

CALHOUN COUNTY BOARD OF EDUCATION
MORGAN, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011
(Including Independent Auditor's Reports)

CALHOUN COUNTY BOARD OF EDUCATION

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SECTION I

FINANCIAL

DEPARTMENT OF AUDITS AND ACCOUNTS

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

Russell W. Hinton
STATE AUDITOR
(404) 656-2174

May 21, 2012

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

INDEPENDENT AUDITOR'S COMBINED REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Ladies and Gentlemen:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information (Exhibits A through H) of the Calhoun County Board of Education, as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Calhoun County Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously 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 Calhoun County Board of Education, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The School District restated various Capital Assets due to a change in the capitalization policy. The School District increased, net of accumulated depreciation, buildings and improvements, equipment and land improvements, $815,729.51, $87,584.86 and $303,170.47, respectively. This change is in accordance with generally accepted accounting principles.

The Calhoun County Board of Education has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not to be part of, the basic financial statements.

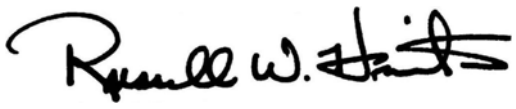
In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2012, on our consideration of the Calhoun County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, as presented on page 23, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calhoun County Board of Education's financial statements as a whole. The accompanying supplementary information consists of Schedules 2 through 5, which includes the Schedule of Expenditures of Federal Awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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,



Russell W. Hinton, CPA, CGFM
State Auditor

RWH:as
2011ARL-11

CALHOUN COUNTY BOARD OF EDUCATION

CALHOUN COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2011

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 1,166,048.16
Accounts Receivable, Net	
Taxes	102,410.85
State Government	330,436.61
Federal Government	258,839.03
Other	52,659.45
Inventories	9,883.56
Capital Assets, Non-Depreciable	1,499,895.88
Capital Assets, Depreciable (Net of Accumulated Depreciation)	4,327,585.87
Total Assets	$ 7,747,759.41
LIABILITIES	
Accounts Payable	$ 33,854.72
Salaries and Benefits Payable	624,833.49
Long-Term Liabilities	
Due Within One Year	30,009.27
Due in More Than One Year	177,558.59
Total Liabilities	$ 866,256.07
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	$ 5,777,291.73
Restricted for	
Bus Replacement	33,564.00
Continuation of Federal Programs	9,883.56
Continuation of State Program	3,940.50
Capital Projects	712,699.46
Unrestricted	344,124.09
Total Net Assets	$ 6,881,503.34
Total Liabilities and Net Assets	$ 7,747,759.41

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

CALHOUN COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
GOVERNMENTAL ACTIVITIES				
Instruction	$ 3,969,238.75		$ 2,548,135.64	$ -1,421,103.11
Support Services				
Pupil Services	150,889.08		38,760.81	-112,128.27
Improvement of Instructional Services	343,571.44		332,561.94	-11,009.50
Educational Media Services	199,956.02		133,271.09	-66,684.93
General Administration	633,039.79		520,597.32	-112,442.47
School Administration	640,551.81		298,127.40	-342,424.41
Business Administration	101,089.68		853.84	-100,235.84
Maintenance and Operation of Plant	633,906.43	$ 5,640.00	186,552.13	-441,714.30
Student Transportation Services	415,709.50		163,860.52	-251,848.98
Other Support Services	76,903.72		72,004.25	-4,899.47
Operations of Non-Instructional Services				
Enterprise Operations	98,312.57	69,048.60		-29,263.97
Food Services	473,639.17	23,659.25	385,365.84	-64,614.08
Interest on Short-Term and Long-Term Debt	12,253.26			-12,253.26
Total Governmental Activities	$ 7,749,061.22	$ 98,347.85	$ 4,680,090.78	$ -2,970,622.59
General Revenues				
Taxes				
Property Taxes				
For Maintenance and Operations				$ 2,115,264.38
Railroad Cars				20,778.54
Sales Taxes				
Special Purpose Local Option Sales Tax				
For Capital Projects				490,888.18
Other Sales Tax				32,320.70
Grants and Contributions not Restricted				
to Specific Programs				177,065.00
Investment Earnings				10,250.75
Miscellaneous				213,508.54
Total General Revenues				$ 3,060,076.09
Change in Net Assets				$ 89,453.50
Net Assets - Beginning of Year (Restated)				6,792,049.84
Net Assets - End of Year				$ 6,881,503.34

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

CALHOUN COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

EXHIBIT "C"

