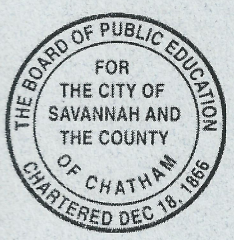
2012 Comprehensive Annual Financial Report



Savannah-Chatham County Public Schools

208 Bull Street

Savannah, Georgia 31401

Fiscal Year Ended June 30, 2012

The Board of Public Education for the City of Savannah and the County of Chatham, Georgia

OUR VISION: *From school to the world: All students prepared for productive futures.*

2012 Comprehensive Annual Financial Report



Savannah-Chatham County Public Schools

208 Bull Street

Savannah, Georgia 31401

Fiscal Year Ended
June 30, 2012

Prepared by:
Division of Finance

The Board of Public Education for the City of Savannah and the County of Chatham, Georgia



NOTICE: Certain pages of this report have been left blank intentionally. These pages are identified by the tree logo of the Savannah-Chatham County Public Schools as shown on this page.


SCCPSS

THE BOARD OF EDUCATION FOR
THE CITY OF SAVANNAH AND THE COUNTY
OF CHATHAM, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	A-1
List of Principal Officials	A-7
Organizational Chart	A-8
ASBO Certificate of Excellence in Financial Reporting	A-9
GFOA Certificate of Achievement for Excellence in Financial Reporting	A-10
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	B-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A - Required Supplementary Information)	C-1
BASIC FINANCIAL STATEMENTS:	
DISTRICT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Assets	D-1
Statement of Activities	D-2
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet	D-3
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	D-4
Statement of Revenues, Expenditures, and Changes in Fund Balances	D-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-6
Proprietary Funds (Internal Service):	
Statement of Net Assets	D-7
Statement of Revenues, Expenses and Changes in Net Assets	D-8
Statement of Cash Flows	D-9
Fiduciary Funds (Agency):	
Statement of Fiduciary Assets and Liabilities	D-10
NOTES TO THE BASIC FINANCIAL STATEMENTS	D-11
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:	
Description	E-1
Budgetary Comparison Schedule - General Fund	E-2
Notes to Required Supplementary Information on Budgetary Accounting and Control	E-3

THE BOARD OF EDUCATION FOR
THE CITY OF SAVANNAH AND THE COUNTY
OF CHATHAM, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

SUPPLEMENTARY DATA - Combining Fund Financial Statements and Schedules:

	Page
NONMAJOR GOVERNMENTAL FUNDS:	
Description	F-1
Combining Balance Sheet - Nonmajor Governmental Funds	F-2
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	F-4
Budgetary Comparison Schedules - Nonmajor Governmental Funds:	
Special Revenue Funds:	
Special Programs	F-6
Race to the Top	F-7
Psychological Education	F-8
Title I	F-9
Title VIB	F-10
School Food Service	F-11
Debt Service Fund	F-12
INTERNAL SERVICE FUNDS:	
Description	F-13
Combining Statement of Net Assets	F-14
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	F-15
Combining Statement of Cash Flows	F-16
FIDUCIARY FUNDS:	
Description	F-17
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	F-18
Combining Statement of Changes in Assets and Liabilities - Agency Funds	F-19
SUPPLEMENTAL SCHEDULES:	
Description	F-20
Schedule of Allotments and Expenditures - By Program General Fund - Quality Basic Education Programs	F-21
Schedule of Approved Local Option Sales Tax Projects- ESPLOST I	F-22
Schedule of Approved Local Option Sales Tax Projects- ESPLOST II	F-23

THE BOARD OF EDUCATION FOR
THE CITY OF SAVANNAH AND THE COUNTY
OF CHATHAM, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

STATISTICAL SECTION

	Page
Description	G-1
Net Assets – Last Ten Fiscal Years	G-2
Changes in Net Assets – Last Ten Fiscal Years	G-3
Fund Balance of Governmental Funds – Last Eight Fiscal Years (Prior to GASB 54)	G-5
Fund Balance of Governmental Funds – Last Two Fiscal Years	G-6
Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years	G-7
Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years	G-9
Property Tax Rates – Direct and Overlapping Governments Last Ten Fiscal Years	G-11
Principal Property Taxpayers Current Year and Period Nine Years Prior	G-13
Property Tax Levies and Collections - General Fund Last Ten Fiscal Years	G-14
Property Tax Levies and Collections – Debt Service Fund Last Ten Fiscal Years	G-15
Ratios of Outstanding Debt by Type Last Ten Fiscal Years	G-16
Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years	G-17
Direct and Overlapping Governmental Activities Debt As of June 30, 2012	G-18
Legal Debt Margin Information – Last Ten Fiscal Years	G-19
Demographic and Economic Statistics – Last Ten Fiscal Years	G-21
Primary Employers – Current year and Nine Years Ago	G-22
Full-time Equivalent Government Employees by Function – Last Ten Years	G-23
Operating Statistics – Last Ten Fiscal Years	G-24
Teacher Data – Last Ten Fiscal Years	G-25

