000		
Intergovernmental Contracts	3,315,000		
City of Griffin:			
General obligation bonds	11,484,304		
Capital leases	408,940		
Intergovernmental Contracts	3,315,000		
Sub-total, overlapping debt	$29,823,244	100%	$29,823,244
Direct:			
Griffin-Spalding County School System:			
General obligation bonds	$13,370,000		
Sub-total, direct debt	$13,370,000	100%	$13,370,000
Total, overlapping and direct debt			$43,193,244

Notes:
In addition to the System's debt obligations, property owners in the System are responsible for certain debt obligations of other taxing entities in the proportion to which the jurisdiction of the System overlaps such entities. Set forth below is the estimated overlapping general obligation debt and estimated overlapping property tax supported or guaranteed revenue debt of the System as of June 30, 2016. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the municipality/authority's taxable assessed value that is within the School System's boundaries and dividing it by the municipality/authority's total taxable assessed value. Although the System has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others.

Source: Spalding County, GA and City of Griffin, GA

Griffin-Spalding County School System
Legal Debt Margin
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Value of Taxable Property	$1,447,301,556	$1,506,634,667	$1,545,343,169	$1,545,175,117	$1,524,221,716	$1,510,756,185	$1,468,277,457	$1,485,370,982	$1,439,909,842	$1,464,016,196
Debt Limit (10% of Assessed Value)	$144,730,156	$150,663,467	$154,534,317	$154,517,512	$152,422,172	$151,075,619	$146,827,746	$148,537,098	$143,990,984	$146,401,620
Amount of Debt Applicable To Debt Limit	20,005,000	14,000,000	14,000,000	14,000,000	9,505,000	4,840,000	0	0	0	13,370,000
Legal Debt Margin	$124,725,156	$136,663,467	$140,534,317	$140,517,512	$142,917,172	$146,235,619	$146,827,746	$148,537,098	$143,990,984	$133,031,620
Legal Debt Margin/ Limit Ratio	86.18%	90.71%	90.94%	90.94%	93.76%	96.80%	100.00%	100.00%	100.00%	90.87%

Notes:
The Constitution of the State of Georgia provides that the System may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of the System voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the System may not incur long-term obligations payable out of general property taxes in excess of 10 percent of the assessed vaule of all taxable property within the System.

Source: Spalding County Tax Commissioner

Griffin-Spalding County School System
Demographics - Population
Latest Census Data

Population	Spalding County
Population, 2015 est.	64,051
Population, 2010	64,073
Population, percent change, 2010 to 2015	-0.03%
Population, 2000	58,417
Population, percent change, 2000 to 2010	9.7%
Population, percent change, 1990 to 2000	7.3%
Persons under 5 years old, percent, 2015	6.6%
Persons under 18 years old, percent, 2015	24.2%
Persons 65 years old and over, percent, 2015	16.6%
Female persons, percent, 2015	51.7%
White persons, percent, 2015 (a)	63.2%
Black or African American persons, percent, 2015 (a)	33.6%
American Indian and Alaska Native persons, percent, 2015 (a)	0.3%
Asian persons, percent, 2015 (a)	0.9%
Native Hawaiian and Other Pacific Islander, percent, 2015 (a)	0.1%
Persons reporting two or more races, percent, 2015	1.8%
White persons, not of Hispanic/Latino origin, percent, 2015	59.6%
Persons of Hispanic or Latino origin, percent, 2015 (b)	4.5%
Living in same house 1 year & over, 2010-2014	84.9%
Foreign born persons, percent, 2010-2014	3.4%
Language other than English spoken at home, pct age 5+, 2010-2014	5.2%
High school graduates, percent of persons age 25+, 2010-2014	77.3%
Bachelor's degree or higher, pct of persons age 25+, 2010-2014	15.2%
Veterans, 2010-2014	4,982
Mean travel time to work (minutes), workers age 16+, 2009-2013	28.6

Griffin-Spalding County School System
Demographics - Housing, Business & Industry, and Geography
Latest Census Data (Continued)

Housing

Housing units, 2015	27,063
Homeownership rate, 2010-2014	62.0%
Median value of owner-occupied housing units, 2010-2014	$114,600
Households, 2010-2014	23,013
Persons per household, 2010-2014	2.73
Median household income, 2010-2014	$40,243
Persons below poverty, percent, 2010-2014	27.4%

Business & Industry

Unemployment rate, 2015 annual average	7.8%
Nonemployer establishments, 2014	4,855
Manufacturers shipments, 2012 ($1000)	2,404,744
Retail sales, 2012 ($1000)	638,821
Retail sales per capita, 2012	$10,003
Women-owned firms, percent of total, 2012	40.0%
Building permits, 2014	141

Geography

Land area, 2010 (square miles)	196.47
Persons per square mile, 2010	326.1
FIPS Code	255
Metropolitan or Micropolitan Statistical Area	Atlanta, GA Metro Area

