WILCOX COUNTY
BOARD OF EDUCATION
ABBEVILLE, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015
(Including Independent Auditor's Reports)

WILCOX COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

(This page left intentionally blank)

WILCOX COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

(This page left intentionally blank)

SECTION I

FINANCIAL

(This page left intentionally blank)

DEPARTMENT OF AUDITS AND ACCOUNTS
270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

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

July 20, 2016

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

INDEPENDENT AUDITOR'S REPORT

Ladies and Gentlemen:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wilcox County Board of Education as of and for the year ended June 30, 2015, and the related notes to the financial statements (Exhibits A through H), which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

(This page left intentionally blank)

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wilcox County Board of Education, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2015, the Wilcox County Board of Education adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The School District restated beginning Net Position for the cumulative effect of these accounting changes. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions to Retirement Systems, Notes to the Required Supplementary Information and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual as presented on pages i through ix, and pages 29 through 33 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wilcox County Board of Education's basic financial statements. The accompanying supplementary information, consisting of Schedules 5 through 8, is presented for the

(This page left intentionally blank)

purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2016, on our consideration of the Wilcox County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilcox County Board of Education's internal control over financial reporting and compliance.

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

Respectfully submitted,

Greg S. Griffin
State Auditor

GSG:er
2015ARL-11

(This page left intentionally blank)

INTRODUCTION

The District's financial statements for the fiscal year ended June 30, 2015 include a series of basic financial statements that report financial information for the District as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide financial information about all of the District's activities and present both a short-term and long-term view of the District's finances on a global basis. The fund financial statements provide information about all of the District's funds. Information about these funds, such as the District's General Fund, is important in its own right, but will also give insight into the District's overall soundness as reported in the Statement of Net Position and the Statement of Activities.

FINANCIAL HIGHLIGHTS

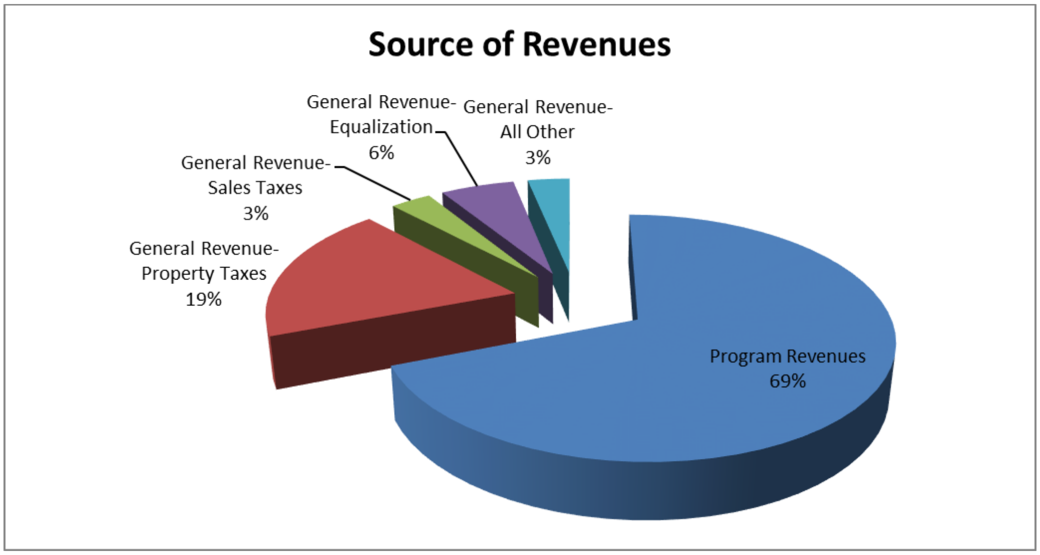
Key financial highlights for fiscal year 2015 are as follows:

On the District-wide financial statements:

- District-wide net position at June 30, 2015 was approximately $4.7 million. Net position reflects the difference between all assets and deferred outflows of resources of the District (including capital assets, net of depreciation) and all liabilities and deferred inflows of resources. The net position at June 30, 2015 of $4.7 million represented a decrease of approximately $10.1 million when compared to the prior year. The significant decrease in net position is due to the implementation of GASB 68 and GASB 71 that was implemented effective fiscal year 2015. School Districts are now required to record the proportionate share of the Net Pension Liability of TRS as a liability on the School District’s books. If GASB 68 and GASB 71 had not been implemented, the School District’s net position would have remained constant at $14.8 million.

- The School District had over $12.5 million in expenses relating to governmental activities; only $8.8 million of these expenses were offset by program specific charges for services, grants and contributions. However, the general revenues (primarily property and sales taxes) of approximately $4.0 million provided additional funding of these expenses.

- As stated above, general revenues accounted for $4.0 million or about 31% of all revenues totaling approximately $12.8 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for the balance of these revenues.



On the fund financial statement:

- Among major funds, the General Fund had approximately $12.4 million in revenues and $12.3 million in expenditures. The General Fund balance of approximately $2.6 million at June 30, 2015 increased by approximately $59,000.00 from the prior year. The primary reason for the increase is because of a partial reassessment of property taxes during fiscal year 2015, therefore increasing revenue.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consists of three parts; management's discussion and analysis (this section), the basic financial statements, including notes to the financial statements, and required supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the District-wide and fund financial statements.

The District-wide financial statements include the 'Statement of Net Position' and 'Statement of Activities'. These statements provide information about the activities of the School District presenting both short-term and long-term information about the School District's overall financial status.

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The 'Governmental Funds' statements disclose how basic services are financed in the short-term as well as what remains for future spending. The 'Fiduciary Funds' statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. In the case of the Wilcox County School District, the General Fund and Capital Projects Funds are considered to be major funds. The District has no non-major funds as defined by GASB Statement 34 for purposes of this report.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. Additionally, other supplementary information (not required) is also presented that further supplements understanding of the financial statements.

District-wide Statements

Since Wilcox County School District has no operations that have been classified as "Business Activities", the District-wide financial statements are basically a consolidation of all of the District's operating funds into one column called governmental activities. In reviewing the District-wide financial statements, a reader might ask the question, are we in a better financial position now than last year? The 'Statement of Net Position' and the 'Statement of Activities' provides the basis for answering this question. These financial statements include all District's assets and liabilities and uses the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and any changes in those assets. The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs, student-teacher ratios, and other factors.

