

CARROLL COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CARROLL COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 27,814,407
Receivables:	
Taxes	3,384,197
Intergovernmental:	
State	10,493,673
Federal	1,639,536
Other	73,201
Restricted:	
Cash and cash equivalents	1,564,434
Investments	15,699,366
Prepaid items	130,705
Inventory	291,758
Capital assets (nondepreciable)	20,718,442
Capital assets (depreciable, net of accumulated depreciation)	223,820,635
Total assets	<u>305,630,354</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	<u>9,947,672</u>
LIABILITIES	
Accounts payable	744,339
Salaries and benefits payable	14,490,280
Accrued interest payable	810,342
Contracts and retainage payable	1,064,819
Bonds payable due within one year	9,100,000
Bonds payable due in more than one year	65,800,342
Capital lease due within one year	166,197
Capital lease due in more than one year	1,181,831
Compensated absences due in less than one year	449,472
Compensated absences due in more than one year	85,393
Net pension liability	99,031,151
Total liabilities	<u>192,924,166</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	<u>12,263,270</u>
NET POSITION	
Net investment in capital assets	186,902,535
Restricted for:	
Debt service	8,432,780
Capital outlay	264,564
Continuation of federal programs	571,611
Unrestricted	(85,780,900)
Total net position	<u>\$ 110,390,590</u>

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

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

CARROLL COUNTY BOARD OF EDUCATION

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 85,380,811	\$ 2,919,938	\$ 64,041,396	\$ -	\$ (18,419,477)
Support services:					
Pupil services	3,909,784	-	805,111	-	(3,104,673)
Improvement of instructional services	2,665,240	-	2,085,072	-	(580,168)
Educational media services	2,180,522	-	1,791,630	-	(388,892)
Federal grant administration	460,047	-	-	-	(460,047)
General administration	1,684,991	-	2,018,438	-	333,447
School administration	8,999,034	-	3,892,040	-	(5,106,994)
Business administration	805,808	-	10,082	-	(795,726)
Maintenance and operation of facilities	9,222,511	50	4,354,579	444,366	(4,423,516)
Student transportation services	8,559,856	-	1,733,488	-	(6,826,368)
Central support services	678,877	-	7,386	-	(671,491)
Other support services	814,969	-	117,762	-	(697,207)
Enterprise operation	2,949,196	-	-	-	(2,949,196)
Food services operation	8,465,387	1,574,499	7,145,532	-	254,644
Community service operation	463,492	-	-	-	(463,492)
Interest on long-term debt	1,907,331	-	-	-	(1,907,331)
Total governmental activities	<u>\$ 139,147,856</u>	<u>\$ 4,494,487</u>	<u>\$ 88,002,516</u>	<u>\$ 444,366</u>	<u>(46,206,487)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					30,490,100
Sales taxes:					
For debt service					13,091,949
Intangible taxes					4,280,374
Grants and contributions not restricted to specific programs					8,479,080
Unrestricted investment earnings					24,517
Other					2,352,878
Total general revenues					<u>58,718,898</u>
Change in net position					<u>12,512,411</u>
Net position, beginning of year					<u>97,878,179</u>
Net position, end of year					<u>\$ 110,390,590</u>

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

CARROLL COUNTY BOARD OF EDUCATION

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2016

ASSETS	General	District-wide Capital Projects	Debt Service	Total Governmental Funds
Cash and cash equivalents	\$ 18,213,393	\$ 2,419,467	\$ 7,181,547	\$ 27,814,407
Receivables:				
Taxes	1,322,660	-	2,061,537	3,384,197
Intergovernmental:				
State	10,493,673	-	-	10,493,673
Federal	1,639,536	-	-	1,639,536
Other	72,716	447	38	73,201
Restricted:				
Cash and cash equivalents	-	1,564,434	-	1,564,434
Investments	-	15,699,366	-	15,699,366
Prepaid items	130,705	-	-	130,705
Inventory	291,758	-	-	291,758
Total assets	<u>\$ 32,164,441</u>	<u>\$ 19,683,714</u>	<u>\$ 9,243,122</u>	<u>\$ 61,091,277</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 718,627	\$ 25,712	\$ -	\$ 744,339
Salaries and benefits payable	14,490,280	-	-	14,490,280
Contracts and retainage payable	-	1,064,819	-	1,064,819
Total liabilities	<u>15,208,907</u>	<u>1,090,531</u>	<u>-</u>	<u>16,299,438</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	659,004	-	-	659,004
Total deferred inflows of resources	<u>659,004</u>	<u>-</u>	<u>-</u>	<u>659,004</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	130,705	-	-	130,705
Inventory	291,758	-	-	291,758
Restricted:				
Capital outlay	-	18,593,183	-	18,593,183
Debt service	-	-	9,243,122	9,243,122
Continuation of federal programs	571,611	-	-	571,611
Unassigned	15,302,456	-	-	15,302,456
Total fund balances	<u>16,296,530</u>	<u>18,593,183</u>	<u>9,243,122</u>	<u>44,132,835</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,164,441</u>	<u>\$ 19,683,714</u>	<u>\$ 9,243,122</u>	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund:

Cost	309,612,351	
Less accumulated depreciation	<u>(65,073,274)</u>	244,539,077

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the fund:

Property taxes	659,004
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The net pension liability, and related balances, are not expected to be paid with current financial resources and are therefore not reported in governmental funds.