THE BOARD OF EDUCATION FOR
THE CITY OF SAVANNAH AND THE COUNTY
OF CHATHAM, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	Page
Teachers' Salary Schedule – Last Ten Years	G-26
School Enrollment – Last Ten Fiscal Years	G-27
School Buildings and Other Facilities as of June 30, 2012	G-29


SCCPSS



LETTER OF TRANSMITTAL

LIST OF PRINCIPAL OFFICIALS

ORGANIZATION CHART

ASBO CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING


SCCPSS

SCCPSS
Savannah-Chatham County Public School System
208 Bull Street / Savannah, Georgia 31401 / 912.395.5600

November 26, 2012

Board Members and Citizens
Savannah-Chatham County Board of Education
Savannah, GA

State law (O.C.G.A. §50-6-6) requires the District to submit an annual report of the financial records and transactions audited by the Department of Audits and Accounts or by independent certified public accountants. This document is submitted in fulfillment of this requirement. An audit was also conducted to meet the requirements of the Federal Single Audit Act Amendment of 1996 and related Office of Management and Budget Circular A-133, Audits of State and Local Governments. The results of the Federal Single Audit are presented in a separate document.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Robinson, Grimes & Company, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion on the financial statements of the Board of Public Education for the City of Savannah and the County of Chatham for the year ended June 30, 2012. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE DISTRICT

The Board of Public Education for the City of Savannah and the County of Chatham, Georgia, incorporated in 1866, is a body politic and corporate, and a school district of the State of Georgia having boundaries coterminous with Chatham County. The District operates a system of schools primarily for grades kindergarten through twelve, serving 35,808 students. The District has no component units, which are legally separate organizations for which the District is financially accountable.

The District operates under a Board-Superintendent form of government and provides public educational services to the citizenry of the City of Savannah and the County of Chatham, Georgia. The Board is composed of eight members elected from geographical districts and a President elected on a countywide basis. Members are currently serving either two-year or four-year terms with the next election designed to return them to four-year staggered terms. Annually, the Board elects a Vice-President and a Vice-President pro tempore, and appoints a Secretary to the Board. The Board appoints the Superintendent for a term that is determined by the Board. As its Chief Executive Officer, the Superintendent has general supervisory and administrative responsibility for all departments and personnel of the School District. The Board receives funding from local, state, and federal government sources and must comply with the accompanying requirements of these funding entities.

The Board is required to adopt a budget before the first day of the fiscal year. Annual budgets are legally required to be adopted for all funds except capital projects funds (which may adopt project budgets) and fiduciary funds (which do not report operations). This annual budget serves as the foundation for the Board's financial planning and control. The District uses the same basis for both budgeting and accounting. Governmental funds budgets are prepared on a modified accrual basis, while proprietary funds (internal service funds) budgets are prepared on the accrual basis. Although not required to do so, the District adopts an annual budget for its capital projects fund for internal management purposes. No budgets are prepared for fiduciary funds. The level of legal budgetary control is at the fund level. For management purposes, budgetary control is maintained at the site/appropriation unit level by encumbrance accounting.

ECONOMIC CONDITION AND OUTLOOK OF LOCAL ECONOMY

The Savannah area has a diverse economy that relies heavily on manufacturing, military, tourism, and port-related distribution. Its manufacturing environment boasts 300 firms, making everything from jet aircraft and aerospace equipment to chemicals, paper products, and baked goods. In May, 2011, Mitsubishi Power Systems America opened a $350 million manufacturing facility, its first outside of Japan, where it will manufacture gas turbine combustor components. Although the 500,000 square foot factory is still under construction, its first product, a 300-ton turbine, was delivered in October, 2012. At full operation, the plant is expected to employ 500. Gulfstream Aerospace, two years into a $500 million seven-year facilities expansion program, has already added 2,000 jobs.

Hunter Army Airfield, a vital part of the Fort Stewart complex, (the largest military installation east of the Mississippi River), contributes a large military-civilian payroll to the local economy. Nearly 25,000 soldiers are stationed at Fort Stewart and at Hunter, and more than 4,000 civilians are employed at the two installations. Although most of them live and work in Hinesville (40 miles away), many soldiers and their dependents visit Savannah frequently to shop and take advantage of the city's many amenities. Savannah is also home to the Savannah District of the Army Corps of Engineers, units of the Coast Guard and the Air National Guard, and Reserves of the Army, Navy and Marine Corps.

