

WEBSTER COUNTY BOARD OF EDUCATION
PRESTON, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014
(Including Independent Auditor's Reports)

WEBSTER COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

		Page
	SECTION I	
	FINANCIAL	
	INDEPENDENT AUDITOR'S REPORT	
	REQUIRED SUPPLEMENTARY INFORMATION	
	MANAGEMENT'S DISCUSSION AND ANALYSIS	i
	EXHIBITS	
	BASIC FINANCIAL STATEMENTS	
	DISTRICT-WIDE FINANCIAL STATEMENTS	
A	STATEMENT OF NET POSITION	1
B	STATEMENT OF ACTIVITIES	2
	FUND FINANCIAL STATEMENTS	
C	BALANCE SHEET GOVERNMENTAL FUNDS	3
D	RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	4
E	STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS	5
F	RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	6
G	STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS	7
H	NOTES TO THE BASIC FINANCIAL STATEMENTS	9
	SCHEDULES	
	REQUIRED SUPPLEMENTARY INFORMATION	
1	SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND	23

WEBSTER COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

Page

SECTION I

FINANCIAL

SCHEDULES

SUPPLEMENTARY INFORMATION

2	SCHEDULE OF FEDERAL REVENUES	24
3	SCHEDULE OF STATE REVENUE	25
4	SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS	26
5	ALLOTMENTS AND EXPENDITURES GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS (QBE) BY PROGRAM	27

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

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*

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION IV

FINDINGS AND QUESTIONED COSTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I

FINANCIAL

DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
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Greg S. Griffin
STATE AUDITOR
(404) 656-2174

May 28, 2015

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

INDEPENDENT AUDITOR'S REPORT

Ladies and Gentlemen:

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 (Exhibits A through H) of the Webster County Board of Education, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of Matter

As described in Note 2 to the financial statements, in 2014 the Webster County Board of Education adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The School District restated beginning Net Position for the cumulative effect of this accounting change. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, as presented on pages i through vii and page 23 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster County Board of Education's basic financial statements. The accompanying supplementary information, consisting of Schedules 2 through 5, is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the

audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2015, on our consideration of the Webster County Board of Education'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 Webster County Board of Education's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record in the office of the State Auditor and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,



Greg S. Griffin
State Auditor

GSG:as
2014ARL-11

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

Financial Highlights

Key financial highlights for 2014 are as follows:

- In total, net position increased $198 thousand which represents a four percent increase from fiscal year 2013. This total increase is due to governmental activities since the School District has no business-type activities.

- General revenues accounted for $2.0 million in revenue or 40.9 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $2.9 million or 59 percent of total revenues of $5.0 million.

- The School District had $4.8 million in expenses related to governmental activities; however, $2.9 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $2.0 million were adequate to provide for these programs.

- Among major funds, the general fund had $4.7 million in revenues and $4.4 million in expenditures.

Using the Basic Financial Statements

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While these documents contain the large number of funds used by the School District to provide programs and activities, the view of the School System as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2014?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include *all assets, deferred outflows of resources and all liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

Although the School District uses many funds to account for a multitude of transactions, the fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Capital Projects Fund, and the Debt Service Fund.

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

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

The School District as a Whole

The perspective of the Statement of Net Position is of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2014.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2014	Fiscal Year 2013
Assets		
Current and Other Assets	$ 2,216,855.43	$ 2,001,883.96
Capital Assets, Net	6,258,217.59	6,491,196.86
Total Assets	8,475,073.02	8,493,080.82
Deferred Outflows of Resources		
Loss of Refunding of Debt	127,487.23	0.00
Liabilities		
Current and Other Liabilities	511,041.54	553,270.41
Long-Term Liabilities	2,530,000.00	2,576,576.85
Total Liabilities	3,041,041.54	3,129,847.26
Net Position		
Net Investment in Capital Assets	3,855,704.82	3,914,620.01
Restricted	733,106.11	801,065.93
Unrestricted	972,707.78	647,547.62
Total Net Position	$ 5,561,518.71	$ 5,363,233.56

Total net position increased $198 thousand. Revenues exceeded expenditures by $198 thousand. However, the adoption of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, required the restatement of the June 30, 2013, net position in Governmental Activities. The result is a decrease in Net Position at July 1, 2013, of $40 thousand.

Table 2 shows the changes in net position for fiscal year 2013 and 2014.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2014	Fiscal Year 2013
Revenues		
Program Revenues:		
Charges for Services and Sales	$ 86,652.77	$ 85,619.88
Operating Grants and Contributions	2,841,795.45	2,890,414.94
Capital Grants and Contributions	0.00	148,758.28
Total Program Revenues	2,928,448.22	3,124,793.10
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	1,652,258.90	1,242,940.73
For Debt Services	46,313.69	171,420.28
Railroad Cars	2,884.49	2,851.26
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	80,894.82	100,167.26
For Debt Services	103,000.00	120,000.00
Intangible Recording Tax	11,446.64	9,431.69
Grants and Contributions not		
Restricted to Specific Programs	74,757.00	84,135.00
Investment Earnings	348.06	384.29
Miscellaneous	62,600.60	59,066.17
Total General Revenues	2,034,504.20	1,790,396.68
Total Revenues	4,962,952.42	4,915,189.78
Program Expenses:		
Instruction	2,815,759.36	2,966,329.33
Support Services		
Pupil Services	92,851.15	94,940.89
Improvement of Instructional Services	141,976.52	197,171.33
Educational Media Services	96,132.90	85,036.92
General Administration	337,102.25	336,277.82
School Administration	307,977.67	195,216.13
Business Administration	81,741.31	78,145.84
Maintenance and Operation of Plant	304,343.28	298,896.40
Student Transportation Services	227,205.97	243,032.65
Other Support Services	13,497.00	10,861.00
Operations of Non-Instructional Services		
Food Services	244,162.08	249,635.89
Interest on Short-Term and Long-Term Debt	101,917.78	110,286.00
Total Expenses	4,764,667.27	4,865,830.20
Increase in Net Position	$ 198,285.15	$ 49,359.58