Net pension liability	(99,031,151)	
Deferred inflows of resources - pensions	(12,263,270)	
Deferred outflows of resources - pensions	<u>9,947,672</u>	(101,346,749)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund:

Bonds	(64,110,000)	
Bond premium, net of amortization	(10,790,342)	
Capital leases	(1,348,028)	
Accrued interest	(810,342)	
Compensated absences	<u>(534,865)</u>	(77,593,577)

Net position of governmental activities \$ 110,390,590

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

CARROLL COUNTY BOARD OF EDUCATION

STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General	District - Wide Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	\$ 30,888,932	\$ -	\$ -	\$ 30,888,932
Sales taxes	-	-	13,091,949	13,091,949
Other taxes	4,280,374	-	-	4,280,374
State funds	81,649,631	98,528	-	81,748,159
Federal funds	15,249,312	-	-	15,249,312
Charges for services	4,494,487	-	-	4,494,487
Investment earnings	437	24,080	2,354	26,871
Miscellaneous	2,352,878	-	-	2,352,878
Total revenues	138,916,051	122,608	13,094,303	152,132,962
EXPENDITURES				
Current:				
Instruction	84,211,437	-	-	84,211,437
Support services:				
Pupil services	4,063,759	-	-	4,063,759
Improvement of instructional services	2,761,148	-	-	2,761,148
Educational media services	2,005,574	-	-	2,005,574
Federal grant administration	475,235	-	-	475,235
General administration	1,677,214	-	-	1,677,214
School administration	9,422,386	-	-	9,422,386
Business administration	728,527	-	-	728,527
Maintenance and operation of facilities	9,210,815	-	-	9,210,815
Student transportation services	8,043,757	-	-	8,043,757
Central support services	706,187	-	-	706,187
Other support services	336,327	11,664	-	347,991
Enterprise operations	2,884,211	-	-	2,884,211
Food services operation	8,465,387	-	-	8,465,387
Community services operation	463,492	-	-	463,492
Capital outlay	411,497	11,305,174	-	11,716,671
Debt service:				
Principal retirement	255,354	-	8,700,000	8,955,354
Interest and fiscal charges	58,365	-	2,720,225	2,778,590
Bond issuance costs	-	322,361	-	322,361
Total expenditures	136,180,672	11,639,199	11,420,225	159,240,096
Excess (deficiency) of revenues over (under) expenditures	2,735,379	(11,516,591)	1,674,078	(7,107,134)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,783,445	800,000	-	2,583,445
Transfers out	(1,783,445)	-	(800,000)	(2,583,445)
Proceeds from sale of capital assets	58,045	-	-	58,045
Issuance of general obligation sales tax bonds	-	16,280,021	1,664,979	17,945,000
Premium on bond issuance	-	3,245,755	-	3,245,755
Total other financing sources (uses)	58,045	20,325,776	864,979	21,248,800
Net change in fund balances	2,793,424	8,809,185	2,539,057	14,141,666
FUND BALANCES, beginning of year	13,503,106	9,783,998	6,704,065	29,991,169
FUND BALANCES, end of year	\$ 16,296,530	\$ 18,593,183	\$ 9,243,122	\$ 44,132,835

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

CARROLL COUNTY BOARD OF EDUCATION

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

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

Net change in fund balances - total governmental funds	\$	14,141,666
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year.

Capital outlay	\$	12,394,973	
Depreciation expense		<u>(5,966,556)</u>	6,428,417

In the statement of activities, only the gain or loss on the sale of capital assets is recorded. However, in the governmental funds, proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.

(759,567)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(398,832)	
GSFIC	<u>(98,528)</u>	(497,360)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments - bonds	\$	8,700,000	
Principal payments - capital leases		161,710	
Principal payments - license agreement		93,644	
Issuance of general obligation sales tax bonds		(17,945,000)	
Premium on bond issuance		<u>(3,245,755)</u>	(12,235,401)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	\$	(6,037)	
Amortization of bond premium		1,324,224	
Change in net pension liabilities and related deferred outflows and inflows of resources		4,247,073	
Change in accrued interest		<u>(130,604)</u>	<u>5,434,656</u>

Change in net position - governmental activities	\$	<u><u>12,512,411</u></u>
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The accompanying notes are an integral part of these financial statements.

CARROLL COUNTY BOARD OF EDUCATION

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2016

ASSETS	Private	Agency
	Purpose Trust	Fund
Cash	\$ 2,285	\$ 469,191
Investments	38,656	11,000
Total assets	<u>\$ 40,941</u>	<u>\$ 480,191</u>
LIABILITIES		
Funds held for others	<u>\$ -</u>	<u>\$ 480,191</u>
NET POSITION		
Held in trust for private purposes	<u>\$ 40,941</u>	

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

CARROLL COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Private Purpose Trust
ADDITIONS	
Investment earnings:	
Interest	\$ 39
Change in net position	39
Net position, beginning of year	40,902
Net position, end of year	\$ 40,941

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

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Carroll County Board of Education (the “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 Carroll 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, including fiduciary 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, each displayed in a separate column.

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School District reports the following major governmental funds:

- *General Fund* is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.
- *District-wide Capital Projects Fund* accounts for financial resources including bond proceeds and grants from the Georgia State Financing and Investment Commission to be used for the acquisition, construction or renovation of major capital facilities.
- *Debt Service Fund* accounts for Education Special Purpose Local Option Sales Taxes (ESPLOST) that are legally restricted for the repayment of general long-term principal, interest and paying agent's fees on the General Obligation Sales Tax Bonds that the School District has issued.

The School District reports the following fiduciary fund types:

- The *Private Purpose Trust Fund* reports a trust arrangement under which principal is to be invested and preserved intact with the resultant income to be used to assist State University of West Georgia juniors and seniors who have committed to a career in education or to veteran teachers who are returning to school to upgrade their teaching credentials.
- *Agency Funds* account for assets held by the School District as an agent for various individual school clubs & activities.

Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The District-wide governmental and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Agency Fund is custodial in nature and do not present results of operations or have a measurement focus. 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, grants and donations. 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 and donations 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.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School District considers all revenues reported in the governmental funds to be available if they are collected within sixty 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 and compensated absences, 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 and acquisitions under capital leases are reported as other financing sources.

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

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, there are both restricted and unrestricted net position 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.

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. Georgia Laws OCGA 45-8-14 authorize the School District to deposit its funds in one or more solvent banks or insured Federal savings and loan associations.