Tourism continues to be a bright spot in the local economy. A mild climate, abundant outdoor resources, rich history, and cultural opportunities contribute to a rich quality of life for area residents, and draw large numbers of tourists to the area. In recent years, Savannah has received accolades from numerous publications. Recently, Savannah was ranked No. 2 in American Best Cities for Valentine's Day by *Travel + Leisure*, a Top Ten Spot to spend St. Patrick's Day in the World by *IrishCentral.com*, No.2 in America's Greenest Cities by *Travel + Leisure*, a Best City for Nightlife in the USA by *U.S. News & World Report*, a Best Burger City by *Travel + Leisure*, No. 2 in Top 10 Cities for Historic Preservation by *Livability.com*, and a Travelers' Choice Best Destination by *TripAdvisor*. Although the recession has negatively impacted the tourism industry, Savannah continues to fare well.

The Port of Savannah continues to be a major driver in the economy of Chatham County as well as of the state of Georgia. For the year ended June 30, 2012, the Port of Savannah retained its position as the second busiest container facility on the East Coast and the fourth busiest in the nation, and continued as the second busiest port in the nation for containerized exports. The Port of Savannah now hosts the most shipping services of any port on the East Coast. The Port promises to continue its significant contribution to the local economy for the foreseeable future, if the pending harbor deepening project is successfully completed. Although it has been controversial, the harbor deepening is necessary in order to accommodate the larger ships which will be able to call on East Coast ports after the completion of the expansion of the Panama Canal scheduled for 2014.

Chatham County's unemployment rate of 9.3% for June, 2012, was lower than the Georgia statewide rate of 9.5%, but higher than the national rate of 8.4%.

MAJOR INITIATIVES

On March 3, 2009, the Board approved a district transformation plan, later named "Passport to Excellence," the purpose of which is to provide a diverse portfolio of educational options to ensure that our school system is the first choice for families in Savannah-Chatham County. Every elementary, middle, and high school will provide students with a rigorous curriculum and relevant, engaging learning experiences from highly qualified teachers, in a safe and secure environment. The 2010-2011 school year, the second year of implementation of the Passport, saw the opening of the newly constructed Godley Station K-8 School, opening of the Esther F. Garrison Visual and Performing Arts School (K-8), opening of Shuman Elementary School to replace the closed Islands Elementary School, and opening of the new Islands High School. At the same time, Hodge Elementary School moved into the facility which previously housed DeRenne Middle School and Coastal Middle moved into the facility which previously housed Islands Elementary School. Additional grade levels were added at Hesse, Isle of Hope, Georgetown, and East Broad as they transition from elementary schools to K-8 schools.

The 2011-2012 school year, the third year of implementation of the Passport, saw the opening of the replacement Butler Elementary School and the opening of the replacement Pulaski Elementary School located on Hunter Army Airfield. At the same time, Gadsden Elementary School temporarily moved into the building which formerly

housed Pulaski Elementary School while their new school was under construction. Woodville-Tompkins Technical and Career High School began its transition from an academy providing vocational courses to students who received their academic courses at their home school to a full-fledged high school by accepting its first ninth-grade class. These students will take all of their courses at Woodville-Tompkins.

During the 2011-2012 school year, Heard Elementary School and Savannah Arts Academy were named Georgia Schools of Excellence; Heard for Greatest Gains and Savannah Arts for Top 10%. Three high schools were recognized as Advanced Placement Honor Schools in five different categories: AP Challenge – Islands High School and Savannah Arts Academy; AP Merit – Savannah Arts Academy; AP Access and Support – Jenkins High School; AP STEM – Savannah Arts Academy; and AP STEM Achievement – Savannah Arts Academy. Savannah Arts Academy was named the best high school in Georgia by *U.S. News and World Report*.

During the 2011-2012 school year, several schools were recognized by the Governor's Office of Student Achievement for improvement and achievement during the previous school year. Heard Elementary School and Coastal Middle School received Platinum awards, Pulaski Elementary School received a Silver award, and Bartlett Middle School received a Bronze award in the "Greatest Gains" category for improvement on state standardized test scores. Savannah Arts Academy received a Platinum Award, and Marshpoint Elementary and the Esther F. Garrison School of Visual and Performing Arts received Bronze awards in the "Highest Performance" category for achievement on state standardized test scores.

Twenty schools were named Title I Distinguished Schools by the Georgia Department of Education. Title I schools have a significant population of students who are economically disadvantaged. Title I Distinguished Schools have made Adequate Yearly Progress at least three years in a row. The twenty schools are Bloomingdale, Butler, Ellis, Esther F. Garrison School of Visual and Performing Arts, Gadsden, Garden City, Georgetown, Haven, Heard, Hodge, Low, Port Wentworth, Pulaski, Smith, Southwest, Spencer, Thunderbolt, West Chatham, and Windsor Forest Elementary Schools, and Southwest Middle School.