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 492,884.69	$ 673,163.47	$ 0.00	$ 1,166,048.16
Accounts Receivable, Net				
Taxes	46,257.86	56,152.99		102,410.85
State Government	330,436.61			330,436.61
Federal Government	258,839.03			258,839.03
Local	52,659.45			52,659.45
Inventories	9,883.56			9,883.56
Total Assets	$ 1,190,961.20	$ 729,316.46	$ 0.00	$ 1,920,277.66
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 17,237.72	$ 16,617.00	$ 0.00	33,854.72
Salaries and Benefits Payable	624,833.49			624,833.49
Deposits and Deferred Revenue	21,125.55			21,125.55
Total Liabilities	$ 663,196.76	$ 16,617.00	$ 0.00	$ 679,813.76
FUND BALANCES				
Nonspendable	$ 9,883.56		$ 0.00	9,883.56
Restricted	37,504.50	$ 712,699.46		750,203.96
Assigned	41,234.22			41,234.22
Unassigned	439,142.16			439,142.16
Total Fund Balances	$ 527,764.44	$ 712,699.46	$ 0.00	$ 1,240,463.90
Total Liabilities and Fund Balances	$ 1,190,961.20	$ 729,316.46	$ 0.00	$ 1,920,277.66

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

CALHOUN COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

EXHIBIT "D"

Total Fund Balances - Governmental Funds (Exhibit "C")		$ 1,240,463.90
Amounts reported for Governmental Activities in the Statement of Net Assets 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	$ 1,483,278.88	
Construction in Progress	16,617.00	
Land Improvements	561,344.62	
Buildings	6,736,298.09	
Equipment	1,565,177.40	
Accumulated Depreciation	-4,535,234.24	
Total Capital Assets		5,827,481.75
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
Property Taxes		21,125.55
Long-Term Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-Term Liabilities at year-end consist of:		
Capital Leases Payable		-207,567.86
Net Assets of Governmental Activities (Exhibit "A")		$ 6,881,503.34

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

CALHOUN COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

EXHIBIT "E"

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 2,114,917.37		$ 0.00	$ 2,114,917.37
Sales Taxes	32,320.70	$ 490,888.18		523,208.88
State Funds	3,201,927.81			3,201,927.81
Federal Funds	1,655,227.97			1,655,227.97
Charges for Services	98,347.85			98,347.85
Investment Earnings	5,590.57	4,660.18		10,250.75
Miscellaneous	213,508.54			213,508.54
Total Revenues	$ 7,321,840.81	$ 495,548.36	$ 0.00	$ 7,817,389.17
EXPENDITURES				
Current				
Instruction	$ 3,818,006.02		$ 0.00	$ 3,818,006.02
Support Services				
Pupil Services	150,889.08			150,889.08
Improvement of Instructional Services	343,571.44			343,571.44
Educational Media Services	194,622.79			194,622.79
General Administration	633,039.79			633,039.79
School Administration	640,551.81			640,551.81
Business Administration	101,089.68			101,089.68
Maintenance and Operation of Plant	617,123.64	$ 13,048.21		630,171.85
Student Transportation Services	349,715.24			349,715.24
Other Support Services	76,903.72			76,903.72
Community Services	98,312.57			98,312.57
Food Services Operation	461,211.47			461,211.47
Capital Outlay		92,278.00		92,278.00
Debt Services				
Principal	13,289.77	15,304.01		28,593.78
Interest	9,292.23	2,961.03		12,253.26
Total Expenditures	$ 7,507,619.25	$ 123,591.25	$ 0.00	$ 7,631,210.50
Excess of Revenues over (under) Expenditures	$ -185,778.44	$ 371,957.11	$ 0.00	$ 186,178.67
OTHER FINANCING SOURCES (USES)				
Transfers In		$ 37,246.00		$ 37,246.00
Transfers Out	$ -3,553.13		$ -33,692.87	-37,246.00
Total Other Financing Sources (Uses)	$ -3,553.13	$ 37,246.00	$ -33,692.87	$ 0.00
Net Change in Fund Balances	$ -189,331.57	$ 409,203.11	$ -33,692.87	$ 186,178.67
Fund Balances - Beginning	717,096.01	303,496.35	33,692.87	1,054,285.23
Fund Balances - Ending	$ 527,764.44	$ 712,699.46	$ 0.00	$ 1,240,463.90

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

CALHOUN 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, 2011

EXHIBIT "F"

Total Net Change in Fund Balances - Governmental Funds (Exhibit "E")		$ 186,178.67
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	$ 92,278.00	
Depreciation Expense	-238,722.50	
Excess of Capital Outlay over Depreciation Expense		-146,444.50
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		21,125.55
Repayment of Long-Term Debt is reported as an expenditure in Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Assets. In the current year, these amounts consist of:		
Capital Lease Payments		28,593.78
Change in Net Assets of Governmental Activities (Exhibit "B")		$ 89,453.50

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

CALHOUN COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

EXHIBIT "G"

	AGENCY FUNDS
ASSETS	
Cash and Cash Equivalents	$ 7,658.13
Accounts Receivable, Net	
Other	9,531.30
Total Assets	$ 17,189.43
LIABILITIES	
Funds Held for Others	$ 17,189.43

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

Note 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

The Calhoun 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 Calhoun County Board of Education.

District-wide Statements:
The Statement of Net Assets 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 Special Purpose Local Option Sales Tax (SPLOST) that are restricted to the expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

- Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (sales) legally restricted for the payment of general long-term principal and interest.

The School District reports the following fiduciary fund type:

- Agency funds account for assets held by the School District as an agent for various funds, 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. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net assets 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.