Investments

COMPOSITION OF INVESTMENTS

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year are reported at fair value. The Official Code of Georgia Annotated Section 36-83-4 authorizes the School District to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following:

- (1) Obligations issued by the State of Georgia or by other states,
- (2) Obligations issued by the United States government,
- (3) Obligations fully insured or guaranteed by the United States government or a United States government agency,
- (4) Obligations of any corporation of the United States government,
- (5) Prime banker's acceptances,
- (6) The Local Government Investment Pool administered by the Office of the State Treasurer of the State of Georgia,
- (7) Repurchase agreements, and
- (8) Obligations of other political subdivisions of the State of Georgia.

The School District does not have a formal policy regarding investments that addresses credit risks, custodial credit risks, concentration of credit risks, interest rate risks or foreign currency risks.

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 Carroll County Board of Commissioners fixed the property tax levy for the 2015 tax digest year (calendar year) on August 11, 2015 (levy date). Taxes were due on December 1, 2015 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2015 tax digest are reported as revenue in the governmental funds for fiscal year 2016. The Carroll County Tax Commissioner bills and collects the property taxes for the School District, withholds 1% 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, 2016, for maintenance and operations amounted to \$30,888,932.

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax millage rates levied for the 2015 tax year (calendar year) for the Carroll County Board of Education were as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	<u>19.50</u> mills
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Sales Taxes

Education Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to \$13,091,949 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.

Prepaid Items

Payments made to vendors for services that will benefit period subsequent to June 30, 2016, are recorded as prepaid items.

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 acquisition value.

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.

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
Land	All	N/A
Land Improvements	<u>\$10,000</u>	<u>15 to 80 years</u>
Buildings and Improvements	<u>\$10,000</u>	<u>20 to 80 years</u>
Intangible Assets	<u>\$10,000</u>	<u>15 to 20 years</u>
All Equipment	<u>\$10,000</u>	<u>3 to 20 years</u>

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives.

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

Compensated Absences

Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the individual school districts. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School District's financial statements.

Vacation leave is awarded on a fiscal year basis to all full time personnel employed on twelve month basis, according to the following guidelines:

Classified Employees	10 days per year
Certified Employees with 0-5 years experience in Carroll County	12 days per year
Certified Employees with 6-10 years experience in Carroll County	15 days per year
Certified Employees with 11 plus years experience in Carroll County	18 days per year

No other employees are eligible to earn vacation leave.

Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 20 days for Classified Employees and 25 days for Certified Employees.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 effective interest method. Bond issuance costs are recognized in the financial statements during the fiscal year 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. 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The Governmental Activities report one type of deferred outflows of resources related to the reporting of the net pension liability. The deferred outflow of resources being recognized is the School District's actual contributions to the pension plans during the fiscal year ended June 30, 2016 which is subsequent to the measurement date and will be applied to the net pension liability in fiscal year 2017.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has one type of deferred inflow under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The School District has three items that qualify for reporting in this category which occur only in the governmental activities. Governmental Activities report a deferred inflow of resources for the net difference between projected and actual investment earnings on the pension assets. This difference will be amortized over a five year period. Governmental Activities also report a deferred inflow of resources for the difference between the School District's actual contributions towards the pension plan and the School District's proportionate share of contributions as well as experience gains and losses. These differences will be amortized over the remaining service period.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

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

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

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

Net Position

The School District's net position in the District-wide Statements are 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 – These represent resources for which the School District is legally or contractually obligated to spend resources for bus replacement, continuation of Federal programs, debt service and capital projects in accordance with restrictions imposed by external third parties.

Unrestricted net position – Unrestricted net position represent 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.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The School District reports positive unassigned fund balances only in the General Fund. Negative unassigned fund balances may be reported in the other 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.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 3: BUDGETARY DATA

It is the goal of the School District to achieve and maintain a committed, assigned, and unassigned fund balance in the General Fund at fiscal year end of not less than 12 - 14% of annual operating expenditures for the subsequent fiscal year budget, not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with Official Code of Georgia Annotated Section 20-2-167(a)5. If the unassigned fund balance at fiscal year end falls below the goal, the School District shall develop a restoration plan to achieve and maintain the minimum fund balance.

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.

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 fund. There is no statutory prohibition regarding over expenditure of the budget at any level.

The budget for all governmental funds, except the various school activity (principal) accounts, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate function level.

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.

The Superintendent is authorized by the Board to approve adjustments of no more than 5 percent of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than 5 percent of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 4: DEPOSITS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance. At June 30, 2016, all deposits were secured by surety bond, insurance or collateral as specified above.

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 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.

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.

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 4: DEPOSITS AND INVESTMENTS

CATEGORIZATION OF INVESTMENTS

At June 30, 2016, the School District's investments consisted of certificates of deposit totaling \$15,749,022. As these certificates of deposit are considered nonparticipating interest-earning investment contracts, they are recorded at cost.

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. For the year ended June 30, 2016, the commodities usage is recorded at their federally assigned value of \$416,820. For additional information, see **Note 2 – Inventories**.

Note 6: CAPITAL ASSETS

The following is a summary of changes in the capital assets during the fiscal year:

	Balance July 1, 2015	Increases	Decreases/ Transfers	Balance June 30, 2016
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,438,347	\$ 62,945	\$ -	\$ 9,501,292
Construction in progress	158,614	11,461,891	(403,355)	11,217,150
Total capital assets not being depreciated	9,596,961	11,524,836	(403,355)	20,718,442
Capital assets, being depreciated:				
Buildings and improvements	255,191,975	36,095	-	255,228,070
Equipment	17,614,090	808,702	(1,265,064)	17,157,728
Land improvements	16,200,100	25,340	(133,399)	16,092,041
Intangible assets	416,070	-	-	416,070
Total capital assets being depreciated	289,422,235	870,137	(1,398,463)	288,893,909
Less accumulated depreciation for:				
Buildings and improvements	(40,877,754)	(4,367,552)	-	(45,245,306)
Equipment	(12,760,927)	(863,552)	1,012,236	(12,612,243)
Land improvements	(6,250,243)	(631,434)	30,015	(6,851,662)
Intangible assets	(260,045)	(104,018)	-	(364,063)
Total accumulated depreciation	(60,148,969)	(5,966,556)	1,042,251	(65,073,274)
Total capital assets, being depreciated, net	229,273,266	(5,096,419)	(356,212)	223,820,635
Governmental activities capital assets, net	<u>\$ 238,870,227</u>	<u>\$ 6,428,417</u>	<u>\$ (759,567)</u>	<u>\$ 244,539,077</u>