When analyzing District-wide financial statements, it is important to remember these statements are prepared using an economic resources measurement focus (accrual accounting) and involve the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets
- Depreciate capital assets
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting
- Allocate net position as follows:
    - *Net Investment in Capital Assets*
    - *Restricted net position* is that with constraints placed on the use by external sources such as creditors, grantors, contributors or laws and regulations.
    - *Unrestricted net position* is net position that does not meet any of the above restrictions.

Fund Financial Statements

The School District uses many funds or sub-funds to account for a multitude of financial transactions during the fiscal year. The fund financial statements presented in this report provide detail information about the School District's significant or major funds. As discussed previously, the District has no non-major Funds as defined by generally accepted accounting principles.

The District has two kinds of funds as discussed below:

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net position, which is the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is one indicator of the financial condition of the District. When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. The relationship between revenues and expenses can be thought of as the District's operating results. The District's net position, as measured in the Statement of Net Position, can be one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position -as measured in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. However, the District's goal and mission is to provide success for each child's education, not to generate profits as private corporations do. For this reason, many other nonfinancial factors should be considered in assessing the overall health of the District.

In the case of the Wilcox County School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by over $4.7 million at June 30, 2015. To better understand the District's actual financial position and ability to deliver services in future periods, it is necessary to review the various components of the net position category. For example, of the $4.7 million of net position, about $2.3 million was restricted for continuation of Federal programs and ongoing capital projects. Accordingly, these funds were not available to meet the District's ongoing obligations to citizens and creditors.

In addition, the District had $9.8 million invested in capital assets (e.g., land, buildings, and equipment). The District uses these capital assets to provide educational services to students within geographic boundaries served by the District. Because of the very nature and on-going use of the assets being reported in this component of net position, it must be recognized that this portion of the net position is *not* available for future spending.

As mentioned previously, the implementation of GASB 68 and GASB 71 caused the School District to show a unrestricted net position deficit of $7.4 million. Had this implementation not been required, the school district would have reported a healthy unrestricted net position of $2.7 million, which more accurately shows the School District’s ability to meet the District’s ongoing obligations to citizens and creditors.

Table 1 provides a summary of the School District's net position for this fiscal year as compared to the prior fiscal year. The school district believes the column without the GASB 68 and GASB 71 implementation more accurately portrays the overall financial position of the district.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2015	Fiscal Year 2014 (1)
Assets		
Current and Other Assets	$ 6,369,659	$ 6,202,334
Capital Assets, Net	9,807,993	10,033,511
Total Assets	16,177,652	16,235,845
Deferred Outflows of Resources		
Related to Defined Benefit Pension Plan	791,105	
Liabilities		
Current and Other Liabilities	9,205,825	1,419,360
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plan	3,044,855	
Net Position		
Investment in Capital Assets	9,807,993	10,033,511
Restricted	2,327,094	2,202,474
Unrestricted (Deficit)	-7,417,010	2,580,500
Total Net Position	$ 4,718,077	$ 14,816,485

(1) Fiscal year 2014 figures do not reflect the effects of the restatement of Net Position. See Note 2 in the Notes to the Basic Financial Statements for additional information.

Not including GASB 68 and GASB 71, total net position would have had minimal change. This minimal change in net position is a result of the District closely managing its resources to its fullest potential. This change in net position is detailed in Table 2 as presented below.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2015	Fiscal Year 2014 (1)
Revenues		
Program Revenues:		
Charges for Services and Sales	$ 105,556	$ 121,661
Operating Grants and Contributions	8,714,964	9,140,359
Capital Grants and Contributions	601	
Total Program Revenues	8,821,121	9,262,020
General Revenues:		
Taxes		
Property Taxes	2,415,948	2,323,964
Sales Taxes	399,656	424,040
Grants and Contributions not Restricted to Specific Programs	723,889	833,576
Investment Earnings	23,347	17,379
Miscellaneous	387,554	365,028
Total General Revenues	3,950,394	3,963,987
Total Revenues	12,771,515	13,226,007
Program Expenses:		
Instruction	7,598,521	8,180,380
Support Services		
Pupil Services	450,837	453,447
Improvement of Instructional Services	511,166	787,973
Educational Media Services	166,261	173,627
General Administration	366,595	339,902
School Administration	766,261	795,692
Business Administration	137,781	134,264
Maintenance and Operation of Plant	852,082	980,090
Student Transportation Services	683,716	604,074
Other Support Services	76,270	39,366
Operations of Non-Instructional Services		
Enterprise Operations	121,124	119,293
Food Services	764,006	720,594
Total Expenses	12,494,620	13,328,702
Change in Net Position	$ 276,895	$ -102,695

(1) Fiscal year 2014 figures do not reflect the effects of the restatement of Net Position.
See Note 2 in the Notes to the Basic Financial Statements for additional information.

Cost of Providing Services

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting these services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the School District's taxpayers by each activity as compared to the prior fiscal year.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2015	Fiscal Year 2014 (1)	Fiscal Year 2015	Fiscal Year 2014 (1)
Instruction	$ 7,598,521	$ 8,180,380	$ 1,813,774	$ 2,601,533
Support Services:				
Pupil Services	450,837	453,447	288,027	288,954
Improvement of Instructional Services	511,167	787,973	153,667	133,819
Educational Media Services	166,261	173,627	11,209	22,581
General Administration	366,595	339,902	-17,743	-43,969
School Administration	766,261	795,692	290,760	351,485
Business Administration	137,781	134,264	137,781	134,264
Maintenance and Operation of Plant	852,082	980,090	487,197	491,613
Student Transportation Services	683,716	604,074	346,640	74,686
Central Support Services				-30,614
Other Support Services	76,270	39,366	8,630	39,349
Operations of Non-Instructional Services:				
Enterprise Operations	121,124	119,293	86,581	91,112
Food Services	764,005	720,594	66,976	-88,131
Total Expenses	$ 12,494,621	$ 13,328,702	$ 3,673,499	$ 4,066,682

(1) Fiscal year 2014 figures do not reflect the effects of the restatement of Net Position. See Note 2 in the Notes to the Basic Financial Statements for additional information.

The variance between the two fiscal years are the result of the implementation of GASB 68 and GASB 71 as well as the completion of the District's School Improvement grant in fiscal year 2014.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's governmental funds is presented starting on Exhibit "C" of this report. Governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of approximately $12.79 million and total expenditures of $12.62 million in fiscal year 2015. Total governmental fund balances of $4.88 million at June 30, 2015, increased approximately $172,000.00 from the prior year. The majority of this increase in fund balance is due to the retaining of capital projects revenues in preparation of the new K-12 school project.