In order to avoid a state takeover, Beach High School was reconstituted under the Turnaround Reform model for the 2010-2011 school year. A new principal was appointed and at least 51% of the staff was newly appointed. Significant funding to support this initiative is provided by a federal Title I School Improvement Grant (SIG), which requires the granting of comprehensive operational flexibility to the principal. Groves High School was reconstituted in a similar manner with similar grant funding and similar operational flexibility for the 2011-2012 school year.

LONG-TERM FINANCIAL PLANNING

All construction projects financed by the 1990 and 1994 bond referendums have been completed and capitalized. However, due to the continued aging of existing facilities, population shifts within the county, and technological advances, significant capital needs remained. On September 19, 2006, voters approved an E-SPLOST (Special Purpose Local Option Sales Tax for Educational Purposes) referendum for an additional 1% sales

tax to be collected over a five-year period beginning January 1, 2007, to fund new construction projects and make scheduled payments on existing debt. On November 8, 2011, voters approved ESPLOST2, a five-year extension of the 1% sales tax, which is expected to raise $330 million to fund new construction projects, academic technology upgrades, and make scheduled payments on existing debt.

RELEVANT FINANCIAL POLICIES

Board policy establishes certain expectations related to fund balance. As of June 30, 2012, total fund balance in the General Fund exceeds 10% of budgeted expenditures, the upper limit of the target range. This resulted from well-controlled expenditures and allowed for planned use of fund balance to balance the FY 2013 budget. Under Board policy, any use of fund balance must be one-time in nature and must be approved by the Board.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board of Public Education for the City of Savannah and the County of Chatham, Georgia, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the eighteenth consecutive year that the district has received this prestigious award that demonstrates the spirit of transparency and full disclosure. In order to be awarded a Certificate of Achievement for Excellence the CAFR is reviewed by selected GFOA professional staff and members of the GFOA Special Review Committee, which is comprised of individuals with expertise in public sector financial reporting and includes financial statement preparers, independent auditors, and academic and other finance professionals.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Board for the year ended June 30, 2011. This was the eighteenth consecutive year that the Board has received this prestigious award. This award certifies that the comprehensive annual financial report (CAFR) substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after intensive reviews of financial reports by expert panels of governmental accountants.

ASBO's Certificate of Excellence in Financial Reporting is valid for one year only. We believe that our current CAFR also conforms to the principles and standards and we are submitting it to ASBO for review to determine its eligibility for another certificate.

GFOA Distinguished Budget Presentation Award

In addition, the Board also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2011. This was the twenty-first consecutive year that the Board has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the Board's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

ASBO Meritorious Budget Award

The Board also received ASBO's Meritorious Budget Award for its annual budget document for the fiscal year beginning July 1, 2011. This was the fourth year that the Board received the award, which is the only award program specifically designed to enhance school budgeting.

Georgia School Boards Association/Georgia School Superintendents Association

The Board of Public Education for the City of Savannah and the County of Chatham maintains two significant recognitions from the Georgia School Boards Association. The first acknowledges that the Board has achieved compliance with the "Standards for Local Boards of Education." The compliance process requires a local review committee to examine Board policies and practices to ensure that they comply with the stated standards. The second and more prestigious recognition confirms that the School Board has met all of the criteria for designation as a Board of Distinction.

Acknowledgements

We wish to express appreciation to the staff of the Accounting Department without whose dedicated and committed efforts the report could not have been completed. We also wish to acknowledge the professional support provided by the print shop and other finance division personnel for their efforts in the production of this document. We also want to recognize the active involvement and professional efforts of the auditors from the firm of Robinson, Grimes & Company, P.C., who have been instrumental in the prompt completion of the associated audit.

Respectfully submitted,

Rebecca McClain

Rebecca McClain
Chief Financial Officer

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH AND THE COUNTY OF CHATHAM, GEORGIA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2012