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education Formula Earnings program (QBE). Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period,

generally September 1 through August 31. In accordance with the respective rules and regulations of the QBE program, the State of Georgia reimburses the School System over the same twelve month period in which teachers are paid. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued. Since the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2011, the School District adopted the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The provisions of this Statement establish accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds.

RESTATEMENT OF PRIOR YEAR NET ASSETS

For fiscal year 2011, the School District restated various Capital Assets due to a change in the capitalization policy and errors and omissions. The School District increased, net of accumulated depreciation, buildings and improvements, equipment and land improvements, $815,729.51, $87,584.86 and $303,170.47, respectively. The result is an increase in Net Assets at July 1, 2010, of $1,206,484.84. This change is in accordance with generally accepted accounting principles.

CASH AND CASH EQUIVALENTS

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

RECEIVABLES

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

PROPERTY TAXES

The Calhoun County Board of Commissioners fixed the property tax levy for the 2010 tax digest year (calendar year) on August 17, 2010 (levy date). Taxes were due on December 20, 2010 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2010 tax digest are reported as revenue in the governmental funds for fiscal year 2011. The Calhoun County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2011, for maintenance and operations amounted to $2,094,138.83.

The tax millage rate levied for the 2010 tax year (calendar year) for the Calhoun County Board of Education was as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	17.436 mills

SALES TAXES

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $490,888.18 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

INVENTORIES

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

CAPITAL ASSETS

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

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

	Capitalization Policy	Estimated Useful Life
Land	$ 10,000.00	N/A
Land Improvements	$ 10,000.00	50 years
Buildings and Improvements	$ 10,000.00	50 years - remaining useful life
Equipment	$ 10,000.00	5 to 25 years
Intangible Assets	$ 10,000.00	10 to 15 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, generally 10 to 15 years.

NET ASSETS

The School District's net assets in the District-wide Statements are classified as follows:

Invested in capital assets, net of related debt - 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 invested in capital assets, net of related debt.

Restricted net assets - These represent resources for which the School District is legally or contractually obligated to spend resources for bus replacement, continuation of Federal programs, debt service and capital projects in accordance with restrictions imposed by external third parties.

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

FUND BALANCES

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

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

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

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

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

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

Fund Balances of the Governmental Funds at June 30, 2011, are as follows:

Nonspendable		
Inventories		$ 9,883.56
Restricted		
Bus Replacement	$ 33,564.00	
Capital Projects	712,699.46	
Continuation of State Pre-K Program	3,940.50	750,203.96
Assigned		
School Activity Accounts		41,234.22
Unassigned		439,142.16
Fund Balance, June 30, 2011		$ 1,240,463.90

It is the goal of the School District to achieve and maintain a committed, assigned, and unassigned fund balance in the general fund at fiscal year end of not less than 7% of annual operating expenditures, not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with Official Code of Georgia Annotated Section 20-2-167(a)5.

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: DEPOSITS

COLLATERALIZATION OF DEPOSITS

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

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

(1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,

(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,

(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

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

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2011, the bank balances were $1,652,425.75. The bank balances were entirely covered by Federal depository insurance or collateralized with securities held by the pledging financial institution, pledging financial institution's trust department or agent in the School District's name.

Note 4: 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 5: CAPITAL ASSETS

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

	Balances July 1, 2010 (Restated)	Increases	Decreases	Balances June 30, 2011
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 1,483,278.88		$ 0.00	$ 1,483,278.88
Construction Work In Progress	0.00	$ 16,617.00		16,617.00
Total Capital Assets, Not Being Depreciated	$ 1,483,278.88	$ 16,617.00	$ 0.00	$ 1,499,895.88
Capital Assets, Being Depreciated:				
Buildings and Improvements	$ 6,660,637.09	$ 75,661.00	$ 0.00	$ 6,736,298.09
Equipment	1,565,177.40			1,565,177.40
Land Improvements	561,344.62			561,344.62
Less: Accumulated Depreciation:				
Buildings and Improvements	3,348,161.13	136,523.12		3,484,684.25
Equipment	732,567.37	90,972.49		823,539.86
Land Improvements	215,783.24	11,226.89		227,010.13
Total Capital Assets, Being Depreciated, Net	$ 4,490,647.37	$ -163,061.50	$ 0.00	$ 4,327,585.87
Governmental Activity Capital Assets - Net	$ 5,973,926.25	$ -146,444.50	$ 0.00	$ 5,827,481.75

Capital assets being acquired under capital leases as of June 30, 2011, are as follows:

	Governmental Funds
Equipment	$ 83,451.00
Less: Accumulated Depreciation	8,345.10
	$ 75,105.90

Current year depreciation expense by function is as follows:

Instruction		$ 151,232.73
Support Services		
Educational Media Services	$ 5,333.23	
Maintenance and Operation of Plant	3,734.58	
Student Transportation Services	65,994.26	75,062.07
Food Services		12,427.70
		$ 238,722.50

Note 6: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011, consisted of the following:

	Transfers From	
Transfer to	General Fund	Debt Service Fund
District-wide Capital Projects	$ 3,553.13	$ 33,692.87

Transfers are used to move (1) property tax revenues collected by the General Fund and (2) excess funds collected by the Debt Service Fund to the District-wide Capital Projects Fund as supplemental funding sources for capital construction projects.