General Fund Budget Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the General Fund. During the course of fiscal year 2015, the School District amended its General Fund budget as needed.

The School District budget is adopted at the aggregate level and maintained at the program and function levels to facilitate budgetary control. The budgeting systems are designed to control the total budget, but provide flexibility to meet the ongoing programmatic needs. The budgeting systems are also designed to control total site budgets but provide flexibility for site management as well.

For the General Fund, the final actual revenues of $12.39 million were more than the original budgeted amount of $10.48 million by roughly $1.91 million. This can be attributed to receiving more taxes and state revenue than originally anticipated.

The General Fund's final actual expenditures of $12.33 million were more than the original budget amount of $11.45 million by approximately $0.88 million. The District did not include revenues and expenditures for school activity accounts in the original budget.

Capital Assets

At fiscal year ended June 30, 2015, the School District had $9.8 million invested in capital assets, net of accumulated depreciation, all in governmental activities. These assets are made up of a broad range of items including buildings; land; land improvements; and food service, transportation and maintenance equipment. Table 4 reflects a summary of these balances, net of accumulated depreciation, as compared to the prior fiscal year.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2015	Fiscal Year 2014
Land	$ 438,469	$ 438,469
Construction in Progress	289,379	
Land Improvements	266,248	289,236
Buildings and Improvements	8,230,732	8,519,610
Equipment	583,165	786,196
Total	$ 9,807,993	$ 10,033,511

Additional information about the School District's Capital Assets can be found in the Notes to the Basic Financial Statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Currently known circumstances that are expected to have a significant effect on financial position or results of operations in future years are as follows:

- The District is financially stable. The School District's operating millage for fiscal year 2015 was 15.11, which produced approximately $149,832 per mill. The District plans to fund additional capital outlays with the one percent local sales tax revenue.

- Although state revenues in fiscal year 2015 increased over 2014 amounts, the School District faces challenges as a result of the State's continuing reduction of state revenue appropriations through the Amended Formula Adjustments to local School Districts.

- While the District continues to face challenges from the implementation of the A+ Education Reform Act, which mandates lower teacher-to-student ratios, the District has obtained class size waivers from the state. Statewide waivers from certain aspects of the No Child Left Behind Act have shifted the burden of accountability from AYP (Adequate Yearly Progress) measures to CCRPI (College and Career Readiness Performance Index) calculations. The full financial impact of complying with NCLB as modified through statewide waivers is uncertain.

- In accordance with O.C.G.A. §20-2-84, our School Systems chose to implement the Strategic Waiver School System (IE2) flexibility option. The District decided this option would best serve the students and taxpayers of the District.

- Despite the challenges, the District remains confident in the ability to maximize resources to provide the best possible educational experience for all students. Additionally, the District will continue to be a good steward of tax dollars while providing quality educational opportunities for all students.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Philip Worley, Director of Finance, Wilcox County School District, 395 College Street West, Abbeville, Georgia 31001. You may also email your questions to Mr. Worley at worleyp@wilcox.k12.ga.us.

(This page left intentionally blank)

WILCOX COUNTY BOARD OF EDUCATION

(This page left intentionally blank)

WILCOX COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2015

EXHIBIT "A"

		GOVERNMENTAL ACTIVITIES
ASSETS		
Cash and Cash Equivalents	$	4,859,932.59
Investments		42,734.45
Accounts Receivable, Net		
Interest		74.58
Taxes		252,044.80
State Government		780,378.97
Federal Government		382,995.34
Other		33,066.91
Inventories		11,681.94
Prepaids		6,750.00
Capital Assets, Non-Depreciable		727,848.00
Capital Assets, Depreciable (Net of Accumulated Depreciation)		9,080,145.00
Total Assets		16,177,652.58
DEFERRED OUTFLOWS OF RESOURCES		
Related to Defined Benefit Pension Plan		791,104.68
LIABILITIES		
Accounts Payable		175,401.15
Salaries and Benefits Payable		1,240,875.00
Net Pension Liability		7,789,549.00
Total Liabilities		9,205,825.15
DEFERRED INFLOWS OF RESOURCES		
Related to Defined Benefit Pension Plan		3,044,855.00
NET POSITION		
Investment in Capital Assets		9,807,993.00
Restricted for		
Continuation of Federal Programs		23,631.57
Capital Projects		2,303,462.75
Unrestricted (Deficit)		-7,417,010.21
Total Net Position	$	4,718,077.11

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

WILCOX COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	EXPENSES	CHARGES FOR SERVICES
GOVERNMENTAL ACTIVITIES		
Instruction	$ 7,598,521.33	$ 13,754.87
Support Services		
Pupil Services	450,836.65	16,978.39
Improvement of Instructional Services	511,166.46	4,020.45
Educational Media Services	166,261.30	
General Administration	366,594.55	
School Administration	766,261.31	7,334.70
Business Administration	137,780.50	
Maintenance and Operation of Plant	852,082.43	3,510.30
Student Transportation Services	683,715.71	25,414.75
Other Support Services	76,270.41	
Operations of Non-Instructional Services		
Enterprise Operations	121,123.94	34,543.09
Food Services	764,005.46	
Total Governmental Activities	$ 12,494,620.05	$ 105,556.55
General Revenues		
Taxes		
Property Taxes		
For Maintenance and Operations		
Railroad Cars		
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects		
Other Sales Tax		
Grants and Contributions not Restricted to Specific Programs		
Investment Earnings		
Miscellaneous		
Total General Revenues		
Change in Net Position		
Net Position - Beginning of Year, Restated		
Net Position - End of Year		

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

PROGRAM REVENUES		NET (EXPENSES)
OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUES AND CHANGES IN NET POSITION
$ 5,770,992.73		$ -1,813,773.73
145,831.32		-288,026.94
353,479.01		-153,667.00
155,052.00		-11,209.30
384,337.09		17,742.54
468,166.68		-290,759.93
		-137,780.50
361,374.94		-487,197.19
311,060.56	$ 600.50	-346,639.90
67,640.32		-8,630.09
		-86,580.85
697,029.18		-66,976.28
$ 8,714,963.83	$ 600.50	-3,673,499.17
		2,400,973.76
		14,974.18
		391,817.25
		7,838.20
		723,889.00
		23,347.23
		387,554.38
		3,950,394.00
		276,894.83
		4,441,182.28
		$ 4,718,077.11