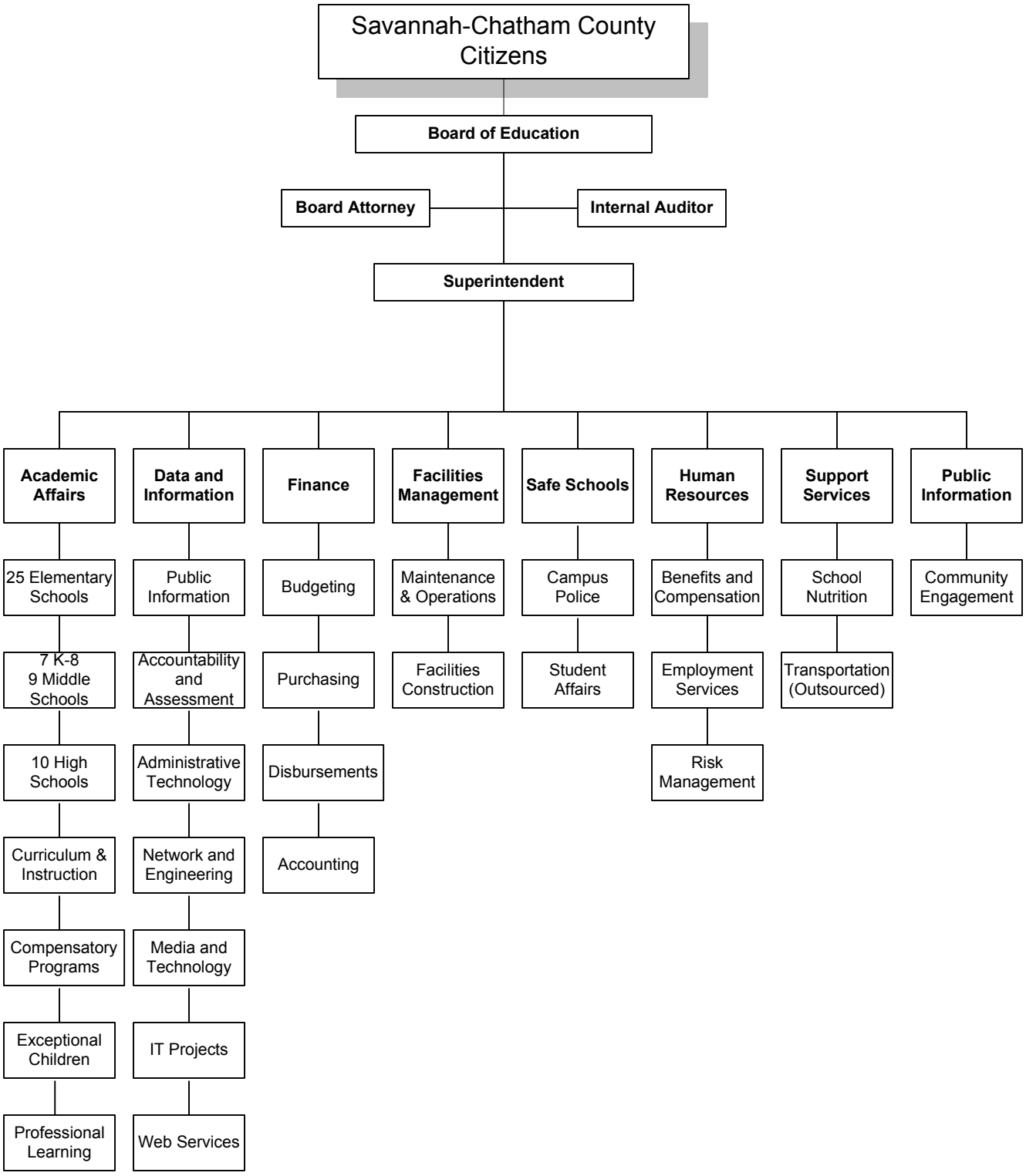
BOARD MEMBERS

Dr. Joe Buck	President
Ruby Jones	District 8 - Vice-President
Julie Gerbsch	District 7 – Vice-President Pro Tempore
Lori L. Brady	District 6
Cornelia H. Hall	District 3
Irene Gadson Hines	District 5
Dr. Dionne Hoskins	District 2
Shawn A. Kachmar	District 4
Julie M. Wade	District 1

ADMINISTRATION

Dr. Thomas B. Lockamy, Jr.	Superintendent
David Fields	Chief of Staff
Sharon Sand	Chief Academic Officer
David Feliciano	Chief Data and Information Officer
Rebecca T. McClain	Chief Financial Officer
Vanessa Miller-Kaigler	Interim Executive Director of Facilities Management
Ulysses O. Bryant, Jr.	Chief of Campus Police/Senior Director of Student Affairs
Ramon Ray	Senior Director of Human Resources
Tammy Perkins	Interim Senior Director of Support Services
Kurt Hetager	Manager of Public Information and Community Engagement

Savannah Public Schools Organizational Chart
June 30, 2012



Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

The Board of Public Education for the City of Savannah and the County of Chatham, Georgia

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011

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

Brian L. Mee, SFO, RSBA
President

John D. Musso, CAE, RSBA
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Board of Public Education for the City of Savannah and the County of Chatham, Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P Morrill

President

Jeffrey R. Esser

Executive Director



INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS


SCCPSS

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

Independent Auditor's Report

The Board of Public Education
City of Savannah and the County of Chatham, Georgia
Savannah, Georgia

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Public Education of the City of Savannah and the County of Chatham, Georgia, (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 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 Board of Public Education of the City of Savannah and the County of Chatham, Georgia, as of June 30, 2012, 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.