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 has obtained commercial insurance for risk of loss associated with torts, assets, and errors or omissions. The School District has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the School District's insurance coverage in any of the past three years.

The School District has elected to self-insure for all losses related to acts of God. The School District has not experienced any losses related to this risk in the past three years.

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.

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2010	$ 0.00	$ 14,232.50	$ 14,232.50	$ 0.00
2011	$ 0.00	$ 19,989.78	$ 19,989.78	$ 0.00

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 insurance coverage. Additional 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 $1,000,000.00 loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided by Safety National Casualty Company with a loss fund percentage of 100%, based on the Fund's annual normal premium, up to a maximum limit of indemnity of aggregate limit of $2,000,000.00.

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

Position Covered	Amount
Superintendent	$ 50,000.00
Principal	$ 10,000.00

Note 8: SHORT-TERM DEBT

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

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

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax Anticipation Notes	$ 0.00	$ 250,000.00	$ 250,000.00	$ 0.00

Note 9: LONG-TERM DEBT

CAPITAL LEASES

The Calhoun County Board of Education entered into lease agreements for an energy management system and a bus. These lease agreements qualify as capital leases for accounting purposes, and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Voters have authorized $2,000,000.00 in general obligation debt for acquiring, constructing and equipping certain capital outlay projects which was not issued as of June 30, 2011.

The changes in Long-Term Debt during the fiscal year ended June 30, 2011, were as follows:

	Governmental Funds				
	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011	Due Within One Year
Capital Leases	$ 236,161.64	$ 0.00	$ 28,593.78	$ 207,567.86	$ 30,009.27

At June 30, 2011, payments due by fiscal year which includes principal and interest for these items are as follows:

	Capital Leases	
	Principal	Interest
Fiscal Year Ended June 30:		
2012	$ 30,009.27	$ 10,837.77
2013	31,495.43	9,351.61
2014	33,055.85	7,791.19
2015	16,429.17	6,152.83
2016	17,323.67	5,258.33
2017 - 2020	79,254.47	11,073.53
Total Principal and Interest	$ 207,567.86	$ 50,465.26

Note 10: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $24,026.44 for health insurance and retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education
Paid to the Georgia Department of Community Health
For Health Insurance of Non-Certificated Personnel
In the amount of $16,457.08

Paid to the Teachers' Retirement System of Georgia
For Teachers' Retirement System (TRS) Employer's Cost
In the amount of $2,890.36

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 $4,679.00

Note 11: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2011, together with funding available:

Project	Unearned Executed Contracts	Funding Available From State
Information Technology Upgrade	$ 355,641.00	$ 309,196.80

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

Note 12: 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 13: 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. On average, plan members pay approximately 25 percent of the cost of the health insurance coverage.

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, 2011:

For certificated teachers, librarians and regional educational service agencies:

July 2010 - April 2011	21.955%	of covered payroll for August - May Coverage
May 2011 - June 2011	1.429%	of covered payroll for June - July Coverage

For non-certificated school personnel:

July 2010 - December 2010	$162.72	per member per month
January 2011 - May 2011	$218.20	per member per month
June 2011	$246.20	per member per month

The Department of Education was appropriated an additional $25,081,633 for non-certificated personnel health insurance payments. The amount attributable to the School District is reflected in the On-behalf note disclosure.

No additional contribution was required by the Board for fiscal year 2011 nor contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School plan for other post-employment benefits and are subject to appropriation.

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

Fiscal Year	Percentage Contributed		Required Contribution
2011	100%	$	588,329.24
2010	100%	$	613,493.77
2009	100%	$	455,026.84

Note 14: RETIREMENT PLANS

TEACHERS' RETIREMENT SYSTEM OF GEORGIA (TRS)

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

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

TRS provides service retirement, disability retirement, and survivor's benefits. The benefit structure of TRS is defined and may be amended by State statute. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service.

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

Funding Policy. TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions are limited by State law to not less than 5% or more than 6% of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2011, were 5.53% of annual salary. The member contribution rate will increase to 6.00% effective July 1, 2012. Employer contributions required for fiscal year 2011 were 10.28% of annual salary as required by the June 30, 2008, actuarial valuation. The employer contribution rate will increase to 11.41% effective July 1, 2012.