Governmental Activities

Instruction comprises 59.1 percent of governmental program expenses. Interest expense comprises 2.1 percent of governmental program expenses. Interest expense was attributable to the outstanding bonds for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2013
Instruction	$ 2,815,759.36	$ 2,966,329.33	$ 1,056,247.97	$ 1,159,634.85
Support Services:				
Pupil Services	92,851.15	94,940.89	65,967.52	20,993.80
Improvement of Instructional Services	141,976.52	197,171.33	96,235.69	156,450.22
Educational Media Services	96,132.90	85,036.92	41,846.90	22,360.40
General Administration	337,102.25	336,277.82	-15,054.58	-38,777.38
School Administration	307,977.67	195,216.13	71,750.67	-52,343.54
Business Administration	81,741.31	78,145.84	80,060.20	70,441.73
Maintenance of Operation of Plant	304,343.28	298,896.40	183,751.08	160,125.24
Student Transportation Services	227,205.97	243,032.65	130,690.32	108,676.19
Other Support Services	13,497.00	10,861.00	13,497.00	10,861.00
Operations of Non-Instructional Services:				
Food Services	244,162.08	249,635.89	9,308.50	12,328.59
Interest on Long-Term Debt	101,917.78	110,286.00	101,917.78	110,286.00
Total Expenses	$ 4,764,667.27	$ 4,865,830.20	$ 1,836,219.05	$ 1,741,037.10

Although program revenues make up a majority of the revenues, the School District is still dependent upon tax revenues for governmental activities. Over 37.5 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 38.5 percent.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues of $5.0 million and expenditures of $4.7 million. The general fund had an overall increase of $349 thousand while the capital projects fund had an overall increase of $65 thousand. The debt service fund decreased $139 thousand.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund.

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

For the General Fund, the final budgeted revenues of $4.6 million exceeded the original budgeted amount of $4.2 million by $0.4 million. The actual revenues of $4.7 million were above the final budgeted amount by $0.2 million.

The final budgeted expenditures of $5.2 million exceeded the original budgeted amount of $4.8 million by $0.4 million. The actual expenditures of $4.4 million were below the final budgeted amount by $0.8 million.

General Fund revenues exceeded expenditures, contributing $349 thousand to accumulated fund balance on hand. The School District has made a concerted effort to reduce expenditures as revenues decline, and this result is evidence of their work.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014, the School District had $6.2 million invested in capital assets, all in governmental activities. Table 4 indicates balances at June 30, 2014.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2014	Fiscal Year 2013
Land	$ 190,635.71	$ 190,635.71
Building and Improvements	5,552,825.60	5,680,175.40
Equipment	421,495.10	521,360.63
Land Improvements	93,261.18	99,025.12
Total	$ 6,258,217.59	$ 6,491,196.86

Debt

At June 30, 2014, the Board had $2.5 million in bonds outstanding with $0.2 million due within one year.

Table 5
Debt at June 30

	Governmental Activities	
	Fiscal Year 2014	Fiscal Year 2013
General Obligation Bonds	$ 2,530,000.00	$ 2,720,000.00

Current Issues

The Webster County School District has faced severe financial challenges in recent years but has remained relatively stable and financially sound. The financial challenges have included rising costs in employee benefits, the continued state formula allotment reductions, a decline in student enrollment (FTE), and a declining local tax digest.

The District's current millage rate is 16.92 mills for maintenance and operations and 0.50 mills for debt service.

Student enrollment is a factor in the State's education funding formula. According to the State's funding formula, student enrollment is converted to a "Full Time Equivalent (FTE)" count. As student enrollment and FTE decrease so does State funding. The student enrollment for fiscal year 2014 and the three years prior is as follows:

fiscal year 2011	432
fiscal year 2012	447
fiscal year 2013	427
fiscal year 2014	396

The amended formula adjustment, the reduction in state funding, for fiscal year 2014 was $0.3 million. The school district has reduced the number of faculty and staff through normal attrition and non-tenured positions to help with the budget shortfall. Furlough days have also been added to the system calendar.

The Webster County School District recognizes its responsibility to the taxpayers in overseeing the spending of federal, state and local funds. The School District is striving to maintain sound fiscal management while emphasizing student achievement.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional information, contact Janie Downer, Superintendent, or Marie Wills, Finance Director, at the Webster County Board of Education, 7307 Washington Street, Preston, Georgia.