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 6: CAPITAL ASSETS (Continued)

Capital assets being acquired under capital leases as of June 30, 2016, are as follows:

	Governmental Funds
	<hr/>
Equipment	\$ 1,684,589
Less: Accumulated Depreciation	<u>268,034</u>
	 <u><u>\$ 1,416,555</u></u>

Current year depreciation expense by function is as follows:

Instruction	\$ 4,432,086	
Support Services:		
Educational Media Services	\$ 260,314	
General Administration	24,735	
Business Administration	104,018	
Maintenance and Operation of Facilities	25,359	
Student Transportation Services	<u>547,044</u>	961,470
Food Services Operation		<u>573,000</u>
		 <u><u>\$ 5,966,556</u></u>

Note 7: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016, consisted of the following:

Transfers To	Transfers From Debt Service Fund
	<hr/>
District-Wide Capital Projects Fund	<u><u>\$ 800,000</u></u>

Transfers are used to move sales tax revenues collected by the Debt Service Fund to the District-Wide Capital Projects Fund to pay for SPLOST projects on the voter approved referendum.

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 8: 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; natural disasters and unemployment compensation.

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, errors and omissions, crime and automobile risks. Payment of excess insurance for the system varies by line of coverage.

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the General Fund. Unemployment compensation expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported and claims administration expenses.

Changes in the unemployment compensation claims liability during the last two fiscal years are as follows:

	Beginning of Year	Claims and Changes in Estimates	Claims Paid	End of Year
2016	\$ -	\$ 6,636	\$ 6,636	\$ -
2015	\$ -	\$ 7,802	\$ 7,802	\$ -

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 \$200,000 per year corridor retention.

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 8: RISK MANAGEMENT (Continued)

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

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$100,000

Note 9: LONG – TERM DEBT

COMPENSATED ABSENCES

Compensated absences represent obligations of the School District relating to employees' rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Typically, the General Fund is the fund used to liquidate this long-term debt. The School District uses the vesting method to compute compensated absences.

CAPITAL LEASES

The Carroll County Board of Education has entered into various lease agreements for software and energy improvements to buildings. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2017	\$ 201,056
2018	201,056
2019	201,056
2020	201,056
2021	201,056
2022-2024	485,886
Total minimum lease payments	1,491,166
Less: amount representing interest	(143,138)
Present value of minimum lease payments	1,348,028
Less: current liabilities	(166,197)
	<u>\$ 1,181,831</u>

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 9: LONG – TERM DEBT (Continued)

GENERAL OBLIGATION DEBT OUTSTANDING

The School District has issued General Obligation bonds to provide funds to finance the cost of acquiring, constructing, and equipping certain capital outlay projects and the costs of issuing the bonds. The bonds are general obligations of the School District and will constitute a pledge of the full faith and credit of the School District. Principal of and interest on the bonds are payable first from the receipts of a special one percent sales and use tax for educational purposes (“Educational Sales Tax”) collected within the territorial limits of the School District. The receipts from this Educational Sales Tax are anticipated to be sufficient to pay all debt service on the bonds; however, to the extent any liability on such debt is not satisfied from the proceeds of the Educational Sales Tax, it shall be paid from a direct annual ad valorem tax which may be levied, without limitation as to rate or amount, upon all taxable property within the territorial limits of the School District subject to taxation for school bond purposes.

General Obligation Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Series 2011	3.67% - 3.77 %	46,165,000
General Government – Series 2016	3.67% - 3.77 %	<u>17,945,000</u>
		<u>\$64,110,000</u>

Debt service requirements to maturity on the General Obligations Bonds are as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 9,100,000	\$ 3,139,429
2018	9,565,000	2,650,450
2019	6,135,000	2,190,500
2020	9,155,000	1,911,200
2021	9,575,000	1,491,550
2022-2023	<u>20,580,000</u>	<u>1,556,000</u>
Totals	<u>\$ 64,110,000</u>	<u>\$ 12,939,129</u>

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 9: LONG – TERM DEBT (Continued)

The changes in Long-Term Debt during the fiscal year ended June 30, 2016, were as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
G.O. Bonds	\$ 54,865,000	\$ 17,945,000	\$ (8,700,000)	\$ 64,110,000	\$ 9,100,000
Unamortized Bond Premium	8,868,811	3,245,755	(1,324,224)	10,790,342	-
Total bonds payable	63,733,811	21,190,755	(10,024,224)	74,900,342	9,100,000
Capital Leases	1,509,738	-	(161,710)	1,348,028	166,197
License Agreement	93,644	-	(93,644)	-	-
Compensated absences	528,828	349,817	(343,780)	534,865	449,472
Total long-term liabilities	\$ 65,866,021	\$ 21,540,572	\$ (10,623,358)	\$ 76,783,235	\$ 9,715,669

Note 10: RELATED PARTY TRANSACTIONS

In 2011, the Carroll County Board of Education entered into a related party transaction with Mr. Aaron McWhorter, owner of Sports Turf Company regarding a construction contract to build multiple sports facilities throughout the school district. Mr. Scott Cowart is the Superintendent of the School District and the owner of Sports Turf is his cousin. The Board was aware of his relationship prior to the vote to approve the work. The Board voted to award Sports Turf the contract to build these facilities. During fiscal year 2016, the School District incurred expenses of \$48,331 to Sports Turf Company for construction services.