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

Z: Value greater than zero but less than half unit of measure shown

Source: US Census Bureau State & County QuickFacts
Source: Griffin-Spalding Chamber of Commerce
Source: Bureau of Labor Statistics

Griffin-Spalding County School System
Demographics - Income Statistics
Latest Three Years Available

Income	2012	2013	2014
Personal income ($000)	$1,834,854	$1,859,601	$1,936,518
Net earnings	998,090	992,025	1,039,639
Personal current transfer receipts	560,705	587,917	605,602
Income maintenance	90,987	92,761	88,270
Unemployment insurance compensation	14,268	10,153	4,210
Retirement and other	455,450	485,003	513,122
Dividends, interest, and rent	276,059	279,659	291,277
Population (persons) [1]	63,799	63,741	63,988
Per capita personal income	28,760	29,174	30,264
Per capita net earnings	15,644	15,563	16,247
Per capita personal current transfer receipts	8,789	9,224	9,464
Per capita income maintenance	1,426	1,455	1,379
Per capita unemployment insurance benefits	224	159	66
Per capita retirement and other	7,139	7,609	8,019
Per capita dividends, interest, and rent	4,327	4,387	4,552
Earnings by place of work ($000)	1,075,521	1,062,565	1,093,677
Wage and salary disbursements	770,886	751,108	774,861
Supplements to wages and salaries	214,360	224,564	227,461
Employer contributions for employee pension and insurance funds	157,620	169,166	171,077
Employer contributions for government social insurance	56,740	55,398	56,384
Proprietors' income	90,275	86,893	91,355
Nonfarm proprietors' income	92,397	88,529	93,094
Farm proprietors' income	-2,122	-1,636	-1,739
Total full-time and part-time employment	29,766	29,275	29,647
Wage and salary jobs	22,412	21,978	22,253
Number of proprietors	7,354	7,297	7,394
Number of nonfarm proprietors	7,129	7,074	7,176
Number of farm proprietors	225	223	218
Average earnings per job (dollars)	36,133	36,296	36,890
Average wage and salary disbursements	34,396	34,175	34,821
Average nonfarm proprietors' income	12,961	12,515	12,973

[1] Population estimates used by the Bureau of Economic Analysis (BEA) are different from the estimates used by the Census. BEA population data is as of March 2015.

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce - Table CA30
The Bureau of Economic Analysis revised estimates for years 2001-2013 in November 2014. The amounts reflected in this table are the revised numbers. The figures provided are the latest available.

Griffin-Spalding County School System
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population[1]	Personal Income[1]	Per Capita Personal Income[1]	School Enrollment[2]	Unemployment Rate[3]
2007	61,971	1,678,278	27,082	10,967	6.30%
2008	62,682	1,708,085	27,250	10,953	5.40%
2009	63,651	1,734,138	27,244	10,823	5.80%
2010	64,135	1,728,433	26,950	10,860	8.50%
2011	64,085	1,743,433	27,205	10,685	13.00%
2012	64,118	1,856,770	28,959	10,614	12.80%
2013	63,799	1,834,854	28,760	10,582	11.30%
2014	63,741	1,859,601	29,174	10,626	10.70%
2015	63,988	1,936,518	30,264	10,474	9.50%
2016	64,051	N/A	N/A	10,261	7.80%

Data Sources:

(1) Bureau of Economic Analysis: Regional Economic Accounts and U.S. Census Bureau

(2) Spalding County Board of Education

(3) U.S. Bureau of Labor Statistics

Griffin-Spalding County School System
Principal Employers
Current Year and Nine Years Ago

		2016			2007		
Employer	Industry	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Griffin-Spalding County School System[2]	Education	1,457	1	6.59 %	1,679	1	6.02 %
Caterpillar, Inc.	Automotive generators	900	2	4.07	780	3	
Spalding Regional Medical Center	Healthcare	900	3	4.07	1,000	2	3.58
CareMaster Medical	Home Nursing	600	4	2.71			
Spalding County	Government	553	5	2.50	529	5	1.90
City of Griffin	Government	470	6	2.12	477	6	1.71
University of Georgia Griffin Campus	Agricultural research	405	7	1.83	300	10	1.07
1888 Mills/Southern Terry	Terry cloth towels	375	8	1.70	400	8	1.43
Southern Crescent Technical College	Education	360	9	1.63	366	9	1.31
Norcom	School supplies	280	10	1.27			
Springs Industries	Finished cotton goods				600	4	2.15
NACOM Corporation	Automotive electronics				440	7	1.58
		6,300		28.47 %	6,571		23.54 %