WEBSTER COUNTY BOARD OF EDUCATION

WEBSTER COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2014

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 1,581,985.76
Accounts Receivable, Net	
Taxes	370,135.82
State Government	231,956.00
Federal Government	26,844.00
Other	788.56
Inventories	5,145.29
Capital Assets, Non-Depreciable	190,635.71
Capital Assets, Depreciable (Net of Accumulated Depreciation)	6,067,581.88
Total Assets	8,475,073.02
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Refunding of Debt	127,487.23
LIABILITIES	
Accounts Payable	50,589.98
Salaries and Benefits Payable	418,284.89
Interest Payable	42,166.67
Long-Term Liabilities	
Due Within One Year	210,000.00
Due in More Than One Year	2,320,000.00
Total Liabilities	3,041,041.54
NET POSITION	
Net Investment in Capital Assets	3,855,704.82
Restricted for	
Continuation of Federal Programs	12,474.98
Debt Service	230,714.71
Capital Projects	489,916.42
Unrestricted	972,707.78
Total Net Position	$ 5,561,518.71

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

WEBSTER COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES				
Instruction	$ 2,815,759.36	$ 82,865.47	$ 1,676,645.92	$ -1,056,247.97
Support Services				
Pupil Services	92,851.15		26,883.63	-65,967.52
Improvement of Instructional Services	141,976.52		45,740.83	-96,235.69
Educational Media Services	96,132.90		54,286.00	-41,846.90
General Administration	337,102.25		352,156.83	15,054.58
School Administration	307,977.67		236,227.00	-71,750.67
Business Administration	81,741.31		1,681.11	-80,060.20
Maintenance and Operation of Plant	304,343.28		120,592.20	-183,751.08
Student Transportation Services	227,205.97		96,515.65	-130,690.32
Other Support Services	13,497.00			-13,497.00
Operations of Non-Instructional Services				
Food Services	244,162.08	3,787.30	231,066.28	-9,308.50
Interest on Short-Term and Long-Term Debt	101,917.78			-101,917.78
Total Governmental Activities	$ 4,764,667.27	$ 86,652.77	$ 2,841,795.45	-1,836,219.05
General Revenues				
Taxes				
Property Taxes				
For Maintenance and Operations				1,652,258.90
For Debt Services				46,313.69
Railroad Cars				2,884.49
Sales Taxes				
Special Purpose Local Option Sales Tax				
For Debt Services				103,000.00
For Capital Projects				80,894.82
Other Sales Tax				11,446.64
Grants and Contributions not Restricted to Specific Programs				74,757.00
Investment Earnings				348.06
Miscellaneous				62,600.60
Total General Revenues				2,034,504.20
Change in Net Position				198,285.15
Net Position - Beginning of Year (Restated)				5,363,233.56
Net Position - End of Year				$ 5,561,518.71

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

WEBSTER COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

EXHIBIT "C"

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 847,190.95	$ 584,271.91	$ 150,522.90	$ 1,581,985.76
Accounts Receivable, Net				
Taxes	342,132.83	13,838.47	14,164.52	370,135.82
State Government	231,956.00			231,956.00
Federal Government	26,844.00			26,844.00
Other	788.56			788.56
Inventories	5,145.29			5,145.29
Total Assets	$ 1,454,057.63	$ 598,110.38	$ 164,687.42	$ 2,216,855.43
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 50,589.98			$ 50,589.98
Salaries and Benefits Payable	418,284.89			418,284.89
Total Liabilities	468,874.87			468,874.87
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	87,702.65		$ 12,281.38	99,984.03
FUND BALANCES				
Nonspendable	5,145.29			5,145.29
Restricted	7,329.69	$ 598,110.38	152,406.04	757,846.11
Assigned	27,787.98			27,787.98
Unassigned	857,217.15			857,217.15
Total Fund Balances	897,480.11	598,110.38	152,406.04	1,647,996.53
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,454,057.63	$ 598,110.38	$ 164,687.42	$ 2,216,855.43

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

WEBSTER COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

EXHIBIT "D"

Total Fund Balances - Governmental Funds (Exhibit "C")		$ 1,647,996.53
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported as assets in governmental funds. These assets consist of:		
Land	$ 190,635.71	
Land Improvements	111,757.16	
Buildings	6,925,943.83	
Equipment	1,143,316.76	
Accumulated Depreciation	-2,113,435.87	
Total Capital Assets		6,258,217.59
Taxes that are not available to pay for current period expenditures are deferred in the governmental funds.		
Property Taxes		99,984.03
Long-Term Liabilities, including Bonds Payable and deferred outflows, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-Term Liabilities at year-end consist of:		
Bonds Payable	$ -2,530,000.00	
Accrued Interest Payable	-42,166.67	
Loss on Refunding of General Obligation Debt - Deferred Outflows	127,487.23	
Total Long-Term Liabilities		-2,444,679.44
Net Position of Governmental Activities (Exhibit "A")		$ 5,561,518.71

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

WEBSTER COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHAN GES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

EXHIBIT "E"