WILCOX COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

EXHIBIT "C"

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 2,577,421.22	$ 2,282,511.37	$ 4,859,932.59
Investments	42,734.45		42,734.45
Accounts Receivable, Net			
Interest	74.58		74.58
Taxes	215,152.06	36,892.74	252,044.80
State Government	780,378.97		780,378.97
Federal Government	382,995.34		382,995.34
Other	33,066.91		33,066.91
Inventories	11,681.94		11,681.94
Prepaids	6,750.00		6,750.00
Total Assets	$ 4,050,255.47	$ 2,319,404.11	$ 6,369,659.58
LIABILITIES			
Accounts Payable	$ 159,459.79	$ 15,941.36	$ 175,401.15
Salaries and Benefits Payable	1,240,875.00		1,240,875.00
Total Liabilities	1,400,334.79	15,941.36	1,416,276.15
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	76,156.01		76,156.01
FUND BALANCES			
Nonspendable	18,431.94		18,431.94
Restricted	11,949.63	2,303,462.75	2,315,412.38
Assigned	1,048,660.30		1,048,660.30
Unassigned	1,494,722.80		1,494,722.80
Total Fund Balances	2,573,764.67	2,303,462.75	4,877,227.42
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,050,255.47	$ 2,319,404.11	$ 6,369,659.58

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

WILCOX COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

EXHIBIT "D"

Total Fund Balances - Governmental Funds (Exhibit "C")		$ 4,877,227.42
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	$ 438,469.00	
Construction in Progress	289,379.00	
Land Improvements	1,144,440.00	
Buildings and Improvements	12,310,948.00	
Equipment	2,380,004.00	
Accumulated Depreciation	-6,755,247.00	
Total Capital Assets		9,807,993.00
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability		-7,789,549.00
Deferred Outflows and Inflows of Resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.		-2,253,750.32
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
Property Taxes		76,156.01
Net Position of Governmental Activities (Exhibit "A")		$ 4,718,077.11

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

WILCOX COUNTY BOARD OF EDUCATION

EXHIBIT "E"

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2015

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	TOTAL
REVENUES			
Property Taxes	$ 2,417,752.72		$ 2,417,752.72
Sales Taxes	7,838.20	$ 391,817.25	399,655.45
State Funds	7,003,406.88		7,003,406.88
Federal Funds	2,453,398.54		2,453,398.54
Charges for Services	105,556.55		105,556.55
Investment Earnings	12,473.47	10,873.76	23,347.23
Miscellaneous	387,554.38		387,554.38
Total Revenues	12,387,980.74	402,691.01	12,790,671.75
EXPENDITURES			
Current			
Instruction	7,452,203.35		7,452,203.35
Support Services			
Pupil Services	464,925.75		464,925.75
Improvement of Instructional Services	512,555.03		512,555.03
Educational Media Services	173,742.84		173,742.84
General Administration	379,149.05		379,149.05
School Administration	793,260.78		793,260.78
Business Administration	142,545.94		142,545.94
Maintenance and Operation of Plant	848,511.50		848,511.50
Student Transportation Services	604,253.47		604,253.47
Other Support Services	79,813.56		79,813.56
Enterprise Operations	121,123.94		121,123.94
Food Services Operation	756,994.01		756,994.01
Capital Outlay		289,378.60	289,378.60
Total Expenditures	12,329,079.22	289,378.60	12,618,457.82
Net Change in Fund Balances	58,901.52	113,312.41	172,213.93
Fund Balances - Beginning	2,514,863.15	2,190,150.34	4,705,013.49
Fund Balances - Ending	$ 2,573,764.67	$ 2,303,462.75	$ 4,877,227.42

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

WILCOX COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2015

EXHIBIT "F"

Total Net Change in Fund Balances - Governmental Funds (Exhibit "E")		$ 172,213.93
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Capital Outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of Capital Assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	$ 294,579.00	
Depreciation Expense	-520,097.00	
Excess of Capital Outlay over Depreciation Expense		-225,518.00
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		-1,804.78
Some Items 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. The net effect of this adjustment consist of:		
Pension Expense		332,003.68
Change in Net Position of Governmental Activities (Exhibit "B")		$ 276,894.83

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

WILCOX COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

EXHIBIT "G"

	AGENCY FUNDS
ASSETS	
Cash and Cash Equivalents	$ 25,028.92
LIABILITIES	
Funds Held for Others	$ 25,028.92

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

(This page left intentionally blank)

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

The School District reports the following major governmental funds:

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

The School District reports the following fiduciary fund type:

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

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Capital asset acquisitions are reported as expenditures in governmental funds.

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

RESTATEMENT OF PRIOR YEAR NET POSITION

For fiscal year 2015, the School District made several prior period adjustments due to the adoption of GASB Statement No. 68 and GASB Statement No. 71, as described in "New Accounting Pronouncements" below, which require the restatement of the June 30, 2014, net position in Governmental Activities. The result is a decrease in Net Position at July 1, 2014 of $10,375,303.00. This change is in accordance with generally accepted accounting principles.

Net Position, July 1, 2014, as previously reported		$ 14,816,485.28
Prior Period adjustment - Implementation of GASB 68:		
Net Pension Liability (measurement date)		
TRS	$ -11,147,741.00	
Deferred Outflows - School District's contribution made during fiscal year 2014		
TRS	772,438.00	-10,375,303.00
Net Position, July 1, 2014, as restated		$ 4,441,182.28

NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2015, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions.* The provisions of this statement establish accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. The adoption of this statement has a significant impact on the School District's financial statements. As noted above, the School District restated beginning Net Position for the cumulative effect of this accounting change.

In fiscal year 2015, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations.* This statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This statement also requires that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The School District did not have any activities of this type during the fiscal year and the adoption of this statement does not have a significant impact on the School District's financial statements.

In fiscal year 2015, the School District adopted Governmental Accounting Standards Board (GASB) Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of statement. This statement amends paragraph 137 of Statement No. 68 which limited recognition of pension-related deferred inflows of resources at the transition to circumstances in which it is practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions. The adoption of this statement has a significant impact on the School District's financial statements. As noted above, the School District restated beginning Net Position for the cumulative effect of this accounting change.

CASH AND CASH EQUIVALENTS

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

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. 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 (Georgia Fund 1) administered by the State of Georgia, Office of the State Treasurer,
7. Repurchase agreements, and
8. Obligations of other political subdivisions of the State of Georgia.