Source: Griffin-Spalding Development Authority

Griffin-Spalding County School System
Employees of the District
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Classroom Teachers	806	804	806	749	749	717	673	657	674	658
Media Specialists,Counselors Psychologists, and Social Worker	52	53	54	52	50	53	49	51	51	51
Administrators and Supervisors	64	65	66	64	64	62	55	55	60	65
Professional/Technical Support	42	51	51	51	51	51	51	43	57	53
Paraprofessionals, Clerical, Other	317	321	321	316	310	270	277	268	255	277
Maintenance, Transportation, Custodians, and School Food Service	373	385	387	376	352	359	350	345	360	351
	1,654	1,679	1,685	1,608	1,576	1,512	1,455	1,419	1,457	1,455

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
General Fund Operating Statistics, Pupil/Teacher Ratio
Last Ten Fiscal Years

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Student Attendance Percentage
2007	80,861,258	10,967	7,373	6.66%	806	13.61	94.82
2008	84,233,224	10,953	7,690	4.30%	804	13.62	95.05
2009	82,236,013	10,823	7,598	-1.20%	806	13.43	95.40
2010	77,701,816	10,860	7,155	-5.84%	749	14.50	95.50
2011	76,877,306	10,685	7,195	0.56%	749	14.27	96.38
2012	75,770,980	10,614	7,139	-0.78%	717	14.80	95.39
2013	73,537,657	10,582	6,949	-2.65%	673	15.72	97.46
2014	78,467,423	10,626	7,384	6.26%	657	16.17	95.36
2015	80,290,395	10,474	7,666	3.81%	674	15.54	95.64
2016	81,428,072	10,261	7,936	3.52%	658	15.59	97.49

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Anne Street Elementary (1948)										
Square Feet	40,113	40,113	40,113	40,113	40,113	40,113	40,113	40,113	40,113	40,113
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	452	426	445	442	428	458	447	487	453	428
Percentage of Capacity used	100.4%	94.7%	98.9%	98.2%	95.1%	101.8%	99.3%	108.2%	100.7%	95.1%
Atkinson Elementary (1964)										
Square Feet	53,936	53,936	53,936	53,936	53,936	53,936	53,936	53,936	53,936	53,936
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	476	445	455	446	459	465	448	427	457	450
Percentage of Capacity used	105.8%	98.9%	101.1%	99.1%	102.0%	103.3%	99.6%	94.9%	101.6%	100.0%
Beaverbrook Elementary (1964)										
Square Feet	55,222	55,222	55,222	55,222	55,222	55,222	55,222	55,222	55,222	55,222
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	502	463	457	458	466	426	429	464	431	371
Percentage of Capacity used	111.6%	102.9%	101.6%	101.8%	103.6%	94.7%	95.3%	103.1%	95.8%	82.4%
Cowan Road Elementary (1991)										
Square Feet	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986
Capacity (students)	650	650	650	650	650	650	650	650	650	650
Enrollment	656	698	672	663	663	584	627	631	633	616
Percentage of Capacity used	100.9%	107.4%	103.4%	102.0%	102.0%	89.8%	96.5%	97.1%	97.4%	94.8%
Crescent Elementary (1955)										
Square Feet	48,696	48,696	48,696	48,696	48,696	48,696	48,696	48,696	48,696	48,696
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	421	421	412	404	424	415	441	442	465	423
Percentage of Capacity used	93.6%	93.6%	91.6%	89.8%	94.2%	92.2%	98.0%	98.2%	103.3%	94.0%

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Futral Road Elementary (1998)										
Square Feet	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	78,760
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	634	696	672	708	695	725	635	644	648	616
Percentage of Capacity used	120.8%	132.6%	128.0%	134.9%	132.4%	138.1%	121.0%	122.7%	123.4%	117.3%
Jackson Road Elementary (1970)										
Square Feet	58,729	58,729	58,729	58,729	58,729	58,729	58,729	58,729	58,729	66,121
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	476	525	500	507	474	464	456	467	438	423
Percentage of Capacity used	105.8%	116.7%	111.1%	112.7%	105.3%	103.1%	101.3%	103.8%	97.3%	94.0%
Jordan Hill Elementary (1994)										
Square Feet	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986
Capacity (students)	650	650	650	650	650	650	650	650	650	650
Enrollment	437	437	443	480	446	442	455	470	481	487
Percentage of Capacity used	67.2%	67.2%	68.2%	73.8%	68.6%	68.0%	70.0%	72.3%	74.0%	74.9%
Moore Elementary (1950)										
Square Feet	47,190	47,190	47,190	47,190	47,190	47,190	47,190	47,190	47,190	47,190
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	364	395	368	395	363	354	375	367	367	367
Percentage of Capacity used	80.9%	87.8%	81.8%	87.8%	80.7%	78.7%	83.3%	81.6%	81.6%	81.6%
Moreland Road Elementary (2006)										
Square Feet	67,852	67,852	67,852	67,852	67,852	67,852	67,852	67,852	67,852	67,852
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	496	561	567	537	558	558	560	541	515	546
Percentage of Capacity used	90.2%	102.0%	103.1%	97.6%	101.5%	101.5%	101.8%	98.4%	93.6%	99.3%