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 1,670,246.91		$ 52,113.86	$ 1,722,360.77
Sales Taxes	10,752.02	$ 80,894.82	103,694.62	195,341.46
State Funds	2,452,732.23			2,452,732.23
Federal Funds	463,820.22			463,820.22
Charges for Services	86,652.77			86,652.77
Investment Earnings	287.37	57.21	3.48	348.06
Miscellaneous	62,600.60			62,600.60
Total Revenues	4,747,092.12	80,952.03	155,811.96	4,983,856.11
EXPENDITURES				
Current				
Instruction	2,629,993.73			2,629,993.73
Support Services				
Pupil Services	92,851.15			92,851.15
Improvement of Instructional Services	141,976.52			141,976.52
Educational Media Services	96,132.90			96,132.90
General Administration	335,635.94			335,635.94
School Administration	307,977.67			307,977.67
Business Administration	81,741.31			81,741.31
Maintenance and Operation of Plant	304,343.28	15,765.39		320,108.67
Student Transportation Services	165,186.74			165,186.74
Other Support Services	13,497.00			13,497.00
Food Services Operation	228,732.67			228,732.67
Debt Services				
Principal			190,000.00	190,000.00
Interest			105,084.44	105,084.44
Total Expenditures	4,398,068.91	15,765.39	295,084.44	4,708,918.74
Net Change in Fund Balances	349,023.21	65,186.64	-139,272.48	274,937.37
Fund Balances - Beginning	548,456.90	532,923.74	291,678.52	1,373,059.16
Fund Balances - Ending	$ 897,480.11	$ 598,110.38	$ 152,406.04	$ 1,647,996.53

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

WEBSTER COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2014

EXHIBIT "F"

Total Net Change in Fund Balances - Governmental Funds (Exhibit "E")	$	274,937.37
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Capital Outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of Capital Assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Depreciation Expense		-232,979.27
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		-20,903.69
Deferred gains on refundings and similar items when debt is first issued are reported as an expenditure in Governmental Funds, but are reported as deferred charges on the Statement of Net Position and amortized over the term of the debt, using the straight-line method. The details of this difference in the current period are as follows:		
Amortization of Deferred Loss on Refunding of Bonds		-15,935.92
Repayment of Long-Term Debt is reported as an expenditure in Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position. In the current year, these amounts consist of:		
Bond Principal Retirements		190,000.00
Interest expense reported in the Statement of Activities is recorded as incurred, whereas interest expense in the governmental fund statements is reported when paid.		3,166.66
Change in Net Position of Governmental Activities (Exhibit "B")	$	198,285.15

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

WEBSTER COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

EXHIBIT "G"

	AGENCY FUNDS
ASSETS	
Cash and Cash Equivalents	$ 13,690.12
LIABILITIES	
Funds Held for Others	$ 13,690.12

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

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NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The School District's basic financial statements are collectively comprised of the District-wide financial statements, fund financial statements and notes to the basic financial statements of the Webster County Board of Education.

District-wide Statements:
The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:
The fund financial statements provide information about the School District's funds. Eliminations have been made to minimize the double counting of internal activities. Separate statements for each category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds.

The School District reports the following major governmental funds:

- General Fund is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- District-wide Capital Projects Fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST) and Bond Proceeds that are restricted, committed or assigned to the expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (property and sales) legally restricted for the payment of general long-term principal and interest.

The School District reports the following fiduciary fund type:

- Agency funds account for assets held by the School District as an agent for various funds or individuals.

BASIS OF ACCOUNTING

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, both restricted and unrestricted resources are available to finance the program. It is the School District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

RESTATEMENT OF PRIOR YEAR NET POSITION

For fiscal year 2014, the School District made a prior period adjustment due to the adoption of GASB Statement No. 65, as described in "New Accounting Pronouncements" below, which require the restatement of the June 30, 2013, net position in Governmental Activities. The result is a decrease in Net Position at July 1, 2013 of $39,991.71. This change is in accordance with generally accepted accounting principles.

Net Position, July 1, 2013, as previously reported	$	5,403,225.27
Reclassification of Bond Issuance Costs		-39,991.71
Net Position, July 1, 2013, as restated	$	5,363,233.56

NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2014, the School District adopted the Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The provisions of this Statement establish accounting and financial reporting standards that reclassify, as deferred outflows or inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or inflows of resources, certain items that were previously reported as assets and liabilities. As noted above the School District restated beginning Net Position for the cumulative effect of this accounting change.

FUTURE ACCOUNTING PRONOUNCEMENTS

In fiscal year 2015, the School District will adopt Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The provisions of this Statement establish accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. Implementation of this statement will require the School District to record a liability for its proportionate share of the Net Pension Liability of pension plans in which it participates. Actuarial estimates are currently being made to determine the School District's liability, the effects of which are believed to be material.

CASH AND CASH EQUIVALENTS

Composition of Deposits

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated Section 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

RECEIVABLES

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

PROPERTY TAXES

The Webster County Board of Commissioners adopted the property tax levy for the 2013 tax digest year (calendar year) on September 26, 2013 (levy date) based on property values as of January 1, 2013. Taxes were due on January 6, 2014 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2013 tax digest are reported as revenue in the governmental funds for fiscal year 2014. The Webster County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2014, for maintenance and operations amounted to $1,599,903.18 and for school bonds amounted to $52,113.86.