Note 11: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of \$308,629 for health insurance and retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education
 Paid the Teachers Retirement System
 For Teachers Retirement (TRS)
 In the amount of \$30,945

Office of Treasury and Fiscal Services
 Paid to the Public School Employees Retirement System
 For Public School Employees Retirement (PSERS) Employer's Cost
 In the amount of \$277,684

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 12: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2016, together with funding available:

Project	Unearned Contracts
Performing Arts Center	\$ 10,037,745
N. CCA	561,359
CHS Field, Stadium, and Fieldhouse Renovations	810,930
THS Field and Stadium Renovations	485,018
VRHS Lobby, Dining, and Fieldhouse Renovations	1,193,326
CES New Gym	35,438
RES New Gym	32,813
MZHS Multipurpose Additions	524,791
BHS Multipurpose Additions	3,281
TES Renovations	393,029
	<u>\$ 14,077,730</u>

The amounts described in this note are not reflected in the basic financial statements.

Note 13: SIGNIFICANT CONTINGENT LIABILITIES

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

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

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

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 14: RETIREMENT PLANS

GENERAL INFORMATION ABOUT THE TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2016. The School District's contractually required contribution rate for the year ended June 30, 2016 was 14.27% of annual School District payroll. District contributions to TRS were \$9,935,661 for the year ended June 30, 2016.

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

At June 30, 2016, the School District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District are summarized in the table at the top of the following page.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 14: RETIREMENT PLANS (CONTINUED)

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

School District's proportionate share of the net pension liability	\$ 98,952,392
State of Georgia's proportionate share of the net pension liability associated with the School District	<u>313,767</u>
Total	<u><u>\$ 99,266,159</u></u>

The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2015. At June 30, 2015, the School District's proportion was 0.649976%, which was a decrease of 0.009680% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the School District recognized pension expense of \$5,650,841 and revenue of \$32,203 for support provided by the State of Georgia for certain support personnel. At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 8,346,738
Differences between expected and actual experience	-	870,337
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	2,965,072
School District contributions subsequent to the measurement date	<u>9,935,661</u>	<u>-</u>
Total	<u><u>\$ 9,935,661</u></u>	<u><u>\$ 12,182,147</u></u>

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 14: RETIREMENT PLANS (CONTINUED)

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

School District contributions subsequent to the measurement date of \$9,935,661 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ (4,880,568)
2018	(4,880,568)
2019	(4,880,574)
2020	2,564,432
2021	(104,869)
Total	<u>\$ (12,182,147)</u>

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

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

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

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

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

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 14: RETIREMENT PLANS (CONTINUED)

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

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

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

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

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

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$ 170,042,204	\$ 98,952,392	\$ 40,357,471

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

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

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 14: RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

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

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

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

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

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

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

State of Georgia's proportionate share of the Net Pension Liability associated with the School District	\$ <u>953,607</u>
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**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 14: RETIREMENT PLANS (CONTINUED)

Pension Liabilities and Pension Expense

The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2015.

For the year ended June 30, 2016, the School District recognized pension expense of \$56,868 and revenue of \$56,868 for support provided by the State of Georgia.

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

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

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

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

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

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 14: RETIREMENT PLANS (CONTINUED)

Pension Liabilities and Pension Expense (Continued)

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

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

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

GENERAL INFORMATION ABOUT THE EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA (ERS)

Plan description: ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1949 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.

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 memberships to GSEPS.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 14: RETIREMENT PLANS (CONTINUED)

General Information About the Employees' Retirement System of Georgia (ERS)

Under the old plan, 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 of salary, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement 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 1.25% of annual compensation. The School District's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for the old and new plan members and 21.69% for GSEPS members. The School District's contributions to ERS totaled \$12,011 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.

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

At June 30, 2016, the School District reported a liability for its proportionate share of the net pension liability in the amount of \$78,759. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015, the School District's proportion was 0.001944%, which was a decrease of 0.001079% from its proportion measured as of June 30, 2014.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 14: RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2016, the School District recognized pension expense of \$90,355. At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 5,683
Differences between expected and actual experience	-	629
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	74,811
School District contributions subsequent to the measurement date	12,011	-
Total	<u>\$ 12,011</u>	<u>\$ 81,123</u>

School District contributions subsequent to the measurement date of \$12,011 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2017	\$	(67,693)
2018		(12,813)
2019		(2,533)
2020		1,916
Total	<u>\$</u>	<u>(81,123)</u>

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 14: RETIREMENT PLANS (CONTINUED)

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

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

Inflation						3.0%
Salary increase						5.45% - 9.25%, including inflation
Investment rate of return						7.50%, net of pension plan
						investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males 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 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. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large 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

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 14: RETIREMENT PLANS (CONTINUED)

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

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

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

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$ 111,644	\$ 78,759	\$ 50,724

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publically available at www.ers.ga.gov/formspubs/formspubs.

CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 15: POSTEMPLOYMENT BENEFITS

GEORGIA RETIREE 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). Additional information about the School OPEB Fund is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This report can be obtained from the Georgia Department of Audits and Accounts at www.audits.ga.gov/SGD/CAFR.html.

Funding Policy. The contribution requirements of plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. For members with fewer than five years of service as of January 1, 2013, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2013, pay approximately 25 percent of the cost of the health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2013, the State provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board of Community Health sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

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.

**CARROLL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 15: POSTEMPLOYMENT BENEFITS (Continued)

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended June 30, 2016:

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

July 2015 – June 2016 \$945.00 per member per month

For non-certificated school personnel:

July 2015 – November 2015 \$596.20 per member per month

December 2015 – June 2016 \$746.20 per member per month

No additional contribution was required by the Board for fiscal year 2016 nor contributed to the School OPEB Fund to prefund retire benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School District 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.