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Orrs Elementary (1962)										
Square Feet	63,117	63,117	63,117	63,117	63,117	63,117	63,117	63,117	63,117	63,117
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	610	622	615	638	637	647	664	661	623	598
Percentage of Capacity used	90.4%	92.1%	91.1%	94.5%	94.4%	95.9%	98.4%	97.9%	92.3%	88.6%
Cowan Road Middle School (2000)										
Square Feet	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	99,529
Capacity (students)	685	685	685	685	685	685	685	685	685	685
Enrollment	689	612	611	564	568	600	612	598	594	567
Percentage of Capacity used	100.6%	89.3%	89.2%	82.3%	82.9%	87.6%	89.3%	87.3%	86.7%	82.8%
Flynt Street Middle School (1925)										
Square Feet	95,972	-	-	-	-	-	-	-	-	-
Capacity (students)	650	-	-	-	-	-	-	-	-	-
Enrollment	458	-	-	-	-	-	-	-	-	-
Percentage of Capacity used	70.5%									
Carver Road Middle School (2007)										
Square Feet	-	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024
Capacity (students)	-	725	725	725	725	725	725	725	725	725
Enrollment	-	450	480	492	475	544	482	523	504	523
Percentage of Capacity used		62.1%	66.2%	67.9%	65.5%	75.0%	66.5%	72.1%	69.5%	72.1%
A.Z. Kelsey Middle School (1955)										
Square Feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Percentage of Capacity used										

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Kennedy Road Middle School (2006)										
Square Feet	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024
Capacity (students)	725	725	725	725	725	725	725	725	725	725
Enrollment	565	558	595	564	564	546	532	505	481	466
Percentage of Capacity used	77.9%	77.0%	82.1%	77.8%	77.8%	75.3%	73.4%	69.7%	66.3%	64.3%
Taylor Street Middle School (1949)										
Square Feet	111,884	111,884	111,884	-	-	-	-	-	-	-
Capacity (students)	805	805	805	-	-	-	-	-	-	-
Enrollment	693	609	579	-	-	-	-	-	-	-
Percentage of Capacity used	86.1%	75.7%	71.9%							
Rehoboth Road Middle School (2009)										
Square Feet	-	-	-	104,024	104,024	104,024	104,024	104,024	104,024	104,024
Capacity (students)	-	-	-	725	725	725	725	725	725	725
Enrollment	-	-	-	638	703	715	726	725	672	663
Percentage of Capacity used				88.0%	97.0%	98.6%	100.1%	100.0%	92.7%	91.4%
A.Z. Kelsey Academy (2007)										
Square Feet	-	71,403	71,403	71,403	71,403	71,403	71,403	71,403	71,403	71,403
Capacity (students)	-	625	625	625	625	625	625	625	625	625
Enrollment	-	72	82	112	104	119	90	80	59	60
Percentage of Capacity used		11.5%	13.1%	17.9%	16.6%	19.0%	14.4%	12.8%	9.4%	9.6%
Griffin High School (1986)										
Square Feet	309,989	309,989	309,989	309,989	309,989	309,989	309,989	309,989	309,989	309,989
Capacity (students)	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Enrollment	1,705	1,596	1,526	1,437	1,372	1,304	1,342	1,356	1,419	1,395
Percentage of Capacity used	87.4%	81.8%	78.3%	73.7%	70.4%	66.9%	68.8%	69.5%	72.8%	71.5%