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 2012, on our consideration of the District'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 important for assessing the results of our audit.

5637 Whitesville Rd. P.O. Box 4299, Columbus, Georgia 31914 • Telephone 706-324-5435 • Fax 706-324-1209 • Email info@robinsongrimes.com
Members of: American Institute of CPAs and related Private Companies Practice Section,
Employee Benefit Plan Audit Quality and Government Audit Quality Center • Center for Audit Quality • Georgia Society of CPAs • CPAmerica International
• **www.robinsongrimes.com**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages C-1 through C-11 and page E-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Robinson, Grimes & Company, P.C.

Certified Public Accountants
November 26, 2012

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH AND THE COUNTY OF CHATHAM, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

INTRODUCTION

Our discussion and analysis of the financial performance of the Board of Public Education for the City of Savannah and the County of Chatham provides an overview of the school district's financial activities for the fiscal year ended June 30, 2012. The intent of this management discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

The basic financial statements contain three components:

1) District-wide financial statements including the Statement of Net Assets and the Statement of Activities which provide a broad, long-term overview of the District's finances,

2) Fund financial statements, including the balance sheets, that provide a greater level of detail of revenues and expenditures and focus on how well the District has performed in the short term in the most significant funds, and

3) Notes to the financial statements.

This report presents the financial highlights for last year and contains other supplementary information.

OVERALL ANALYSIS

The District is the tenth largest school district in the state of Georgia, serving 35,808 students with a general fund budget of $290 million. Four primary factors affected the district's financial operations during the year: major school construction financed by ESPLOST, the end of the funding received under the American Recovery and Reinvestment Act, continued austerity reductions in state funding, and a reduction in the value of the tax digest. Overall, revenues and expenses were lower than anticipated at the beginning of the year. The District has responded well to the current economic crisis and its overall financial position remains strong.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2012 are as follows:

- On the district-wide financial statements:

- Total net assets of the District increased from $492,307,923 at June 30, 2011 to $534,870,242 at June 30, 2012, an increase of $42,562,319, or 8.65%.

- Total revenues decreased $17,932,540 from $420,291,624 in fiscal year 2011 to $402,359,084 in fiscal year 2012, or 4.27%.

- Total expenses decreased $6,856,782 from $366,653,547 in fiscal year 2011 to $359,796,765 in fiscal year 2012, or 1.87%.

❖ On the fund financial statements:

- Ending fund balances of the District decreased from $150,461,623 at June 30, 2011 to $107,386,180 at June 30, 2012, a decrease of $43,075,443, or 28.63%.

- In the General Fund, total fund balance decreased from $34,937,121 at June 30, 2011 to $31,903,798 at June 30, 2012, a decrease of $3,033,323 or 8.68%.

- Total General Fund actual revenues were $2,300,443, or 0.81%, less than budgeted revenues.

- Total General Fund actual expenditures were $4,338,848, or 1.51%, less than budgeted expenditures.

OVERVIEW OF DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide financial statements are designed to provide readers with a broad overview of the school district's finances in a manner similar to a private sector business. The Statement of Net Assets and the Statement of Activities provide information about the activities of the school district as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The *Statement of Net Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

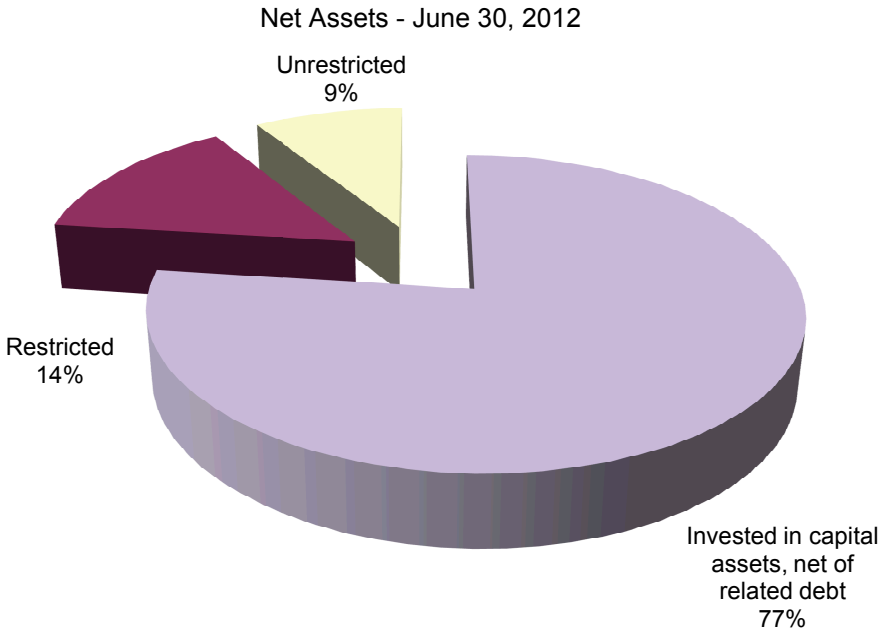
The *Statement of Activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues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