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2016	100%	\$ 11,762,251
2015	100%	\$ 12,942,126
2014	100%	\$ 11,674,386

CARROLL COUNTY BOARD OF EDUCATION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 32,255,000	\$ 32,255,000	\$ 30,888,932	\$ (1,366,068)
Other taxes	816,000	816,000	4,280,374	3,464,374
State funds	79,168,854	80,791,271	81,649,631	858,360
Federal funds	6,607,312	16,810,813	15,249,312	(1,561,501)
Charges for services	1,655,850	1,655,850	4,494,487	2,838,637
Investment earnings	-	-	437	437
Miscellaneous	270,295	455,849	2,352,878	1,897,029
Total revenues	120,773,311	132,784,783	138,916,051	6,131,268
EXPENDITURES				
Current:				
Instruction	76,518,410	85,033,122	84,211,437	821,685
Support services:				
Pupil services	3,314,396	4,054,415	4,063,759	(9,344)
Improvement of instructional services	1,309,453	3,128,002	2,761,148	366,854
Educational media services	2,069,061	2,069,061	2,005,574	63,487
Federal grant administration	10,710	540,536	475,235	65,301
General administration	852,310	864,308	1,677,214	(812,906)
School administration	9,499,878	9,499,878	9,422,386	77,492
Business administration	790,683	815,683	728,527	87,156
Maintenance and operation of facilities	9,074,134	9,054,134	9,210,815	(156,681)
Student transportation services	8,044,076	7,910,264	8,043,757	(133,493)
Central support services	719,564	719,563	706,187	13,376
Other support services	231,000	363,593	336,327	27,266
Enterprise operations	-	-	2,884,211	(2,884,211)
Food services operation	7,803,760	7,803,760	8,465,387	(661,627)
Community services operation	-	-	463,492	(463,492)
Capital outlay	55,000	477,588	411,497	66,091
Debt service:				
Principal retirement	-	-	255,354	(255,354)
Interest and fiscal charges	-	-	58,365	(58,365)
Total expenditures	120,292,435	132,333,907	136,180,672	(3,846,765)
Excess of revenues over expenditures	480,876	450,876	2,735,379	2,284,503
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,783,445	1,783,445
Transfers out	(880,000)	(850,000)	(1,783,445)	(933,445)
Proceeds from the sale of capital assets	-	-	58,045	58,045
Total other financing sources (uses)	(880,000)	(850,000)	58,045	908,045
Net change in fund balances	(399,124)	(399,124)	2,793,424	3,192,548
FUND BALANCE, beginning of year	13,503,106	13,503,106	13,503,106	-
FUND BALANCE, end of year	\$ 13,103,982	\$ 13,103,982	\$ 16,296,530	\$ 3,192,548

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

(1) Original and Final Budget amounts do not include budgeted revenues or expenditures of the various principal accounts.

The accompanying schedule of revenues, expenditures and changes in fund balance budget and actual includes the Original and Final Budget that is presented on a basis other than accounting principles generally accepted in the United States of America (GAAP) as allowed by the State of Georgia. The primary differences between the budget basis and GAAP for fund financial statements include salary and benefit expenditures that are recorded on the budget when paid rather than when the liability is incurred and state revenues recorded on the budget when received rather than when earned.

CARROLL COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

TEACHERS RETIREMENT SYSTEM OF GEORGIA

FOR THE FISCAL YEAR ENDED JUNE 30

	2016	2015
School District's proportion of the net pension liability	0.649976%	0.659656%
School District's proportionate share of the net pension liability	\$ 98,952,392	\$ 83,338,835
State of Georgia's proportionate share of the net pension liability associated with the School District	313,767	341,109
Total	\$ 99,266,159	\$ 83,679,944
School District's covered-employee payroll	\$ 69,666,236	\$ 68,777,850
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	142.49%	121.17%
Plan fiduciary net position as a percentage of the total pension liability	81.44%	84.03%

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

CARROLL COUNTY BOARD OF EDUCATION**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF CONTRIBUTIONS****TEACHERS RETIREMENT SYSTEM OF GEORGIA****FOR THE FISCAL YEAR ENDED JUNE 30**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 9,935,661	\$ 9,161,110	\$ 8,445,920	\$ 7,862,272	\$ 7,209,297
Contributions in relation to the contractually required contributions	<u>9,935,661</u>	<u>9,161,110</u>	<u>8,445,920</u>	<u>7,862,272</u>	<u>7,209,297</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	69,626,216	69,666,236	68,777,850	68,906,854	70,129,348
Contributions as a percentage of covered-employee payroll	14.27%	13.15%	12.28%	11.41%	10.28%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contributions	\$ 7,431,613	\$ 7,232,354	\$ 7,232,746	\$ 7,094,149	\$ 6,621,494
Contributions in relation to the contractually required contributions	<u>7,431,613</u>	<u>7,232,354</u>	<u>7,232,746</u>	<u>7,094,149</u>	<u>6,621,494</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	72,291,955	74,254,148	77,939,073	76,445,571	71,352,306
Contributions as a percentage of covered-employee payroll	10.28%	9.74%	9.28%	9.28%	9.28%

CARROLL COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

FOR THE FISCAL YEAR ENDED JUNE 30

	2016	2015
School District's proportion of the net pension liability	0.001944%	0.302300%
School District's proportionate share of the net pension liability	\$ 78,759	\$ 113,381
School District's covered-employee payroll	\$ 44,442	\$ 64,837
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	177.22%	174.87%
Plan fiduciary net position as a percentage of the total pension liability	76.20%	77.99%

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

CARROLL COUNTY BOARD OF EDUCATION**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF CONTRIBUTIONS****EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA****FOR THE FISCAL YEAR ENDED JUNE 30**

	2016	2015	2014	2013	2012
Contractually required contributions	\$ 12,011	\$ 9,759	\$ 11,969	\$ 24,769	\$ 23,574
Contributions in relation to the contractually required contributions	12,011	9,759	11,969	24,769	23,574
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered-employee payroll	48,589	44,442	64,837	166,236	202,706
Contributions as a percentage of covered-employee payroll	24.72%	21.96%	18.46%	14.90%	11.63%
	2011	2010	2009	2008	2007
Contractually required contributions	\$ 21,315	\$ 22,459	\$ 23,669	\$ 22,760	\$ 20,406
Contributions in relation to the contractually required contributions	21,315	22,459	23,669	22,760	20,406
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered-employee payroll	204,753	215,740	227,372	218,640	196,025
Contributions as a percentage of covered-employee payroll	10.41%	10.41%	10.41%	10.41%	10.41%