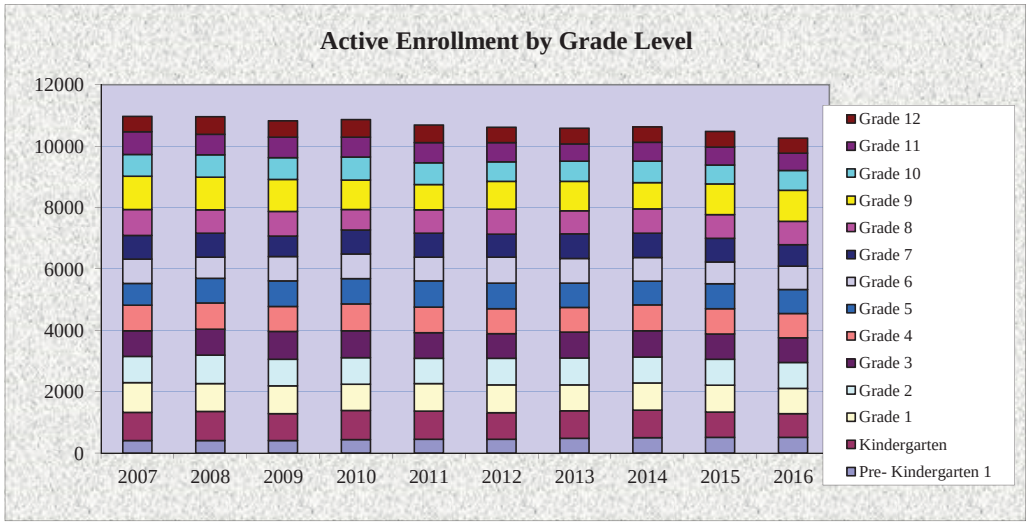
Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Spalding High School (2000)										
Square Feet	175,000	175,000	175,000	205,904	205,904	205,904	205,904	205,904	205,904	205,904
Capacity (students)	1,150	1,150	1,150	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,333	1,367	1,344	1,375	1,286	1,248	1,261	1,238	1,234	1,262
Percentage of Capacity used	115.9%	118.9%	116.9%	85.9%	80.4%	78.0%	78.8%	77.4%	77.1%	78.9%
Central Administration Complex (1970)										
Square Feet	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051
Central Warehouse (2003)										
Square Feet	47,400	47,400	47,400	47,400	47,400	47,400	47,400	47,400	47,400	47,400
Transportation Garage/Warehouse (1964)										
Square Feet	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600
Other Special Purpose Instructional Facilities										
Square Feet	80,729	80,729	80,729	80,729	80,729	80,729	80,729	80,729	80,729	80,729

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
Enrollment Statistics
Last Ten Fiscal Years



Fiscal Year	Pre-Kindergarten [1]	Kindergarten	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total	Spec. Ed. [2]
2007	406	912	974	852	841	831	708	794	767	844	1,090	704	739	505	10,967	1,540
2008	410	943	904	933	847	851	801	690	786	753	1,071	726	664	574	10,953	1,425
2009	406	879	904	867	901	822	827	796	668	801	1,039	714	667	532	10,823	1,227
2010	441	940	856	873	871	878	819	810	783	665	956	748	652	568	10,860	1,126
2011	443	920	894	823	839	834	860	765	783	762	823	711	656	572	10,685	1,052
2012	443	865	911	862	810	814	833	839	753	813	911	630	625	505	10,614	993
2013	478	894	851	870	852	797	795	796	805	751	961	655	562	515	10,582	990
2014	495	898	889	848	856	837	778	764	796	791	854	701	619	500	10,626	969
2015	510	822	880	843	820	830	806	709	777	765	1,004	615	589	504	10,474	1,019
2016	508	777	818	849	798	794	781	766	695	758	1,016	645	566	490	10,261	1,086

[1] Griffin-Spalding County School System established the Pre-Kindergarten in FY1998 using proceeds from the state lottery.

[2] The System includes Special Education students in the appropriate grade level. The "Spec. Ed" column reflects the total number of Special Education sutdents by year for comparative purposes only.

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
Expenditures by Function, Last Ten Fiscal Years
General Fund

	Fiscal Year										Percentage
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Change [1]
Instruction	$54,388,787	$55,932,032	$54,254,887	$50,747,372	$50,219,269	$49,373,663	$47,622,661	$49,529,410	$50,596,029	$50,941,065	-6.3%
Pupil Services	1,041,854	1,350,856	1,396,454	1,218,061	1,323,470	1,323,090	1,283,338	1,522,381	1,554,866	1,658,493	59.2%
Improvement of Instructional Services	1,677,996	1,899,284	2,296,995	1,743,197	1,719,713	1,432,357	1,295,508	1,333,860	2,106,853	2,469,760	47.2%
Educational Media Services	1,988,019	1,985,864	1,888,718	1,894,322	1,845,301	1,656,079	1,440,932	1,483,960	1,525,756	1,528,079	-23.1%
General and School Administration	6,944,711	7,731,609	7,715,544	7,430,511	7,555,194	7,563,984	7,107,099	7,367,102	7,759,713	8,460,692	21.8%
Business Administration	442,411	455,536	456,337	421,419	330,052	335,644	348,784	386,548	384,124	417,103	-5.7%
Maintenance and Operations of Plant	7,929,293	8,370,016	8,311,817	8,566,760	7,966,957	7,726,705	7,884,361	8,720,795	8,124,266	8,147,720	2.8%
Student Transportation Services	3,317,560	3,283,421	3,241,466	3,211,466	3,420,009	4,092,737	4,166,042	5,322,915	5,275,107	4,648,579	40.1%
Central Support Services	1,352,029	1,623,060	1,262,604	1,137,619	1,104,120	1,139,419	1,219,241	1,456,213	1,593,158	1,859,430	37.5%
Other Support Services	810,808	599,275	908,779	715,919	899,754	743,246	888,483	962,370	1,079,136	965,678	19.1%
Food Service Operations	0	0	0	0	0	0	0	69,278	64,269	61,934	100.0%
Community Services Operations	137,175	147,285	161,947	152,963	149,722	132,624	126,811	128,120	134,392	159,403	16.2%
Capital Outlay	536,880	535,074	5,886	127,629	129,707	37,394	59,560	184,471	92,726	110,136	-79.5%
Debt Service	293,735	319,912	334,579	334,578	214,038	214,038	94,837	0	0	0	-100.0%
	$80,861,258	$84,233,224	$82,236,013	$77,701,816	$76,877,306	$75,770,980	$73,537,657	$78,467,423	$80,290,395	$81,428,072	0.7%