Tax millage rates levied for the 2013 tax year (calendar year) for the Webster County Board of Education were as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	16.92 mills
School Bonds	0.50 mills
	17.42 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $67,459.24 during fiscal year ended June 30, 2014.

SALES TAXES

Education Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $183,894.82 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

INVENTORIES

Food Inventories

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased foods inventories are reported at cost (first-in, first-out). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

CAPITAL ASSETS

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School District.

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

		Capitalization Policy	Estimated Useful Life
Land	$	5,000.00	N/A
Land Improvements	$	10,000.00	up to 60 years
Buildings and Improvements	$	5,000.00	up to 60 years
Equipment	$	5,000.00	5 to 20 years
Intangible Assets	$	200,000.00	useful life

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives, with the exception of intangible assets which are amortized.

Amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, copyrights and internally generated software is computed using the straight-line method over the estimated useful lives of the assets, generally 10 to 20 years.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be

recognized as an outflow of resources (expense/expenditure) until then. The School District has only one item that qualifies for reporting in this category. The deferred charge on refunded debt resulting from the difference in the carrying value of the refunded debt and its reacquisition price is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The School District has only one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

GENERAL OBLIGATION BONDS

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In the District-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued.

In the fund financial statements, the School District recognizes bond premiums and discounts, as well as bond issuance costs during the fiscal year bonds are issued. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In addition, general obligation bonds have been issued to refund existing general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The outstanding amount of these bonds is recorded in the Statement of Net Position.

NET POSITION

The School District's net position in the District-wide Statements is classified as follows:

Net investment in capital assets - This represents the School District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position - This represents resources for which the School District is legally or contractually obligated to spend resources for continuation of Federal Programs, debt service and capital projects in accordance with restrictions imposed by external third parties.

Unrestricted net position - Unrestricted net position represents resources derived from property taxes, sales taxes, grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the School District, and may be used at the discretion of the Board to meet current expenses for those purposes.

FUND BALANCES

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

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Constraints are placed on the use of resources are either (1) externally imposed conditions by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – 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 School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (1) the Board of Education or (2) the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

Unassigned – The residual classification for the General Fund. This classification represents fund balances that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Fund Balances of the Governmental Funds at June 30, 2014, are as follows:

Nonspendable		
Inventories		$ 5,145.29
Restricted		
Continuation of Federal Programs	$ 7,329.69	
Capital Projects	489,916.42	
Debt Service	260,600.00	757,846.11
Assigned		
School Activity Accounts		27,787.98
Unassigned		857,217.15
Fund Balance, June 30, 2014		$ 1,647,996.53

When multiple categories of fund balance are available for expenditure, the School District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

USE OF ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3: BUDGETARY DATA

The budget is a complete financial plan for the School District's fiscal year, and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the General Fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School District's administration presenting an initial budget for the Board's review. The administration makes revisions as necessary based on the Board's guidelines and a tentative budget is approved. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality, as well as the School District's website. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The approved budget is then submitted, in accordance with provisions of Official Code of Georgia Annotated section 20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

See Schedule 1 – General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual for a detail of any over/under expenditures during the fiscal year under review.

NOTE 4: DEPOSITS

COLLATERALIZATION OF DEPOSITS

Official Code of Georgia Annotated (O.C.G.A.) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. Section 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance.

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

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
2. Insurance on accounts provided by the Federal Deposit Insurance Corporation,
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
7. Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2014, the School District had deposits with a carrying amount of $1,595,675.88 and a bank balance of $1,651,478.73. The bank balances insured by Federal depository insurance were $270,512.54, and the bank balances collateralized with securities held by the pledging institution or by the pledging financial institution's trust department or agent in the School District's name were $1,380,966.19.

NOTE 5: NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. These commodities are recorded at their Federally assigned value. See Note 2 – Inventories

NOTE 6: CAPITAL ASSETS

The following is a summary of changes in the Capital Assets during the fiscal year:

	Balances July 1, 2013	Increases	Decreases	Balances June 30, 2014
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 190,635.71	$ 0.00	$ 0.00	$ 190,635.71
Capital Assets, Being Depreciated:				
Buildings and Improvements	6,925,943.83		0.00	6,925,943.83
Equipment	1,143,316.76			1,143,316.76
Land Improvements	111,757.16			111,757.16
Less: Accumulated Depreciation:				
Buildings and Improvements	1,245,768.43	127,349.80		1,373,118.23
Equipment	621,956.13	99,865.53		721,821.66
Land Improvements	12,732.04	5,763.94		18,495.98
Total Capital Assets, Being Depreciated, Net	6,300,561.15	-232,979.27	0.00	6,067,581.88
Governmental Activity Capital Assets - Net	$ 6,491,196.86	$ -232,979.27	$ 0.00	$ 6,258,217.59

Current year depreciation expense by function is as follows:

Instruction		$ 164,380.18
Support Services		
General Administration	$ 1,274.19	
Student Transportation Services	53,911.55	55,185.74
Food Services		13,413.35
		$ 232,979.27

NOTE 7: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God.