CARROLL COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

FOR THE FISCAL YEAR ENDED JUNE 30

	2016	2015
School District's proportion of the net pension liability	0.000000%	0.000000%
School District's proportionate share of the net pension liability	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	953,607	850,673
Total	<u>\$ 953,607</u>	<u>\$ 850,673</u>
School District's covered-employee payroll	\$ 2,863,749	\$ 2,843,546
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.30%	29.92%
Plan fiduciary net position as a percentage of the total pension liability	87.00%	88.29%

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

CARROLL COUNTY BOARD OF EDUCATION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 32,255,000	\$ 32,255,000	\$ 31,078,380	\$ (1,176,620)
Other taxes	816,000	816,000	4,280,374	3,464,374
State funds	79,168,854	80,791,271	81,649,631	858,360
Federal funds	6,607,312	16,810,813	15,249,312	(1,561,501)
Charges for services	1,655,850	1,655,850	4,494,487	2,838,637
Investment earnings	-	-	438	438
Miscellaneous	270,295	455,849	2,352,878	1,897,029
Total revenues	120,773,311	132,784,783	139,105,500	6,320,717
EXPENDITURES				
Current:				
Instruction	76,518,410	85,033,122	84,211,437	821,685
Support services:				
Pupil services	3,314,396	4,054,415	4,063,759	(9,344)
Improvement of instructional services	1,309,453	3,128,002	2,761,148	366,854
Educational media services	2,069,061	2,069,061	2,005,574	63,487
Federal grant administration	10,710	540,536	475,235	65,301
General administration	852,310	864,308	1,677,214	(812,906)
School administration	9,499,878	9,499,878	9,422,386	77,492
Business administration	790,683	815,683	728,527	87,156
Maintenance and operation of facilities	9,074,134	9,054,134	9,210,815	(156,681)
Student transportation services	8,044,076	7,910,264	8,043,757	(133,493)
Central support services	719,564	719,563	706,187	13,376
Other support services	231,000	363,593	336,327	27,266
Enterprise operations	-	-	2,884,211	(2,884,211)
Food services operation	7,803,760	7,803,760	8,465,387	(661,627)
Community services operation	-	-	463,492	(463,492)
Capital outlay	55,000	477,588	411,497	66,091
Debt service:				
Principal retirement	-	-	255,354	(255,354)
Interest and fiscal charges	-	-	58,365	(58,365)
Total expenditures	120,292,435	132,333,907	136,180,672	(3,846,765)
Excess of revenues over expenditures	480,876	450,876	2,924,828	2,473,952
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,783,445	1,783,445
Transfers out	(880,000)	(850,000)	(1,783,445)	(933,445)
Proceeds from the sale of capital assets	-	-	58,045	58,045
Total other financing sources (uses)	(880,000)	(850,000)	58,045	908,045
Net change in fund balances	(399,124)	(399,124)	2,982,873	3,381,997
FUND BALANCE, beginning of year	13,503,106	13,503,106	13,503,106	-
FUND BALANCE, end of year	\$ 13,103,982	\$ 13,103,982	\$ 16,485,979	\$ 3,381,997

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

(1) Original and Final Budget amounts do not include budgeted revenues or expenditures of the various principal accounts.

The accompanying schedule of revenues, expenditures and changes in fund balance budget and actual includes the Original and Final Budget that is presented on a basis other than accounting principles generally accepted in the United States of America (GAAP) as allowed by the State of Georgia. The primary differences between the budget basis and GAAP for fund financial statements include salary and benefit expenditures that are recorded on the budget when paid rather than when the liability is incurred and state revenues recorded on the budget when received rather than when earned.

CARROLL COUNTY BOARD OF EDUCATION

SCHEDULE OF STATE REVENUE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Agency/Funding</u>	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Grants			
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	\$ 4,490,101	\$ -	\$ 4,490,101
Kindergarten Program - Early Intervention Program	601,381	-	601,381
Primary Grades (1-3) Program	11,035,022	-	11,035,022
Primary Grades - Early Intervention (1-3) Program	1,397,714	-	1,397,714
Upper Elementary Grades (4-5) Program	4,679,677	-	4,679,677
Primary Grades - Early Intervention (4-5) Program	864,003	-	864,003
Middle School (6-8) Program	7,691,723	-	7,691,723
High School General Education (9-12) Program	7,593,069	-	7,593,069
Vocational Laboratory (9-12) Program	2,762,306	-	2,762,306
Program for Intellectually Gifted Students - Category VI	3,946,161	-	3,946,161
Remedial Education Program	596,236	-	596,236
Alternative Education Program	603,173	-	603,173
English Speakers of Other Languages (ESOL)	461,764	-	461,764
Media Center Program	1,571,366	-	1,571,366
Twenty Days Additional Instruction	462,568	-	462,568
Staff and Professional Development	286,583	-	286,583
Indirect Cost			
Central Administration	1,717,834	-	1,717,834
School Administration	3,396,547	-	3,396,547
Facility Maintenance and Operations	3,766,106	-	3,766,106
Categorical Grants			
Pupil Transportation	1,536,945	-	1,536,945
Nursing Services	270,777	-	270,777
Vocational Supervisors	27,167	-	27,167
Education Equalization Funding Grant	8,479,080	-	8,479,080
Food Services	204,270	-	204,270
Vocational Education	241,907	-	241,907
Amended Formula Adjustment	(4,071,708)	-	(4,071,708)
Preschool Handicapped State Grant	195,163	-	195,163
Teachers Retirement	30,945	-	30,945
			(continued)