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction	67.3%	66.4%	66.0%	65.3%	65.3%	65.2%	64.8%	63.1%	63.0%	62.6%
Pupil Services	1.3%	1.6%	1.7%	1.6%	1.7%	1.7%	1.7%	1.9%	1.9%	2.0%
Improvement of Instructional Services	2.1%	2.3%	2.8%	2.2%	2.2%	1.9%	1.8%	1.7%	2.6%	3.0%
Educational Media Services	2.5%	2.4%	2.3%	2.4%	2.4%	2.2%	2.0%	1.9%	1.9%	1.9%
General and School Administration	8.6%	9.2%	9.4%	9.6%	9.8%	10.0%	9.7%	9.4%	9.7%	10.4%
Business Administration	0.5%	0.5%	0.6%	0.5%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%
Maintenance and Operations of Plant	9.8%	9.9%	10.1%	11.0%	10.4%	10.2%	10.7%	11.1%	10.1%	10.0%
Student Transportation Services	4.1%	3.9%	3.9%	4.1%	4.4%	5.4%	5.7%	6.8%	6.6%	5.7%
Central Support Services	1.7%	1.9%	1.5%	1.5%	1.4%	1.5%	1.7%	1.9%	2.0%	2.3%
Other Support Services	1.0%	0.7%	1.1%	0.9%	1.2%	1.0%	1.2%	1.2%	1.3%	1.2%
Food Service Operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
Community Services Operations	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital Outlay	0.7%	0.6%	0.0%	0.2%	0.2%	0.0%	0.1%	0.2%	0.1%	0.1%
Debt Service	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	0.1%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

[1]Percentage change computed by using the following formula:
(2016 expenditure/2007 expenditure)-1 = percentage change

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
Per Pupil Expenditures by Function, Last Ten Fiscal Years
General Fund

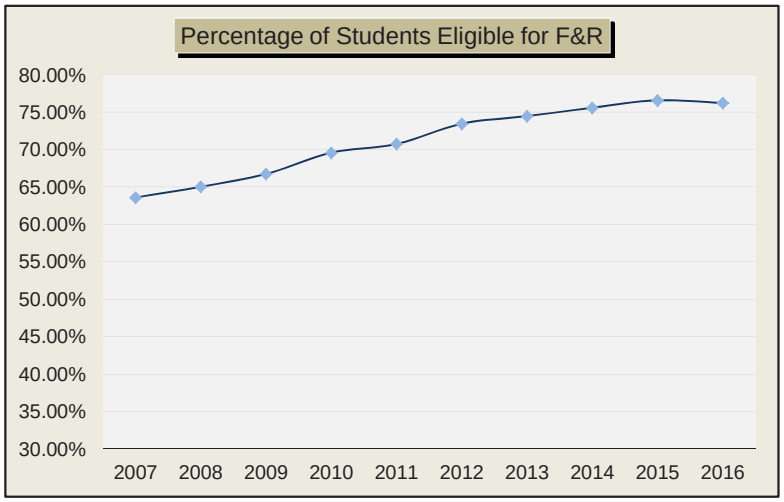
	Fiscal Year										Percentage
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Change [1]
Instruction	$4,760	$5,229	$5,305	$4,723	$4,769	$4,793	$4,218	$4,556	$4,831	$4,965	4.3%
Pupil Services	91	126	137	113	126	128	114	140	148	162	77.3%
Improvement of Instructional Services	147	178	225	162	163	139	115	123	201	241	63.9%
Educational Media Services	174	186	185	176	175	161	128	137	146	149	-14.4%
General and School Administration	608	723	754	692	717	734	629	678	741	825	35.7%
Business Administration	39	43	45	39	31	33	31	36	37	41	5.0%
Maintenance and Operations of Plant	694	783	813	797	757	750	698	802	776	794	14.4%
Student Transportation Services	290	307	317	299	325	397	369	490	504	453	56.0%
Central Support Services	118	152	123	106	105	111	108	134	152	181	53.1%
Other Support Services	71	56	89	67	85	72	79	89	103	94	32.6%
Food Service Operations	0	0	0	0	0	0	0	6	6	6	100.0%
Community Services Operations	12	14	16	14	14	13	11	12	13	16	29.4%
Capital Outlay	47	50	1	12	12	4	5	17	9	11	-77.2%
Debt Service	0	0	33	31	20	21	8	0	0	0	0.0%
Total Expenditures [2]	$7,372	$7,689	$7,598	$7,155	$7,195	$7,139	$6,949	$7,385	$7,666	$7,936	7.6%
Student Enrollment [3]	10,967	10,953	10,823	10,860	10,685	10,614	10,582	10,626	10,474	10,261	-6.4%