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

Fiscal Year	Percentage Contributed		Required Contribution
2011	100%	$	416,712.28
2010	100%	$	401,878.54
2009	100%	$	354,607.87

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)

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

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CALHOUN COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

SCHEDULE "1"

	NONAPPROPRIATED BUDGETS		ACTUAL
	ORIGINAL (1)	FINAL (1)	AMOUNTS
REVENUES			
Property Taxes	$ 2,179,805.00	$ 2,179,805.00	$ 2,114,917.37
Sales Taxes	10,000.00	10,000.00	32,320.70
State Funds	3,303,162.00	3,322,012.00	3,201,927.81
Federal Funds	1,410,425.00	1,635,373.00	1,655,227.97
Charges for Services	32,860.00	32,860.00	98,347.85
Investment Earnings	8,000.00	8,000.00	5,590.57
Miscellaneous	32,750.00	40,750.00	213,508.54
Total Revenues	$ 6,977,002.00	$ 7,228,800.00	$ 7,321,840.81
EXPENDITURES			
Current			
Instruction	$ 3,661,551.49	$ 3,937,807.10	$ 3,818,006.02
Support Services			
Pupil Services	183,665.00	189,046.00	150,889.08
Improvement of Instructional Services	195,141.31	372,509.00	343,571.44
Educational Media Services	245,963.00	207,330.00	194,622.79
General Administration	633,988.20	663,733.00	633,039.79
School Administration	627,341.00	635,536.00	640,551.81
Business Administration	100,340.00	102,940.00	101,089.68
Maintenance and Operation of Plant	593,717.00	633,277.00	617,123.64
Student Transportation Services	389,417.00	378,164.00	349,715.24
Other Support Services	80,064.00	84,120.00	76,903.72
Community Services	7,031.00		98,312.57
Food Services Operation	459,450.00	459,450.00	461,211.47
Debt Service			22,582.00
Total Expenditures	$ 7,177,669.00	$ 7,663,912.10	$ 7,507,619.25
Excess of Revenues over (under) Expenditures	$ -200,667.00	$ -435,112.10	$ -185,778.44
OTHER FINANCING SOURCES (USES)			
Other Sources	$ 2,500.00	$ 42,010.00	
Other Uses		-38,510.00	$ -3,553.13
Total Other Financing Sources (Uses)	2,500.00	3,500.00	$ -3,553.13
Net Change in Fund Balances	$ -198,167.00	$ -431,612.10	$ -189,331.57
Fund Balances - Beginning	719,903.50	719,903.50	717,096.01
Adjustments	8,512.26	2,968.50	
Fund Balances - Ending	$ 530,248.76	$ 291,259.90	$ 527,764.44

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

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

The accompanying schedule of revenues, expenditures and changes in fund 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.

CALHOUN COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

SCHEDULE "2"

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	$ 427,573.55	(1)
Total U. S. Department of Agriculture				$ 427,573.55	
Education, U. S. Department of					
Special Education Cluster					
Pass-Through From Georgia Department of Education					
Special Education					
ARRA - Grants to States	*	84.391	N/A	$ 95,546.57	
ARRA - Preschool Grants	*	84.392	N/A	1,342.85	
Grants to States	*	84.027	N/A	119,862.06	
Preschool Grants	*	84.173	N/A	3,922.00	
Total Special Education Cluster				$ 220,673.48	
Title I, Part A Cluster					
Pass-Through From Georgia Department of Education					
ARRA - Title I Grants to Local Educational Agencies	*	84.389	N/A	$ 216,544.34	
Title I Grants to Local Educational Agencies	*	84.010	N/A	501,492.86	
Total Title I, Part A Cluster				$ 718,037.20	
Other Programs					
Pass-Through From Georgia Department of Education					
Career and Technical Education - Basic Grants to States		84.048	N/A	$ 7,350.51	
Education Jobs Fund		84.410	N/A	133,385.00	
Improving Teacher Quality State Grants		84.367	N/A	86,424.12	
Reading First State Grants		84.357	N/A	96,494.53	
Rural Education		84.358	N/A	16,991.73	
Total Other Programs				$ 340,645.89	
Total U. S. Department of Education				$ 1,279,356.57	
Defense, U. S. Department of					
Direct					
Department of the Army					
R.O.T.C. Program				$ 31,497.10	
Total Expenditures of Federal Awards				$ 1,738,427.22	

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 $30,988.90.

(2) Expenditures for the funds earned on the School Breakfast Program ($107,511.44) were not maintained separately and are included in the 2011 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 Calhoun 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.

CALHOUN COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2011

SCHEDULE "3"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPE GENERAL FUND
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	$ 94,435.74
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	199,158.00
Kindergarten Program - Early Intervention Program	103,908.00
Primary Grades (1-3) Program	474,100.41
Primary Grades - Early Intervention (1-3) Program	123,071.00
Upper Elementary Grades (4-5) Program	205,219.00
Upper Elementary Grades - Early Intervention (4-5) Program	70,566.00
Middle Grades (6-8) Program	323,319.85
High School General Education (9-12) Program	252,037.74
Vocational Laboratory (9-12) Program	106,149.00
Students with Disabilities Categories I - V	240,451.00
Gifted Student - Category VI	4,619.00
Remedial Education Program	142,157.00
Alternative Education Program	25,389.00
Media Center Program	66,300.00
20 Days Additional Instruction	20,906.00
Staff and Professional Development	12,077.00
Indirect Cost	
Central Administration	265,768.00
School Administration	197,191.00
Facility Maintenance and Operations	155,229.00
Charter System Adjustment	-267,818.00
Categorical Grants	
Pupil Transportation	
Regular	155,408.00
Sparsity	208,903.00
Nursing Services	28,443.00
Mid-term Adjustment Hold-Harmless	174,645.00
Education Equalization Funding Grant	177,065.00
Food Services	12,498.00
Vocational Education	7,017.08
Amended Formula Adjustment	-438,227.00
Other State Programs	
Health Insurance	16,457.08
Math and Science Supplements	11,133.67
Preschool Handicapped Program	26,731.88
Teachers' Retirement	2,890.36
Virtual Schools Grant	50.00
Office of the State Treasurer	
Public School Employees Retirement	4,679.00
	$ 3,201,927.81

See notes to the basic financial statements.