CARROLL COUNTY BOARD OF EDUCATION

SCHEDULE OF STATE REVENUE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Agency/Funding</u>	Governmental Fund Types		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Office of Treasury and Fiscal Services			
Public School Employees Retirement	\$ 277,684	\$ -	\$ 277,684
Total Quality Basic Education Formula Earnings (State and Local Funds)			
Principal Staff & Professional Development	7,224	-	7,224
Special Education Programs	14,390,447	-	14,390,447
QBE Allotment (Operating Costs)			
Special Education Programs	332,222	-	332,222
QBE Contra Account (Debit)			
Principal Staff & Professional Development	(890)	-	(890)
Special Education Programs	(1,812,323)	-	(1,812,323)
Grants from Pre-K Lottery			
Georgia Pre-Kindergarten Program	2,028,437	-	2,028,437
Other Grants From Georgia Department of Education			
Pupil Transportation - State Bonds	540,540	-	540,540
Residential Treatment Center Grants	556,842	-	556,842
Math and Science Supplement	127,555	-	127,555
Student Achievement Grant	137,766	-	137,766
Technology To Support Digital Learning Bonds	180,247	-	180,247
Funds From Other State Agencies			
Family Connection - DHR Grants	46,000	-	46,000
Other			
Capital Outlay Grants	-	98,528	98,528
	<u>\$ 81,649,631</u>	<u>\$ 98,528</u>	<u>\$ 81,748,159</u>

CARROLL COUNTY BOARD OF EDUCATION

SCHEDULE OF QUALITY BASIC EDUCATION PROGRAM (QBE) ALLOTMENTS AND EXPENDITURES BY PROGRAM GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Description	Allotments From Georgia Department of Education (1)(2)		Eligible QBE Program Costs		
			Salaries	Operations	Total
Direct Instructional Funds:					
Kindergarten Programs	\$	5,130,800	\$ 5,655,675	\$ 27,558	\$ 5,683,233
Kindergarten Program - Early Intervention Program		663,031	-	1,685	1,685
Primary Grades (1-3) Program		12,558,117	12,300,421	148,615	12,449,036
Primary Grades - Early Intervention (1-3) Program		1,571,246	824,348	3,878	828,226
Upper Elementary Grades (4-5) Program		5,311,924	6,859,421	420,945	7,280,366
Upper Elementary Grades-Early Intervention (4-5) Program		963,095	786,943	3,123	790,066
Middle School (6-8) Program		8,824,467	9,715,789	351,142	10,066,931
High School General Education (9-12) Program		8,634,463	9,747,861	550,721	10,298,582
Vocational Laboratory (9-12) Program		3,099,903	2,115,130	646,557	2,761,687
Students with Disabilities		14,713,100	-	-	-
Category I		-	1,270,806	5,398	1,276,204
Category II		-	590,755	2,335	593,090
Category III		-	9,008,893	212,168	9,221,061
Category IV		-	649,634	28,958	678,592
Category V		-	201,146	35,822	236,968
Gifted Student - Category VI		4,463,458	3,404,330	33,342	3,437,672
Remedial Education Program		685,886	547,133	1,913	549,046
Alternative Education Program		687,326	587,711	5,425	593,136
English Speakers of Other Languages (ESOL)		520,206	472,751	8,668	481,419
TOTAL DIRECT INSTRUCTIONAL PROGRAMS		67,827,022	64,738,747	2,488,253	67,227,000
Media Center Program		1,787,463	1,881,650	109,889	1,991,539
Staff and Professional Development		326,858	-	-	30,280
TOTAL QBE FORMULA FUNDS	\$	69,941,343	\$ 66,620,397	\$ 2,598,142	\$ 69,248,819

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

(2) Allotments do not include the impact of the State budget austerity reduction.

CARROLL COUNTY BOARD OF EDUCATION

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

Funding Agency Program/Grant	CFDA Number	Pass- Through Entity ID Number	Total Expenditures
Agriculture, U. S. Department of Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	N/A	\$ 1,669,153
National School Lunch Program - Cash	10.555	N/A	4,549,815
After School Snacks	10.555	N/A	152,625
National School Lunch Program - Commodities (1)	10.555	N/A	416,820
Total Child Nutrition Cluster			6,788,413
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	25,000
Total U. S. Department of Agriculture			6,813,413
Education, U. S. Department of Direct			
Investing in Innovation (i3) Fund	84.411	N/A	799,971
Education for Homeless Children and Youth Cluster			
Pass-Through From Georgia Department of Education			
Education for Homeless Children and Youth	84.196	N/A	37,682
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Title VI-B Flowthrough	84.027	N/A	2,940,078
High Cost Fund Pool	84.027	N/A	32,129
Preschool Grants	84.173	N/A	111,384
Total Special Education Cluster			3,083,591
Title I, Part A			
Pass-Through From Georgia Department of Education			
Title I - Improving the Academic Achievement of the Disadvantaged	84.010	N/A	3,560,330
Title I - School Improvement	84.010	N/A	68,524
Total Title I, Part A			3,628,854

continued

CARROLL COUNTY BOARD OF EDUCATION

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

Funding Agency Program/Grant	CFDA Number	Pass- Through Entity ID Number	Total Expenditures
Education, U. S. Department of			
Title II			
Pass-Through From Georgia Department of Education			
Title II-A, Improving Teacher Quality	84.367	N/A	622,283
Title II-A, Advanced Placement Grants	84.367	N/A	1,430
Total Title II			623,713
Title III			
Pass-Through From Georgia Department of Education			
Title III-A, Limited English Proficient	84.365	N/A	39,303
Title III-A, Immigrant	84.365	N/A	1,744
Total Title III			41,047
Vocational Education - Basic Grants to States			
Pass-Through From Georgia Department of Education			
CTAE - Perkins Plus Reserve	84.048	N/A	19,885
CTE - Perkins IV Grants	84.048	N/A	114,792
CTAE - Perkins IV Carryover	84.048	N/A	7,476
Total Vocational Education - Basic Grants to States			142,153
Total U. S. Department of Education			8,357,011
Defense, U. S. Department of			
Direct			
Department of the Air Force			
R.O.T.C. Program	N/A		53,024
Total Expenditures of Federal Awards			\$ 15,223,448

N/A = Not Available

Notes to the Schedule of Expenditures of Federal Awards

- (1) The amounts shown for the Food Donation Program represent the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School District during the current fiscal year.
- (2) The School District did not provide Federal Assistance to any Subrecipient.
- (3) The School District did not utilize the 10% de minimis indirect cost rate.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards*. Therefore, some amounts in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.