The district-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, food services, and interest on long-term debt. The district-wide financial statements can be found on pages D-1 to D-2 of this report.

Financial Analysis of the District as a Whole

All of the District's services are reported in the district-wide financial statements, including instruction, pupil services, instructional services, educational media services, general administration, business administration, school administration, pupil transportation, maintenance and operations, central support services, other support services, food services, and interest on long-term debt. Property taxes, and operating grants and contributions finance most of these activities. Additionally, all capital and debt financing activities are reported here.

Statement of Net Assets	**Governmental Activities**			
	FY 2012	**FY 2011**	**Change**	**% Change**
Current assets	$ 198,552,655	$ 235,853,760	$(37,301,105)	-15.82%
Capital assets, net	484,191,762	405,866,977	78,324,785	19.30%
Total assets	682,744,417	641,720,737	41,023,680	6.39%
Current liabilities	73,022,050	65,726,362	7,295,688	11.10%
Noncurrent liabilities	74,852,125	83,686,452	(8,834,327)	-10.56%
Total liabilites	147,874,175	149,412,814	(1,538,639)	-1.03%
Net assets				
Invested in capital assets net of related debt	413,730,235	327,477,695	86,252,540	26.34%
Restricted	72,193,382	110,081,168	(37,887,786)	-34.42%
Unrestricted	48,946,625	54,749,060	(5,802,435)	-10.60%
Total net assets	$ 534,870,242	$ 492,307,923	$ 42,562,319	8.65%



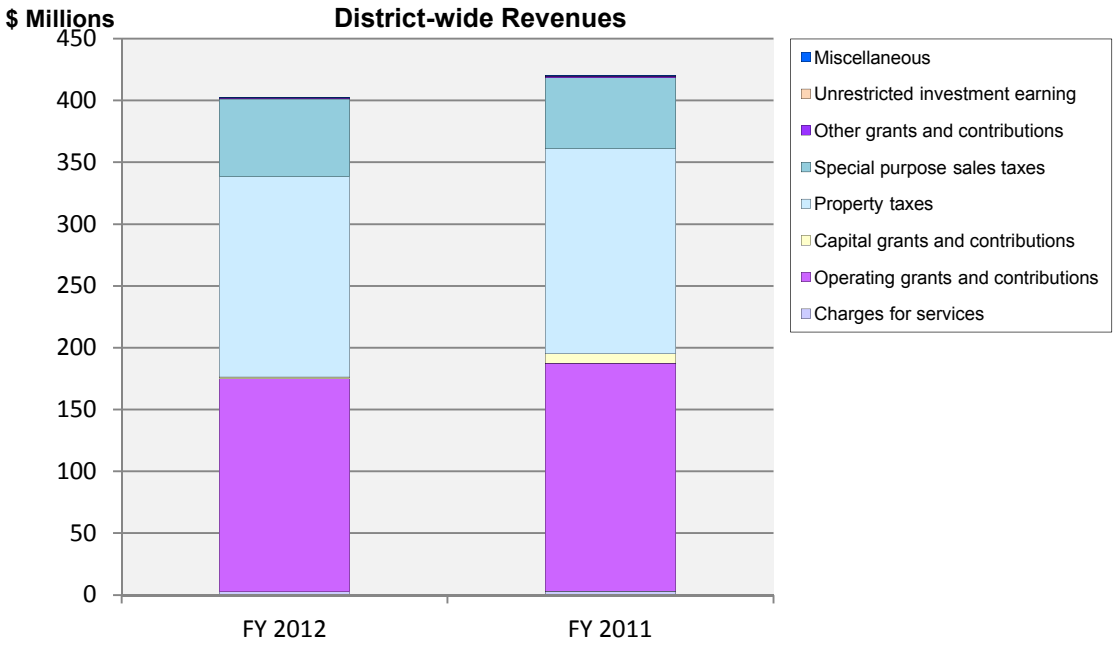
Current assets decreased as a result of payments made from restricted cash and investments on construction contracts.

Capital assets, net of depreciation, increased due to growth in construction in progress and transfers from construction in progress to building and improvements and equipment upon the completion of projects.