CALHOUN COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2011

SCHEDULE "4"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	PROJECT STATUS
The funding of the payment of principal and interest on the Calhoun County School District General Obligation Bonds, series 1999, coming due on October 1, 2004, in an amount up to $100,000.00; rehabilitating, adding to, repairing, renovating, extending, and improving Calhoun County Elementary School and Calhoun County Middle/High School, and related facilities useful or desirable in connection therewith, including without limitation, roof replacements and repairs, mechanical system repairs and replacements, wiring and infrastructure modifications, renovations and improvements to physical education and athletic facilities, additional parking and paving, and security systems; acquiring any necessary property therefore, both real and personal, and acquiring any necessary or desirable rights in connection therewith; renovations and repairs to the School District's bus shop; the acquisition and installation of technology additions and improvements; the acquisition of school buses; and purchasing school furnishings; equipment and fixtures; and paying costs incident to accomplishing the foregoing.	$ 2,000,000.00	$ 2,000,000.00	$ 105,326.21	$ 1,655,818.98	Completed
Rehabilitating, repairing, renovating, extending, improving, and equipping existing School District facilities, including without limitation, mechanical systems repair and replacements, and electrical upgrades; rehabilitating, repairing, renovating, extending improving, and equipping existing athletic facilities, including without limitation, stadium and gymnasium improvements; acquiring, constructing and equipping a multi-purpose fieldhouse; acquiring and installing system-wide instructional and administrative technology, safety and security equipment; purchasing textbooks and furnishings; purchasing a driver's education vehicle; purchasing vocational, band, physical education, and athletic equipment; purchasing school buses, and maintenance vehicles and equipment; planning for new School District construction, acquiring any necessary property, both real and personal, and acquiring any necessary or desirable rights in connection therewith (the "Projects"); and paying costs incidental to accomplish the foregoing.	2,900,000.00	2,900,000.00	18,265.04	688,161.13	Ongoing
	$ 4,900,000.00	$ 4,900,000.00	$ 123,591.25	$ 2,343,980.11	

(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 Calhoun 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.

CALHOUN COUNTY BOARD OF EDUCATION
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAM (QBE)
ALLOTMENTS AND EXPENDITURES - BY PROGRAM
YEAR ENDED JUNE 30, 2011

SCHEDULE "5"

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2)	ELIGIBLE QBE PROGRAM COSTS SALARIES	OPERATIONS	TOTAL
Direct Instructional Programs				
Kindergarten Program	$ 230,754.00	$ 123,280.85	$ 1,812.00	$ 125,092.85
Kindergarten Program-Early Intervention Program	121,763.00	141,456.41	60.63	141,517.04
Primary Grades (1-3) Program	529,031.00	390,290.85	13,861.05	404,151.90
Primary Grades-Early Intervention (1-3) Program	147,482.00	154,593.40	110.15	154,703.55
Upper Elementary Grades (4-5) Program	233,492.00	210,241.11	16,057.72	226,298.83
Upper Elementary Grades-Early Intervention (4-5) Program	98,073.00	200,155.57	50.48	200,206.05
Middle Grades (6-8) Program	355,700.00	335,429.46	14,340.37	349,769.83
High School General Education (9-12) Program	273,392.00	438,398.98	19,658.08	458,057.06
Vocational Laboratory (9-12) Program	124,483.00	217,830.38	10,360.08	228,190.46
Students with Disabilities	304,325.00			
Category I		4,053.43		4,053.43
Category II		173,087.20		173,087.20
Category III		70,666.07		70,666.07
Category IV		37,889.22		37,889.22
Category V		113,584.69		113,584.69
Gifted Student - Category VI	5,368.00	6,792.16		6,792.16
Remedial Education Program	158,337.00	40,962.41		40,962.41
Alternative Education Program	29,504.00	24,370.51		24,370.51
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	$ 2,611,704.00	$ 2,683,082.70	$ 76,310.56	$ 2,759,393.26
Media Center Program	77,637.00	118,124.91	9,923.74	128,048.65
Staff and Professional Development	14,259.00		4,811.30	4,811.30
TOTAL QBE FORMULA FUNDS	$ 2,703,600.00	$ 2,801,207.61	$ 91,045.60	$ 2,892,253.21

(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.

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

DEPARTMENT OF AUDITS AND ACCOUNTS

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

Russell W. Hinton
STATE AUDITOR
(404) 656-2174

May 21, 2012

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Calhoun 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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Calhoun County Board of Education as of and for the year ended June 30, 2011, which collectively comprise Calhoun County Board of Education's basic financial statements and have issued our report thereon dated May 21, 2012. 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.