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 Wilcox County Board of Commissioners adopted the property tax levy for the 2014 tax digest year (calendar year) on September 30, 2014 (levy date) based on property values as of January 1, 2014. Taxes were due on December 20, 2014 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2014 tax digest are reported as revenue in the governmental funds for fiscal year 2015. The Wilcox County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.50% 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, 2015, for maintenance and operations amounted to $2,239,803.52.

The tax millage rate levied for the 2014 tax year (calendar year) for the Wilcox County Board of Education was as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	15.11 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $162,975.02 during fiscal year ended June 30, 2015.

SALES TAXES

Education Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $391,817.25 and is to be used for capital outlay for educational purposes. 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 periods subsequent to June 30, 2015, 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 fair market value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School District.

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

		Capitalization Policy	Estimated Useful Life
Land	$	5,000.00	N/A
Land Improvements	$	5,000.00	20 to 80 years
Buildings and Improvements	$	5,000.00	10 to 80 years
Equipment	$	5,000.00	3 to 20 years
Contruction in Progress	$	5,000.00	N/A
Intangible Assets	$	50,000.00	3 to 5 years

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position and/or the balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. Under the full accrual method of accounting, the School District has reported deferred outflows of resources related to a defined benefit pension plan, as discussed in Note 12– Retirement Plans.

In addition to liabilities, the statement of net position and/or the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. Under the full accrual method of accounting, the School District has reported deferred inflows of resources related to a defined benefit pension plan, as discussed in Note 12 – Retirement Plans. This item is reported only in the District-wide Statement of Net Position. Additionally, the School District has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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), the Public School Employees Retirement System (PSERS) and additions to/deductions from TRS/PSERS's fiduciary net position have been determined on the same basis as they are reported by TRS/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. See Note 12 - Retirement Plans.

NET POSITION

The School District's Net Position in the District-wide Statements is classified as follows:

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 Investment in Capital Assets.

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

Unrestricted Net Position - Unrestricted Net Position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of Investment of Capital Assets and Restricted Net Position. Included in the net deficit reported is the School District's Net Pension Liability of $7,789,549.00 which is required for financial reporting.

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 have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund.

Fund Balances of the Governmental Funds at June 30, 2015, are as follows:

Nonspendable		
Inventories	$ 11,681.94	
Prepaid Assets	6,750.00	$ 18,431.94
Restricted		
Continuation of Federal Programs	$ 11,949.63	
Capital Projects	2,303,462.75	2,315,412.38
Assigned		
School Activity Accounts	$ 66,919.51	
Subsequent Period Expenditures	981,740.79	1,048,660.30
Unassigned		1,494,722.80
Fund Balance, June 30, 2015		$ 4,877,227.42

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

USE OF ESTIMATES

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

NOTE 3: BUDGETARY DATA

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

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

See Schedule 4 – General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual for a detail of any over/under expenditures during the fiscal year under review.

NOTE 4: DEPOSITS

COLLATERALIZATION OF DEPOSITS

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

At June 30, 2015, $152,881.95 of deposits were not secured by surety bond, insurance or collateral as specified above. The School District is working with the affected financial institutions to ensure appropriate levels of collateral are maintained for all of the School District's deposits.

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

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
2. Insurance on accounts provided by the Federal Deposit Insurance Corporation,
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

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

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2015, the School District had deposits with a carrying amount of $4,927,695.96 which includes $42,734.45 in Certificates of Deposit that are reported as Investments, and a bank balance of $5,351,204.98. The bank balances insured by Federal depository insurance were $792,734.45, and the bank balances collateralized with securities held by the pledging institution or by the pledging financial institution's trust department or agent in the School District's name were $4,405,588.58.

The amounts exposed to custodial credit risk are classified into three categories as follows:

Category 1 - Uncollateralized,
Category 2 - Cash collateralized with securities held by the pledging financial institution, or
Category 3 - Cash collateralized with securities held by the pledging financial institution's trust department or agent but not in the School District's name.

The School District's deposits by custodial risk category at June 30, 2015, are as follows:

Custodial Credit Risk Category	Bank Balance
1	$ 152,881.95
2	0.00
3	0.00
Total	$ 152,881.95

NOTE 5: NON-MONETARY TRANSACTIONS

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

NOTE 6: CAPITAL ASSETS

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

	Balances July 1, 2014	Increases	Decreases	Balances June 30, 2015
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 438,469.00		$ 0.00	$ 438,469.00
Construction in Progress	0.00	$ 289,379.00		289,379.00
Total Capital Assets Not Being Depreciated	438,469.00	289,379.00	0.00	727,848.00
Capital Assets Being Depreciated				
Buildings and Improvements	12,310,948.00		0.00	12,310,948.00
Equipment	2,374,804.00	5,200.00		2,380,004.00
Land Improvements	1,144,440.00			1,144,440.00
Less Accumulated Depreciation for:				
Buildings and Improvements	3,791,338.00	288,878.00		4,080,216.00
Equipment	1,588,608.00	208,231.00		1,796,839.00
Land Improvements	855,204.00	22,988.00		878,192.00
Total Capital Assets, Being Depreciated, Net	9,595,042.00	-514,897.00	0.00	9,080,145.00
Governmental Activity Capital Assets - Net	$ 10,033,511.00	$ -225,518.00	$ 0.00	$ 9,807,993.00

Current year depreciation expense by function is as follows:

Instruction		$ 421,119.00
Support Services		
Business Administration	$ 1,757.00	
Maintenance and Operation of Plant	3,607.00	
Student Transportation Services	82,975.00	88,339.00
		10,639.00
		$ 520,097.00

NOTE 7: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; acts of God 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 (including coverage for sexual harassment, molestation and abuse), errors and omissions, crime and automobile risks. Payments 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 with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District has not experienced any losses related to these risks in the past two years.

The School District participates in the Georgia Education Workers' Compensation Trust, a public entity risk pool organized on December 1, 1991, 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 Trust for its general worker's compensation insurance coverage. Specific excess of loss insurance coverage is provided through an agreement by the Trust with the Safety National Casualty Company to provide coverage for potential losses sustained by the Trust in excess of $1.0 million loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided with limits of $2.0 million. The Trust covers the first $1.0 million of each Employers liability claim with Safety National providing additional Employers Liability limits up to a $2.0 million per occurrence maximum. Safety National Casualty Company also provides $2.0 million in aggregate coverage to the Trust, attaching at 110% of the loss fund and based on the Fund's annual normal premium.