The School District participates in the Georgia School Boards Association Risk and Insurance Management System, a public entity risk pool organized on July 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, or property damage, including safety engineering and other loss prevention and control techniques, and to administer one or more groups of self-insurance funds, including the processing and defense of claims brought against members of the system. The School District pays an annual premium to the system for its general insurance coverage. Additional coverage is provided through agreements by the system with other companies according to their specialty for property, boiler and machinery (including coverage for flood and earthquake), general liability (including coverage for sexual harassment, molestation and abuse), errors and omissions, crime and automobile risks. Payment of excess insurance for the system varies by line of coverage.

The School District participates in the Georgia School Boards Association Workers' Compensation Fund, a public entity risk pool organized on July 1, 1992, to develop, implement, and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Fund for its Workers' Compensation insurance coverage. Excess insurance coverage is provided through an agreement by the Fund with the Safety National Casualty Corporation to provide coverage for potential losses sustained by the Fund in excess of $550 thousand loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided by Safety National Casualty Corporation to provide coverage for potential losses sustained by the Fund in excess of $550 thousand loss per occurrence, up to $2 million. In addition to the $550,000 per occurrence retention, the Fund also retains an additional $150,000 per year corridor retention.

The School District has purchased surety bonds to provide additional insurance coverage as follows:

Position Covered	Amount
Superintendent	$ 100,000.00
Drivers Education Instructor	$ 10,000.00

NOTE 8: SHORT-TERM DEBT

The School District issues tax anticipation notes in advance of property tax collections, depositing the proceeds in its General Fund. This short-term debt is to provide cash to provide cash in advance of property tax collections. Article IX, Section V, Paragraph V of the Constitution of the State of Georgia limits the aggregate amount of short-term debt to 75 percent of the total gross income from taxes collected in the preceding year and requires all short-term debt to be repaid no later than December 31 of the calendar year in which the debt was incurred.

Short-term debt activity for the fiscal year is as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax Anticipation Notes	$ 0.00	$ 100,000.00	$ 100,000.00	$ 0.00

NOTE 9: LONG-TERM LIABILITIES

GENERAL OBLIGATION DEBT OUTSTANDING

General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
General Government - Refunding - Series 2005	4.00%	$ 2,530,000.00

The changes in Long-Term Liabilities during the fiscal year ended June 30, 2014, were as follows:

	Governmental Activities				
	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014	Due Within One Year
G. O. Bonds	$ 2,720,000.00	$ 0.00	$ 190,000.00	$ 2,530,000.00	$ 210,000.00
Less: Deferred Amounts on Refunding	143,423.15		143,423.15	0.00	
	$ 2,576,576.85	$ 0.00	$ 46,576.85	$ 2,530,000.00	$ 210,000.00

At June 30, 2014, payments due by fiscal year which includes principal and interest for these items are as follows:

	General Obligation Debt	
	Principal	Interest
Fiscal Year Ended June 30:		
2015	$ 210,000.00	$ 97,000.00
2016	220,000.00	88,400.00
2017	245,000.00	79,100.00
2018	260,000.00	69,000.00
2019	275,000.00	58,300.00
2020 - 2023	1,320,000.00	110,200.00
Total Principal and Interest	$ 2,530,000.00	$ 502,000.00

NOTE 10: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $239,656.00 for health insurance and retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education
Paid to the Georgia Department of Community Health
For Health Insurance of Certificated Personnel
In the amount of $232,044.00

Office of the State Treasurer
Paid to the Public School Employees' Retirement System
For Public School Employees' Retirement (PSERS) Employer's Cost
In the amount of $7,612.00

Funds paid to the Georgia Department of Community Health by the Georgia Department of Education on behalf of the School District are reported as part of the Quality Basic Education revenue allotments on Schedule 3 – Schedule of State Revenue.

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. The School District believes that such disallowances, if any, will be immaterial to its overall financial position.

NOTE 12: POST-EMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL POST-EMPLOYMENT HEALTH BENEFIT FUND

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

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

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

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended June 30, 2014:

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

July 1, 2013 - June 30, 2014 $945.00 per member per month

For non-certificated school personnel:

July 1, 2013 - June 30, 2014 $596.20 per member per month

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

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

Fiscal Year	Percentage Contributed	Required Contribution
2014	100%	$ 507,947.20
2013	100%	$ 493,271.80
2012	100%	$ 462,207.02

NOTE 13: RETIREMENT PLANS

TEACHERS' RETIREMENT SYSTEM OF GEORGIA (TRS)

Plan Description. The TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of active and retired members and ex-officio State employees is ultimately responsible for the administration of TRS. The Teachers' Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

On October 25, 1996, the Board created the Supplemental Retirement Benefits Plan of the Georgia Teachers' Retirement System (SRBP-TRS). SRBP-TRS was established as a qualified excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRBP-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

TRS provides service retirement, disability retirement, and survivor's benefits. The benefit structure of TRS is defined and may be amended by State statute. A member 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. A member is eligible for early retirement after 25 years of creditable service.

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60 or by 7% for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, will be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Death, disability and spousal benefits are also available.