Internal Control Over Financial Reporting

Management of Calhoun County Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Calhoun County Board of Education's internal control over financial reporting as a basis for designing our auditing procedures 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 Calhoun County Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Calhoun County Board of Education's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurances that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and a deficiency that we consider to be a significant deficiency.

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. We consider item FS-6191-11-01 to be a material weakness.

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. We consider item FS-6191-11-02 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

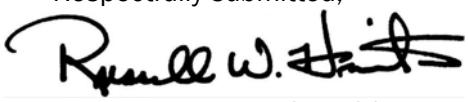
As part of obtaining reasonable assurance about whether Calhoun County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a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

We noted certain matters that we have reported to management of Calhoun County Board of Education in a separate letter dated May 21, 2012.

Calhoun County Board of Education's response to the findings identified in our audit is described in the accompanying Schedule of Management's Responses. We did not audit Calhoun County Board of Education's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, members of the Calhoun County Board of Education, others within the entity, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Russell W. Hinton, CPA, CGFM
State Auditor

RWH:as
2011YB-40

DEPARTMENT OF AUDITS AND ACCOUNTS

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

Russell W. Hinton
STATE AUDITOR
(404) 656-2174

May 21, 2012

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Ladies and Gentlemen:

Compliance

We have audited Calhoun 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, 2011. Calhoun 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of Calhoun County Board of Education's management. Our responsibility is to express an opinion on Calhoun County Board of Education's compliance based on our audit.

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 Calhoun 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. Our audit does not provide a legal determination on Calhoun County Board of Education's compliance with those requirements.

In our opinion, the Calhoun County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

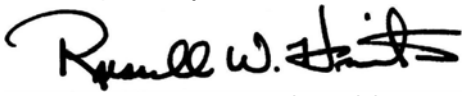
Management of Calhoun County Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered Calhoun County Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Calhoun 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, members of the Calhoun County Board of Education, others within the entity, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Russell W. Hinton, CPA, CGFM
State Auditor

RWH:as
2011SA-10

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

CALHOUN COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FINDING CONTROL NUMBER AND STATUS

FS-6191-09-01	Further Action Not Warranted
FS-6191-09-02	Further Action Not Warranted
FS-6191-09-03	Partially Resolved - See Corrective Action/Responses
FS-6191-10-01	Partially Resolved - See Corrective Action/Responses
FS-6191-10-02	Unresolved - See Corrective Action/Responses
FS-6191-10-03	Previously Reported Corrective Action Implemented

CORRECTIVE ACTION/RESPONSES

EXPENDITURES/LIABILITIES/DISBURSEMENTS
Improper Expenditures
Finding Control Number: FS-6191-09-03

The Board has implemented procedures to ensure expenditures are allowable. The Board is currently working toward a solution to address the reimbursement of the unallowable expenditures for deposit to the General Fund.

EXPENDITURES/LIABILITIES/DISBURSEMENTS
EMPLOYEE COMPENSATION
GENERAL LEDGER
CAPITAL ASSETS
ACCOUNTING CONTROLS (OVERALL)
Inadequate Accounting Procedures
Finding Control Number: FS-6191-10-01

The Board will review the design and operation of current policies and procedures and establish and implement new policies and procedures as needed to ensure that appropriate controls over significant processes and procedures exist and operate effectively.

CASH AND CASH EQUIVALENTS
REVENUES/RECEIVABLES/RECEIPTS
EXPENDITURES/LIABILITIES/DISBURSEMENTS
Inadequate Accounting Procedures over School Activity Accounts
Finding Control Number: FS-6191-10-02

The Board will review the design and operation of current policies and procedures for school activity accounts and establish and implement new policies and procedures as needed to ensure that appropriate controls exist and operate effectively. The Board will review the assignment of key accounting functions to determine where improvements can be made to achieve proper separation of duties.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV

FINDINGS AND QUESTIONED COSTS

CALHOUN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issue:
Governmental Activities; General Fund; Capital Projects Fund; Debt Service Fund; Aggregate Remaining Fund Information — Unqualified

Internal control over financial reporting:
- Material weakness identified? — Yes
- Significant deficiency identified? — Yes

Noncompliance material to financial statements noted: — No

Federal Awards

Internal Control over major programs:
- Material weakness identified? — No
- Significant deficiency identified? — None Reported

Type of auditor's report issued on compliance for major programs:
All major programs — Unqualified

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
84.010, 84.389	Title I, Part A Cluster
84.027, 84.173, 84.391, 84.392	Special Education Cluster

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

EXPENDITURES/LIABILITIES/DISBURSEMENTS
EMPLOYEE COMPENSATION
GENERAL LEDGER
ACCOUNTING CONTROLS (OVERALL)
Inadequate Accounting Procedures
Material Weakness
Finding Control Number: FS-6191-11-01

Condition:
This is a repeat finding (FS-6191-10-01 and FS-6191-09-01) from the years ended June 30, 2010, and June 30, 2009, respectively. The accounting procedures of the School District were insufficient to provide adequate internal controls over numerous control categories.