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

Position Covered		Amount
Superintendent	$	28,500.00
Assistant Superintendent	$	28,500.00
Each Principal	$	28,500.00
Each Assistant Principal	$	28,500.00
Finance Director	$	28,500.00
Each School Bookkeeper	$	28,500.00
High School Athletic Director	$	28,500.00
Middle School Club Sponsor	$	28,500.00

NOTE 8: OPERATING LEASES

Wilcox County Board of Education has entered into various leases as lessee for copiers, postage machine, and modular building. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2015, for governmental funds amounted to $25,502.20. Future minimum lease payments for these leases are as follows:

Year Ending		Governmental Funds
2016	$	25,015.68
2017		22,515.91
2018		16,341.60
2019		2,871.00
Total	$	66,744.19

NOTE 9: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $26,697.50 for retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education
Paid to the Teachers' Retirement System of Georgia
For Teachers' Retirement System (TRS) Employer's Cost
In the amount of $1,663.50

Office of the State Treasurer
Paid to the Public School Employees Retirement System
For Public School Employees Retirement (PSERS) Employer's Cost
In the amount of $25,034.00

Funds paid on behalf of the School District are reported in governmental funds. See Note 12 - Retirement Plans for the State support related to the Net Pension Liability.

NOTE 10: SIGNIFICANT CONTINGENT LIABILITIES

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

NOTE 11: POST-EMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL POST-EMPLOYMENT HEALTH BENEFIT FUND

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

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

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

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended June 30, 2015:

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

July 1, 2014 – June 30, 2015	$945.00 per member per month

For non-certificated school personnel:

July 1, 2014 – June 30, 2015	$596.20 per member per month

No additional contribution was required by the Board for fiscal year 2015 nor contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School plan for other post-employment benefits and are subject to appropriation.

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

Fiscal Year	Contributed	Contribution
2015	100%	$ 1,164,288.00
2014	100%	$ 1,203,832.00
2013	100%	$ 1,090,398.00

NOTE 12: RETIREMENT PLANS

Wilcox County Board of Education participates in various retirement plans administered by the State of Georgia, as further explained below.

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 pension through the Teachers' Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the *O.C.G.A.* assigns the authority to establish and amend the benefit provisions to the State Legislature. The Teachers' Retirement System of Georgia issues a publicly available separate financial audit report that can be obtained at www.trsga.com/publications.

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

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. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2015. The school district's contractually required contribution rate for the year ended June 30, 2015 was 13.15% of annual School District payroll. Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2015	100%	$ 791,175.88
2014	100%	$ 773,095.65
2013	100%	$ 736,606.12

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.

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

At June 30, 2015, the School District reported a liability of $7,789,549.00 for its proportionate share of the Net Pension Liability for TRS.

The Net Pension Liability was measured as of June 30, 2014. The total pension liability used to calculate the Net Pension Liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 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, 2014.

At June 30, 2014, the School District's TRS proportion was 0.061657%, which was a decrease of 0.002319% from its proportion measured as of June 30, 2013.

At June 30, 2015, the School District did not have a PSERS liability for a proportionate share of the Net Pension Liability because of a Special Funding Situation with the State of Georgia, which is responsible for the Net Pension Liability of the plan. The amount of the State's proportionate share of the Net Pension Liability associated with the School District is $95,851.

The PSERS Net Pension Liability was measured as of June 30, 2014. The total pension liability used to calculate the Net Pension Liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 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, 2014.

For the year ended June 30, 2015, the School District recognized pension expense of $459,101.00 for TRS and $8,324.00 for PSERS and revenue of $8,324.00 for PSERS was recognized. The revenue is support provided by the State of Georgia.

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments		$ 2,715,602.00
Changes in proportion and differences between School District contributions and proportionate share of contributions		329,253.00
School District contributions subsequent to the measurement date	$ 791,104.68	
Total	$ 791,104.68	$ 3,044,855.00

Wilcox County Board of Education contributions subsequent to the measurement date of June 30, 2014 for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS
2016	$ -753,730.00
2017	$ -753,730.00
2018	$ -753,730.00
2019	$ -753,731.00
2020	$ -29,934.00

Actuarial assumptions: The total pension liability as of June 30, 2014 was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers' Retirement System:

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

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

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

Public School Employees Retirement System:

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

Mortality rates were based on the RP-2000 Combined Mortality Table set forward 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, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

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

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

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

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

Sensitivity of the Wilcox County Board of Education'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:

Teachers' Retirement System:

	1% Decrease (6.5%)	Current discount rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the Net Pension Liability	$ 14,355,093.00	$ 7,789,549.00	$ 2,382,959.00

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

(This page left intentionally blank)

WILCOX COUNTY BOARD OF EDUCATION

SCHEDULE "1"

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

TEACHERS' RETIREMENT SYSTEM OF GEORGIA

FOR THE YEAR ENDED JUNE 30, 2015

	2015
School District's proportion of the net pension liability	0.061657%
School District's proportionate share of the net pension liability	$ 7,789,549.00
School District's covered-employee payroll	$ 6,295,576.47
School District's proportionate share of the net pension liability as a percentage of its covered employee payroll	123.73%
Plan fiduciary net position as a percentage of the total pension liability	84.03%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule includes all significant plans and funds administered by Wilcox County Board of Education.

WILCOX COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30

	2015	2014	2013	2012
Contractually required contribution	$ 791,175.88	$ 773,095.65	$ 736,606.12	$ 671,341.26
Contributions in relation to the contractually required contribution	$ 791,175.88	$ 773,095.65	$ 736,606.12	$ 671,341.26
Contribution deficiency (excess)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
School District's covered-employee payroll	$ 6,016,540.05	$ 6,295,576.47	$ 6,455,794.22	$ 6,530,557.00
Contributions as a percentage of covered-employee payroll	13.15%	12.28%	11.41%	10.28%

2011	2010	2009	2008	2007	2006
$ 644,582.51	$ 666,266.02	$ 662,100.70	$ 635,774.99	$ 620,929.12	$ 581,145.86
$ 644,582.51	$ 666,266.02	$ 662,100.70	$ 635,774.99	$ 620,929.12	$ 581,145.86
$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
$ 6,270,261.23	$ 6,839,673.40	$ 7,133,823.12	$ 6,850,135.30	$ 6,690,169.78	$ 6,289,457.36
10.28%	9.74%	9.28%	9.28%	9.28%	9.24%