Funding Policy. TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions are limited by State law to not less than 5% or more than 6% of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2014, were 6.00% of annual salary. Employer contributions required for fiscal year 2014 were 12.28% of annual salary as required by the June 30, 2011, actuarial valuation.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed		Required Contribution
2014	100%	$	315,442.78
2013	100%	$	302,624.16
2012	100%	$	278,528.48

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)

Bus drivers, lunchroom personnel, and maintenance and custodial personnel are members of the Public School Employees' Retirement System of Georgia. The System is funded by contributions by the employees and by the State of Georgia. The School District makes no contribution to this plan.

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WEBSTER COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2014

SCHEDULE "1"

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 1,538,862.00	$ 1,538,862.00	$ 1,670,246.91	$ 131,384.91
Sales Taxes			10,752.02	10,752.02
State Funds	2,352,107.00	2,443,587.23	2,452,732.23	9,145.00
Federal Funds	216,394.00	466,500.00	463,820.22	-2,679.78
Charges for Services	70,000.00	80,000.00	86,652.77	6,652.77
Investment Earnings	306.00	324.00	287.37	-36.63
Miscellaneous	11,500.00	45,882.00	62,600.60	16,718.60
Total Revenues	4,189,169.00	4,575,155.23	4,747,092.12	171,936.89
EXPENDITURES				
Current				
Instruction	2,859,671.00	3,222,543.40	2,629,993.73	592,549.67
Support Services				
Pupil Services	94,048.00	102,219.00	92,851.15	9,367.85
Improvement of Instructional Services	105,795.00	150,943.00	141,976.52	8,966.48
Educational Media Services	104,797.00	104,797.00	96,132.90	8,664.10
General Administration	344,525.00	359,347.00	335,635.94	23,711.06
School Administration	327,295.00	327,295.00	307,977.67	19,317.33
Business Administration	79,206.00	79,206.00	81,741.31	-2,535.31
Maintenance and Operation of Plant	336,369.00	336,369.00	304,343.28	32,025.72
Student Transportation Services	248,823.00	260,968.00	165,186.74	95,781.26
Other Support Services	14,000.00	14,000.00	13,497.00	503.00
Food Services Operation	230,000.00	230,000.00	228,732.67	1,267.33
Capital Outlay	30,000.00	30,000.00		30,000.00
Total Expenditures	4,774,529.00	5,217,687.40	4,398,068.91	819,618.49
Net Change in Fund Balances	-585,360.00	-642,532.17	349,023.21	991,555.38
Fund Balances - Beginning	519,152.90	519,152.90	548,456.90	29,304.00
Adjustments		2,089.95		-2,089.95
Fund Balances - Ending	$ -66,207.10	$ -121,289.32	$ 897,480.11	$ 1,018,769.43

Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual

The accompanying schedule of revenues, expenditures and changes in fund balances budget and actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

See notes to the basic financial statements.

WEBSTER COUNTY BOARD OF EDUCATION
SCHEDULE OF FEDERAL REVENUES
YEAR ENDED JUNE 30, 2014

SCHEDULE "2"

FUNDING AGENCY PROGRAM/GRANT	GOVERNMENTAL FUND TYPE GENERAL FUND
Agriculture, U. S. Department of	
Child Nutrition Cluster	
Pass-Through From Georgia Department of Education	
Food Services	
School Breakfast Program	$ 75,508.47
National School Lunch Program	147,244.71
Total U. S. Department of Agriculture	222,753.18
Education, U. S. Department of	
Special Education Cluster	
Pass-Through From Georgia Department of Education	
Special Education	
Grants to States	72,955.83
Preschool Grants	3,504.00
Total Special Education Cluster	76,459.83
Other Programs	
Pass-Through From Georgia Department of Education	
Career and Technical Education - Basic Grants to States	7,833.00
Improving Teacher Quality State Grants	27,830.77
Rural Education	8,156.00
Title I Grants to Local Educational Agencies	120,787.44
Total Other Programs	164,607.21
Total U. S. Department of Education	241,067.04
Total Federal Revenues	$ 463,820.22

See notes to the basic financial statements.

WEBSTER COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2014

SCHEDULE "3"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPE GENERAL FUND
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	$ 75,890.23
Education, Georgia Department of	
Quality Basic Education (1)	
Direct Instructional Cost	
Kindergarten Program	107,733.00
Kindergarten Program - Early Intervention Program	21,005.00
Primary Grades (1-3) Program	325,478.00
Primary Grades - Early Intervention (1-3) Program	81,636.00
Upper Elementary Grades (4-5) Program	125,130.00
Upper Elementary Grades - Early Intervention (4-5) Program	68,996.00
Middle School (6-8) Program	343,130.00
High School General Education (9-12) Program	260,132.00
Vocational Laboratory (9-12) Program	95,876.00
Students with Disabilities	158,089.00
Gifted Student - Category VI	31,920.00
Alternative Education Program	21,411.00
Media Center Program	47,052.00
20 Days Additional Instruction	15,728.00
Staff and Professional Development	8,364.00
Indirect Cost	
Central Administration	292,946.00
School Administration	204,823.00
Facility Maintenance and Operations	102,332.00
Mid-term Adjustment Hold-Harmless	64,652.00
Amended Formula Adjustment	-332,266.00
Categorical Grants	
Pupil Transportation	
Regular	82,302.00
Nursing Services	19,173.00
Sparsity	126,580.00
Education Equalization Funding Grant	74,757.00
Other State Programs	
Food Services	6,661.00
Preschool Handicapped Program	2,667.00
Vocational Education	12,923.00
Office of the State Treasurer	
Public School Employees' Retirement	7,612.00
	$ 2,452,732.23

(1) Payments to the Georgia Department of Community Health by the Georgia Department of Education on behalf of the School District in the amount of $232,044.00 are included as part of the Quality Basic Education revenue allotments above.