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Criteria:

The School District's management is responsible for designing and maintaining internal controls that provide reasonable assurance that transactions are processed according to established procedures. Such internal controls would limit any one individual's access to both physical assets and the related accounting records.

Questioned Cost:

N/A

Information:

Expenditures/Liabilities/Disbursements

The School District did not have procedures in place to ensure all expenditures were adequately documented, recorded in the correct account, paid at the correct amount, approved before disbursement of funds were made, and good and services received before disbursement of funds or paid in accordance with State Law. Our tests of operating expenditures revealed instances where funds were disbursed without proper approval, paid at the incorrect amount, paid without proper documentation to support the expenditure and had no evidence of receipt of goods.

Employee Compensation

The School District did not have adequate procedures in place to ensure that employee compensation expenditures were approved before disbursement of funds. Our tests of employee compensation records revealed that several employees were either overpaid or underpaid due to errors in salary and leave calculations, including problems with missing timesheets.

General Ledger

The School District did not have adequate procedures in place to ensure that journal entries were properly maintained and documented. Our tests of journal entries posted to the general ledger revealed several journal entries that were not adequately documented, and several did not have any evidence of approval.

Accounting Controls (Overall)

The School District does not have adequate logical access controls in place to ensure only appropriate users have access to significant financial applications. We noted several users with access rights that exceeded their need to complete their assigned job functions. Further, the access granted did not adequately segregate the functions of initiating, authorizing, and recording transactions, reconciliations, and maintaining the custody of assets.

Cause:

These deficiencies were a result of management's failure to ensure that: (1) expenditures are properly documented, and goods and services are received before disbursement of funds; (2) amounts paid to School District employees are adequately documented and properly approved; (3) journal entries are adequately documented; and (4) access to financial system information is limited to job responsibility.

Effect:

Errors and/or irregularities may not be detected in a timely manner.

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Recommendation:

The School District should establish and implement appropriate controls over the significant processes and procedures noted above.

The School District should seek reimbursement for the salary overpayments for deposit to the School District's operating account and should make payments for the underpayments to the appropriate employees.

Application access controls in the accounting information systems should complement the system of internal control by limiting an employee's access to only the accounting functions necessary for the performance of that employee's duties. Management should ensure that proper separation of duties exists. In the case when management determines separation of duties is not cost beneficial, management should implement compensating controls that assist in assuring that financial transactions are properly processed and reported.

CASH AND CASH EQUIVALENTS
REVENUES/RECEIVABLES/RECEIPTS
EXPENDITURES/LIABILITIES/DISBURSEMENTS
Inadequate Accounting Procedures over School Activity Accounts
Significant Deficiency
Finding Control Number: FS-6191-11-02

Condition:

This is a repeat finding (FS-6191-10-02 and FS-6191-09-02) from the years ended June 30, 2010, and June 30, 2009, respectively. The accounting procedures of the School District were insufficient to provide adequate internal controls over the school activity accounts.

Criteria:

The School District's management is responsible for designing and maintaining internal controls that provide reasonable assurance that transactions are processed according to established procedures.

Questioned Cost:

N/A

Information:

Cash and Cash Equivalents

The bank reconciliation function was not separated from the record keeping and voucher payment function.

The bank reconciliations did not include evidence of approval by someone other than the person performing the bank reconciliation.

Revenues/Receivables/Receipts

Deposit preparation was not separated from the record keeping and cash custody functions.

Receipt documentation provided by the school for testing was very limited. It was not possible to determine to which revenue account the receipt was posted.

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Expenditures/Liabilities/Disbursements

The check writing function was not separated from the record keeping or processing of signed checks.

Missing purchase orders and no supporting documentation were noted for several expenditures tested.

Cause:

The School District has not assigned responsibilities to achieve appropriate separation of duties nor utilized management oversight of the incompatible activities to properly safeguard assets. These deficiencies were also a result of management's failure to ensure that internal controls were established, implemented and functioning at the school level.

Effect:

Errors/irregularities may not be detected in a timely manner.

Recommendation:

The School District should implement procedures to ensure that the key accounting functions of custody, record keeping and authorization be separated and/or utilize management oversight of these incompatible activities. Management should also revise and monitor controls to provide reasonable assurance that transactions are processed according to established procedures.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION V

MANAGEMENT'S RESPONSES

CALHOUN COUNTY BOARD OF EDUCATION
SCHEDULE OF MANAGEMENT'S RESPONSES
YEAR ENDED JUNE 30, 2011

Finding Control Number: FS-6191-11-01

We concur with this finding. Management will review the design and implementation of internal control procedures and update as necessary to ensure adequate controls over significant processes, including access controls over the accounting information system. Management will address the underpayment and overpayment of employee compensation.

Finding Control Number: FS-6191-11-02

We concur with this finding. Management will review the design and implementation of internal control procedures and update as necessary to ensure adequate controls over school activity accounts.

Contact Person: Lorrie L. Stafford, Finance Director
Telephone: (229) 849-2765
Fax: (229) 849-2113
Email: lorriestafford@calhoun.k12.ga.us