[1]Percentage change computed by using the following formula:
(2016 revenue/2007 revenue)-1 = percentage change

[2]Expenditures restated on a per pupil basis by using the following formula:
Revenue/current enrollment = per pupil revenue

[3]Student enrollment figures are taken from fall enrollment (October 1) reports.

Griffin-Spalding County School System
Free and Reduced Lunch
Last Ten Fiscal Years



	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Lunch Meals Served										
Free	943,268	946,445	958,939	1,027,745	1,046,085	1,086,381	1,042,616	1,046,355	1,105,505	1,051,121
Reduced	133,834	138,010	147,242	125,258	96,503	110,639	105,123	110,333	99,399	112,445
Paid	419,568	405,947	353,113	315,738	296,584	259,927	216,889	177,353	165,135	162,692
Total	1,496,670	1,490,402	1,459,294	1,468,741	1,439,172	1,456,947	1,364,628	1,334,041	1,370,039	1,326,258
Breakfast Meals Served										
Free	532,152	553,078	571,647	623,310	621,661	651,752	630,562	637,061	650,732	589,747
Reduced	51,548	55,343	60,345	48,705	42,375	46,295	43,356	46,232	42,903	46,748
Paid	77,416	83,821	76,021	74,907	65,660	57,029	49,963	42,031	40,813	40,611
Total	661,116	692,242	708,013	746,922	729,696	755,076	723,881	725,324	734,448	677,106
Adult & Non-reimbursable										
Paid - Breakfast	7,992	7,825	8,866	7,247	5,804	7,892	2,631	1,913	1,766	1,596
Paid - Lunch	57,109	54,432	49,569	39,590	36,228	42,557	29,805	23,767	25,273	27,493
Other - Breakfast	15,366	16,646	19,179	16,965	21,200	17,096	15,655	15,493	16,113	14,969
Other - Lunch	39,419	38,465	41,791	38,435	49,010	41,424	35,826	35,744	38,267	35,414
Total	119,886	117,368	119,405	102,237	112,242	108,969	83,917	76,917	81,419	79,472
Total Meals Served										
Free	1,475,420	1,499,523	1,530,586	1,651,055	1,667,746	1,738,133	1,673,178	1,683,416	1,756,237	1,640,868
Reduced	185,382	193,353	207,587	173,963	138,878	156,934	148,479	156,565	142,302	159,193
Paid	562,085	552,025	487,569	437,482	404,276	367,405	299,288	245,064	232,987	232,392
Other	54,785	55,111	60,970	55,400	70,210	58,520	51,481	51,237	54,380	50,383
Total	2,277,672	2,300,012	2,286,712	2,317,900	2,281,110	2,320,992	2,172,426	2,136,282	2,185,906	2,082,836
% Eligible for Free and Reduced	63.58%	65.02%	66.72%	69.57%	70.73%	73.44%	74.46%	75.58%	76.56%	76.21%

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
Insurance Coverage

Insurance coverage of the System is summarized below.

Type	Amount in Force
Property	$327,620,478
Boiler & Machinery	25,000,000
Fidelity Bond	100,000
Superintendent Bond	100,000

	Limits of Liability	
Type	Each Occurance	Aggregate
General Liability	$1,000,000	$2,000,000
School Board Errors and Omissions	1,000,000	1,000,000
Automobile Liability	1,000,000	1,000,000
Excess Workers' Compensation	Statutory	Statutory

Notes:
The System is partially self-insured for workers compensation claims through a self-insurance program that is periodically reviewed for actuarial soundess by an actuary. Refer to Note 8 and MD&A of the System's financial statements for a discussion of the System's risk management program. The System requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in construction related to the System's facilities.

ROBINSON, GRIMES & COMPANY, P.C.
Certified Public Accountants & Consultants

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

The Board of Education
Griffin-Spalding County School System
Griffin, 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 Griffin-Spalding County School System as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Griffin-Spalding County School System's basic financial statements, and have issued our report thereon dated October 27, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Griffin-Spalding County School System'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 Griffin-Spalding County School System's internal control. Accordingly, we do not express an opinion on the effectiveness of Griffin-Spalding County School System'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 government's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Griffin-Spalding County School System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the System in a separate letter dated October 27, 2016.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the government'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 internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Grimes & Company, P.C.