Teachers' Retirement System

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

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

Valuation date	June 30, 2012
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Seven-year smoothed market
Inflation rate	3.00%
Salary increases	3.75 – 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

WILCOX COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

SCHEDULE "4"

	NONAPPROPRIATED BUDGETS ORIGINAL (1)	NONAPPROPRIATED BUDGETS FINAL (1)	ACTUAL AMOUNTS	VARIANCE OVER/UNDER
REVENUES				
Property Taxes	$ 2,007,106.00	$ 2,001,706.00	$ 2,417,752.72	$ 416,046.72
Sales Taxes	15,000.00	15,000.00	7,838.20	-7,161.80
State Funds	6,798,109.00	6,798,109.00	7,003,406.88	205,297.88
Federal Funds	1,626,399.00	1,715,513.00	2,453,398.54	737,885.54
Charges for Services	21,371.00	21,371.00	105,556.55	84,185.55
Investment Earnings			12,473.47	12,473.47
Miscellaneous	15,000.00	15,000.00	387,554.38	372,554.38
Total Revenues	10,482,985.00	10,566,699.00	12,387,980.74	1,821,281.74
EXPENDITURES				
Current				
Instruction	7,316,927.40	7,195,598.95	7,452,203.35	-256,604.40
Support Services				
Pupil Services	384,293.76	349,341.76	464,925.75	-115,583.99
Improvement of Instructional Services	434,223.18	533,617.11	512,555.03	21,062.08
Educational Media Services	169,156.85	169,156.85	173,742.84	-4,585.99
General Administration	466,465.22	348,979.22	379,149.05	-30,169.83
School Administration	684,229.70	684,299.70	793,260.78	-108,961.08
Business Administration	139,365.59	139,365.59	142,545.94	-3,180.35
Maintenance and Operation of Plant	873,207.72	873,807.72	848,511.50	25,296.22
Student Transportation Services	657,769.28	655,324.28	604,253.47	51,070.81
Other Support Services	34,052.40	88,574.40	79,813.56	8,760.84
Enterprise Operations			121,123.94	-121,123.94
Food Services Operation	290,331.01	290,331.01	756,994.01	-466,663.00
Total Expenditures	11,450,022.11	11,328,396.59	12,329,079.22	-1,000,682.63
Net Change in Fund Balances	-967,037.11	-761,697.59	58,901.52	820,599.11
Fund Balances - Beginning	2,514,863.15	2,514,863.15	2,514,863.15	0.00
Adjustments		-642.09		642.09
Fund Balances - Ending	$ 1,547,826.04	$ 1,752,523.47	$ 2,573,764.67	$ 821,241.20

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts. The principal accounts had actual revenues of $283,724.37 and actual expenditures of $281,014.00.

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

See notes to the basic financial statements.

WILCOX COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

FUNDING AGENCY PROGRAM/GRANT		CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER		EXPENDITURES IN PERIOD	
Agriculture, U. S. Department of						
Child Nutrition Cluster						
Pass-Through From Georgia Department of Education						
Food Services						
School Breakfast Program	*	10.553	N/A		(2)	
National School Lunch Program	*	10.555	N/A	$	690,712.52	(1)
Total Child Nutrition Cluster					690,712.52	
Education, U.S. Department of						
School Improvement Grants Cluster						
Pass-Through From Georgia Department of Education						
ARRA - School Improvement Grants		84.388	N/A		262,373.13	
Special Education Cluster						
Pass-Through From Georgia Department of Education						
Special Education						
Grants to States	*	84.027	N/A		216,247.00	
Preschool Grants	*	84.173	N/A		8,323.00	
Total Special Education Cluster					224,570.00	
Other Programs						
Pass-Through From Georgia Department of Education						
ARRA -Race to the Top Incentive Grants		84.395	N/A		4,650.00	
Career and Technical Education - Basic Grants to States		84.048	N/A		13,020.00	
Improving Teacher Quality State Grants		84.367	N/A		81,429.78	
Rural Education		84.358	N/A		16,740.83	
Title I Grants to Local Educational Agencies		84.010	N/A		768,665.22	
Twenty-First Century Community Learning Centers	*	84.287	N/A		353,538.10	
Total Other Programs					1,238,043.93	
Total U. S. Department of Education					1,724,987.06	
Defense, U. S. Department of						
Direct						
Department of the Army						
R.O.T.C. Program					51,436.22	
Total Expenditures of Federal Awards				$	2,467,135.80	

N/A = Not Available

Notes to the Schedule of Expenditures of Federal Awards

(1) Includes the Federally assigned value of donated commodities for the Food Donation Program in the amount of $39,891.46.

(2) Expenditures for the funds earned on the School Breakfast Program ($183,039.85) were not maintained separately and are included in the 2015 National School Lunch Program.

Major Programs are identified by an asterisk (*) in front of the CFDA number.

The School District did not provide Federal Assistance to any Subrecipient.

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the Wilcox County Board of Education and is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

See notes to the basic financial statements.

WILCOX COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2015

AGENCY/FUNDING	GOVERNMENTAL FUND TYPE GENERAL FUND
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	$ 234,208.05
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	399,093.00
Kindergarten Program - Early Intervention Program	114,577.00
Primary Grades (1-3) Program	1,025,186.00
Primary Grades - Early Intervention (1-3) Program	144,821.00
Upper Elementary Grades (4-5) Program	444,550.00
Upper Elementary Grades - Early Intervention (4-5) Program	89,429.00
Middle School (6-8) Program	765,346.00
High School General Education (9-12) Program	739,264.00
Vocational Laboratory (9-12) Program	238,687.00
Students with Disabilities	666,259.00
Gifted Student - Category VI	81,706.00
Remedial Education Program	70,022.00
Alternative Education Program	59,682.00
Media Center Program	138,656.00
20 Days Additional Instruction	44,620.00
Staff and Professional Development	23,042.00
Indirect Cost	
Central Administration	332,097.00
School Administration	371,974.00
Facility Maintenance and Operations	316,379.00
Amended Formula Adjustment	-534,390.00
Categorical Grants	
Pupil Transportation	
Regular	240,049.00
Nursing Services	45,000.00
Sparsity	78,590.00
Education Equalization Funding Grant	723,889.00
Other State Programs	
Food Services	16,996.00
Math and Science Supplements	8,145.77
Preschool Handicapped Program	35,900.00
Pupil Transportation- State Bonds	600.50
Teachers' Retirement	1,663.50
Vocational Education	17,335.00
Office of the State Treasurer	
Public School Employees Retirement	25,034.00
CONTRACT	
Human Services, Georgia Department of	
Family Connection	44,996.06
	$ 7,003,406.88

See notes to the basic financial statements.