See notes to the basic financial statements.

WEBSTER COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2014

SCHEDULE "4"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED	ESTIMATED COMPLETION DATE
2011 SPLOST REFERENDUM							
(i) Acquiring, constructing, equipping and furnishing new school buildings and facilities useful and desirable in connection therewith, including, but not limited to, a new high school and athletic/physical education facilities.	$ 100,000.00	$ 100,000.00	$ 7,791.89	$ 17,530.63			June 2017
(ii) Adding to, renovating, repairing, improving, demolishing, furnishing, and equipping existing school buildings and other buildings and facilities useful and desirable in connection therewith, including but not limited to the elementary, middle and high schools.	140,000.00	140,000.00	7,973.50	71,434.32			June 2017
(iii) Paying a portion of the debt service on the outstanding Series 2005 General Obligation Bonds previously issued by Webster County School District, the maximum amount of the debt service to be paid with sales tax proceeds to be $500,000.00.	500,000.00	500,000.00	295,084.44	287,300.00			June 2017
(iv) Acquiring new technology and software and wiring upgrades.	100,000.00	100,000.00	0.00	21,027.51			June 2017
(v) Acquiring real property.	50,000.00	50,000.00	0.00	0.00			June 2017
(vi) Acquiring new school equipment including, but not limited to, new buses, maintenance vehicles and other school equipment.	50,000.00	50,000.00	0.00	9,094.15			June 2017
(vii) Purchasing textbooks and band instruments.	10,000.00	10,000.00	0.00	0.00			June 2017
(viii) Acquiring any necessary or desirable property, both real and personal.	50,000.00	50,000.00	0.00	0.00			June 2017
	$ 1,000,000.00	$ 1,000,000.00	$ 310,849.83	$ 406,386.61			

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

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

(3) The voters of Webster County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

See notes to the basic financial statements.

WEBSTER COUNTY BOARD OF EDUCATION
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS (QBE)
ALLOTMENTS AND EXPENDITURES BY PROGRAM
YEAR ENDED JUNE 30, 2014

SCHEDULE "5"

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2) (3)	ELIGIBLE QBE PROGRAM COSTS SALARIES	OPERATIONS	TOTAL
Direct Instructional Programs				
Kindergarten Program	$ 129,319.00	$ 173,672.39	$ 3,572.31	$ 177,244.70
Kindergarten Program-Early Intervention Program	22,942.00			
Primary Grades (1-3) Program	380,647.00	382,902.89	9,713.56	392,616.45
Primary Grades-Early Intervention (1-3) Program	85,921.00	80,128.53		80,128.53
Upper Elementary Grades (4-5) Program	150,998.00	261,522.42	8,385.73	269,908.15
Upper Elementary Grades-Early Intervention (4-5) Program	71,446.00			
Middle Grades (6-8) Program		412,387.43	11,434.12	423,821.55
Middle School (6-8) Program	390,932.00			
High School General Education (9-12) Program	298,732.00	366,054.39	41,158.61	407,213.00
Vocational Laboratory (9-12) Program	109,332.00	128,655.50	9,969.90	138,625.40
Students with Disabilities Category III	191,395.00	183,152.53	68,524.68	251,677.21
Gifted Student - Category VI	37,494.00		723.51	723.51
Alternative Education Program	25,818.00	71,135.09		71,135.09
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	1,894,976.00	2,059,611.17	153,482.42	2,213,093.59
Media Center Program	54,586.00	88,419.71	7,713.19	96,132.90
Staff and Professional Development	8,978.00		6,243.79	6,243.79
TOTAL QBE FORMULA FUNDS	$ 1,958,540.00	$ 2,148,030.88	$ 167,439.40	$ 2,315,470.28

(1) Comprised of State Funds plus Local Five Mill Share.

(2) Allotments do not include the impact of the State amended formula adjustment.

(3) Allotments do not include the State Health payments made by GDOE to the Department of Community Health for the certified employees.

See notes to the basic financial statements.

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

May 28, 2015

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

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

Ladies and Gentlemen:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Webster County Board of Education as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Webster County Board of Education's basic financial statements and have issued our report thereon dated May 28, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Webster County Board of Education'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 have reported to management of Webster County Board of Education in a separate letter dated May 28, 2015.

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, not to provide an opinion on the effectiveness of the Webster County Board of Education'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 Webster County Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Greg S. Griffin
State Auditor

GSG:as
2014YB-10

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

WEBSTER COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FINDING CONTROL NUMBER AND STATUS	
FS-7521-09-02	Previously Reported Corrective Action Implemented

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

SECTION IV

FINDINGS AND QUESTIONED COSTS

WEBSTER COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

I FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

II FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.