Certified Public Accountants

October 27, 2016

ROBINSON, GRIMES & COMPANY, P.C.
Certified Public Accountants & Consultants

Independent Auditor's Report on Compliance for Each
Major Federal Program and Report on Internal Control over
Compliance in Accordance with the Uniform Guidance

The Board of Education
Griffin-Spalding County School System
Griffin, Georgia

Report on Compliance for Each Major Federal Program

We have audited Griffin-Spalding County School System's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of Griffin-Spalding County School System's major federal programs for the year ended June 30, 2016. Griffin-Spalding County School System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Griffin-Spalding County School System'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 ("CFR") 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 compliance 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 Griffin-Spalding County School System'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 on Griffin-Spalding County School System's compliance.

Opinion on Each Major Federal Program

In our opinion, Griffin-Spalding County School System complied, in all material respects, with the 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, 2016.

Report on Internal Control over Compliance

Management of Griffin-Spalding County School System 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 Griffin-Spalding County School System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Griffin-Spalding County School System 's internal control over compliance.

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

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

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

Robinson, Grimes & Company, P.C.

Certified Public Accountants

October 27, 2016

GRIFFIN-SPALDING COUNTY BOARD OF EDUCATION
GRIFFIN, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

FUNDING AGENCY PROGRAM/GRANT	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES IN PERIOD
Agriculture, U. S. Department of		
Child Nutrition Cluster		
Pass-Through From Georgia Department of Education		
Food Services		
School Breakfast Program	10.553	$ 1,264,308
National School Lunch Program		
Cash Assistance	10.555	3,680,521
Noncash Assistance	10.550	312,797
After School Snacks	10.555	35,182
Total Child Nutrition Cluster		5,292,808
Total U.S. Department of Agriculture		5,292,808
Education, U. S. Department of		
Title I, Part A Cluster		
Pass-Through From Georgia Department of Education		
Grants to Local Educational Agencies		
Flowthrough Regular	84.010	3,795,752
School Improvement	84.010	81,747
Total Title I, Part A Cluster		3,877,499
Special Education Cluster		
Pass-Through From Georgia Department of Education		
Individuals with Disabilities Education Act		
Flowthrough Regular	84.027	1,942,004
Special Projects	84.027	316,416
Preschool Regular	84.173	69,765
Total Special Education Cluster		2,328,185
Other Programs		
Pass-Through From Georgia Department of Education		
Career and Technical Education- Basic Grants to States	84.048	114,631
Improving Teacher Quality State Grants	84.367	452,248
English Language Acquisition Grants	84.365	19,908
Total U. S. Department of Education		6,792,471
Health and Human Services, U. S. Department of		
Pass-Through From Georgia Department of Education		
Now is the Time: Project AWARE	93.243	334,462
Defense, U. S. Department of		
Direct		
Department of the Army		
R.O.T.C. Program	N/A	291,543
Total Federal Financial Assistance		$ 12,711,284

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1: Summary of Significant Accounting Policies

Basis of Accounting - The schedule of expenditures of federal awards has been prepared utilizing the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. Expenditures are recognized when the liability is incurred.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

SUMMARY OF AUDITOR'S RESULTS

1. An unmodified opinion, dated October 27, 2016, was issued on the financial statements for the year ended June 30, 2016.

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 October 27, 2016 disclosed no significant deficiencies for the year ended June 30, 2016.

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 October 27, 2016 disclosed no instances of noncompliance for the year ended June 30, 2016.

4. The "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance" dated October 27, 2016, disclosed no significant deficiencies or material weaknesses in internal control over major programs for the year ended June 30, 2016.

5. An unmodified opinion, dated October 27, 2016, was issued on the System's compliance with its major federal programs in the "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance," for the year ended June 30, 2016.

6. No audit findings were disclosed as required under 2 CFR 200.516(a) for the year ended June 30, 2016.

7. The major programs for Griffin-Spalding County School System for the year ended June 30, 2016 were:

Special Education Cluster	
Individuals with Disabilities Education Act	
Flowthrough Regular	CFDA No. 84.027
Special Projects	CFDA No. 84.027
Preschool Regular	CFDA No. 84.173
Improving Teacher Quality State Grants	CFDA No. 84.367

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

SUMMARY OF AUDITOR'S RESULTS (Continued)

8. The dollar threshold used to distinguish between Type A and Type B threshold programs was $750,000, as described in 2 CFR 200.518.

9. Under 2 CFR 200.520, Griffin-Spalding County School System did qualify as a low-risk auditee for the year ended June 30, 2016.

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 October 27, 2016, disclosed no findings required to be reported in accordance with GAGAS for the year ended June 30, 2016.

FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARD PROGRAMS

The "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance" dated October 27, 2016, disclosed no findings or questioned costs for Federal awards as defined in 2 CFR 200.516(a), for the year ended June 30, 2016.