WILCOX COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2015

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEAR (3)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED	ESTIMATED COMPLETION DATE
2007 SPLOST							
Acquiring, constructing, equipping, and furnishing new school buildings and facilities useful and desirable, including a new high school and athletic/physical education facilities;	$ 2,150,000.00	$ 1,350,000.00	$ 289,378.60		$ 0.00	$ 0.00	6/30/2017
adding to, renovating, repairing, improving and equipping existing school buildings or other buildings or facilities useful or desirable, including but not limited to elementary, middle, and high school;		1,204,207.55		$ 1,204,207.55			6/30/2017
acquiring new school buses and vehicles;		100,000.00		75,619.00			6/30/2017
acquiring technology and safety improvements;		259,792.72		259,792.72			6/30/2017
purchasing textbooks; and		103,103.68		103,103.68			6/30/2017
acquiring any property useful and desirable, both real and personal.	250,000.00	383,440.66		383,440.66			6/30/2017
2012 SPLOST							
Acquiring, constructing, equipping, and furnishing new school buildings and facilities useful and desirable, including a new high school and athletic/physical education facilities;	2,750,000.00	2,250,000.00					6/30/2017
adding to, renovating, repairing, improving, demolishing, furnishing, and equipping existing school buildings and other buildings and facilities useful and desirable in connection therewith, including, but not limited to, the elementary, middle, and high schools;		100,000.00					6/30/2017
acquiring new technology, including safety and security technology, computer technology, and software and wiring upgrades;		100,000.00					6/30/2017
acquiring real property;		100,000.00					6/30/2017
acquiring new school equipment, including, but not limited to, new buses, maintenance vehicles and other school equipment;		100,000.00					6/30/2017
purchasing textbooks and band instruments;		100,000.00					6/30/2017
acquiring any property useful and desirable, both real and personal.	250,000.00	250,000.00					6/30/2017
	$ 5,400,000.00	$ 6,400,544.61	$ 289,378.60	$ 2,026,163.61	$ 0.00	$ 0.00	

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

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

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

See notes to the basic financial statements.

WILCOX COUNTY BOARD OF EDUCATION
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS (QBE)
ALLOTMENTS AND EXPENDITURES BY PROGRAM
YEAR ENDED JUNE 30, 2015

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2)	ELIGIBLE QBE PROGRAM COSTS SALARIES	OPERATIONS	TOTAL
Direct Instructional Programs				
Kindergarten Program	$ 440,053.00	$ 461,459.16	$ 23,107.11	$ 484,566.27
Kindergarten Program-Early Intervention Program	121,329.00	75,146.65		75,146.65
Primary Grades (1-3) Program	1,133,488.00	1,086,964.09	98,904.23	1,185,868.32
Primary Grades-Early Intervention (1-3) Program	172,335.00	120,657.46		120,657.46
Upper Elementary Grades (4-5) Program	491,227.00	596,596.26	50,714.54	647,310.80
Upper Elementary Grades-Early Intervention (4-5) Program	105,805.00	69.15		69.15
Middle School (6-8) Program	866,591.00	921,717.73	68,812.31	990,530.04
High School General Education (9-12) Program	814,709.00	1,124,653.37	65,915.37	1,190,568.74
Vocational Laboratory (9-12) Program	270,042.00	152,465.92	1,361.37	153,827.29
Students with Disabilities	732,452.00			
Category II		333,645.47	8,451.31	342,096.78
Category III		309,456.86	32,594.93	342,051.79
Gifted Student - Category VI	92,589.00	80,805.24	822.37	81,627.61
Remedial Education Program	87,750.00	12,129.08		12,129.08
Alternative Education Program	66,932.00	50,451.78	1,433.44	51,885.22
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	5,395,302.00	5,326,218.22	352,116.98	5,678,335.20
Media Center Program	154,699.00	161,488.95	7,716.76	169,205.71
Staff and Professional Development	24,760.00		23,313.20	23,313.20
TOTAL QBE FORMULA FUNDS	$ 5,574,761.00	$ 5,487,707.17	$ 383,146.94	$ 5,870,854.11

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

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

See notes to the basic financial statements.

(This page left intentionally blank)

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

(This page left intentionally blank)

DEPARTMENT OF AUDITS AND ACCOUNTS
270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

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

July 20, 2016

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

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

Ladies and Gentlemen:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wilcox County Board of Education as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Wilcox County Board of Education's basic financial statements and have issued our report thereon dated July 20, 2016.

Internal Control Over Financial Reporting

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

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

(This page left intentionally blank)

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

Compliance and Other Matters

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

We noted certain matters that we have reported to management of Wilcox County Board of Education in a separate letter dated July 20, 2016.

Purpose of this Report

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

Respectfully submitted,

Greg S. Griffin
State Auditor

GSG:er
2015YB-10

(This page left intentionally blank)

DEPARTMENT OF AUDITS AND ACCOUNTS
270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

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

July 20, 2016

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Ladies and Gentlemen:

Report on Compliance for Each Major Federal Program

We have audited Wilcox County Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Wilcox County Board of Education's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

(This page left intentionally blank)

Opinion on Each Major Federal Program

In our opinion, the Wilcox County Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,

Greg S. Griffin

Greg S. Griffin
State Auditor

GSG:er
2015SA-10

(This page left intentionally blank)

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

(This page left intentionally blank)

WILCOX COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(This page left intentionally blank)

SECTION IV

FINDINGS AND QUESTIONED COSTS

(This page left intentionally blank)

WILCOX COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issue:	
Governmental Activities; General Fund; Capital Projects Fund; Aggregate Remaining Fund Information	Unmodified
Internal control over financial reporting:	
▪ Material weakness identified?	No
▪ Significant deficiency identified?	None Reported
Noncompliance material to financial statements noted:	No

Federal Awards

Internal Control over major programs:	
▪ Material weakness identified?	No
▪ Significant deficiency identified?	No
Type of auditor's report issued on compliance for major programs:	
All major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster
84.287	Twenty-First Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000.00
Auditee qualified as low-risk auditee?	No

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.