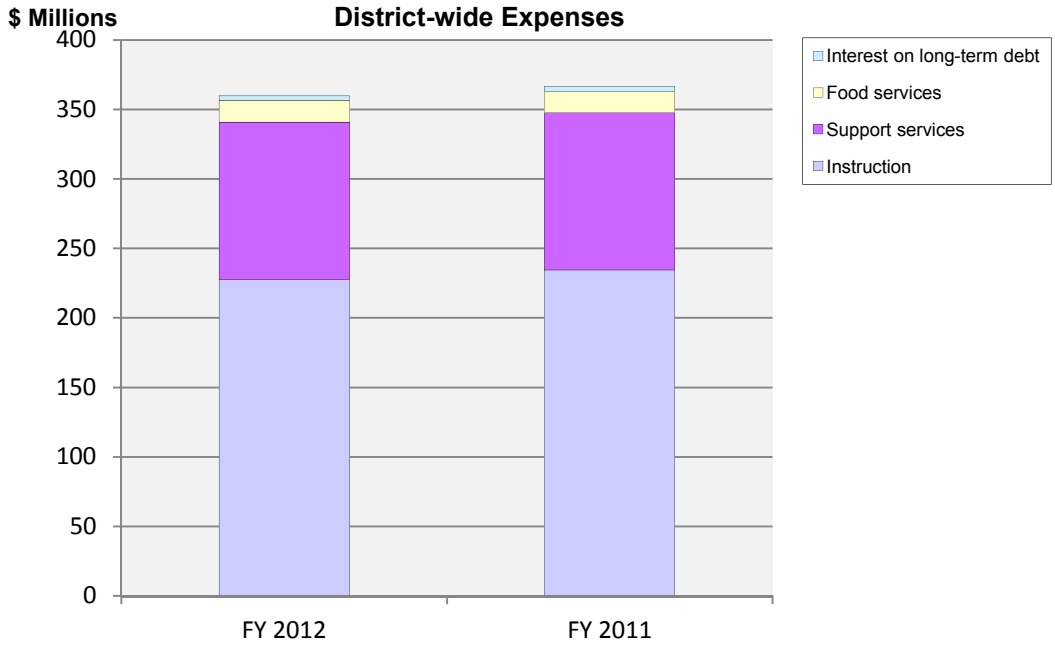
Current liabilities increased due to growth in construction contracts.

Long-term liabilities decreased due to scheduled principal retirements on bonded debt.

Statement of Activities	Governmental Activities			
	FY 2012	FY 2011	Change	% Change
Revenues:				
Program revenues:				
Charges for services	$ 2,783,697	$ 2,887,701	$ (104,004)	-3.60%
Operating grants and contributions	172,396,281	184,294,446	(11,898,165)	-6.46%
Capital grants and contributions	1,220,310	8,103,000	(6,882,690)	-84.94%
General revenues:				
Property taxes	162,261,746	165,816,998	(3,555,252)	-2.14%
Special purpose sales taxes	62,476,978	57,287,383	5,189,595	9.06%
Other grants and contributions	925,889	1,183,853	(257,964)	-21.79%
Unrestricted investment earnings	161,150	222,329	(61,179)	-27.52%
Miscellaneous	133,033	495,914	(362,881)	-73.17%
Total revenues	402,359,084	420,291,624	(17,932,540)	-4.27%
Expenses:				
Instruction	227,692,291	234,643,795	(6,951,504)	-2.96%
Support services	113,217,552	113,231,319	(13,767)	-0.01%
Food services	15,683,108	15,260,871	422,237	2.77%
Interest on long-term debt	3,203,814	3,517,562	(313,748)	-8.92%
Total expenses	359,796,765	366,653,547	(6,856,782)	-1.87%
Excess (deficiency) before special items	42,562,319	53,638,077	(11,075,758)	-20.65%
Special item - loss on disposal of capital assets	-	(2,168,508)	2,168,508	100.00%
Change in net assets	42,562,319	51,469,569	(8,907,250)	-17.31%
Net assets - beginning	492,307,923	440,838,354	51,469,569	11.68%
Net assets - ending	$ 534,870,242	$ 492,307,923	$ 42,562,319	8.65%



Total revenues decreased $17,932,540, or 4.27%. Three separate trends combined to cause this decrease. First, federal revenue decreased in FY 2012 following the end of the funding received under the American Recovery and Reinvestment Act. Second, a significant amount of capital grant funding was received from the state in FY 2011 following the completion of Godley Station K-8 School. As this was a one-time grant, it was followed by a reduction in capital grant revenue for FY 2012. Finally, there was an increase in sales tax revenues received under the Education Special Purpose Local Option Sales Tax.

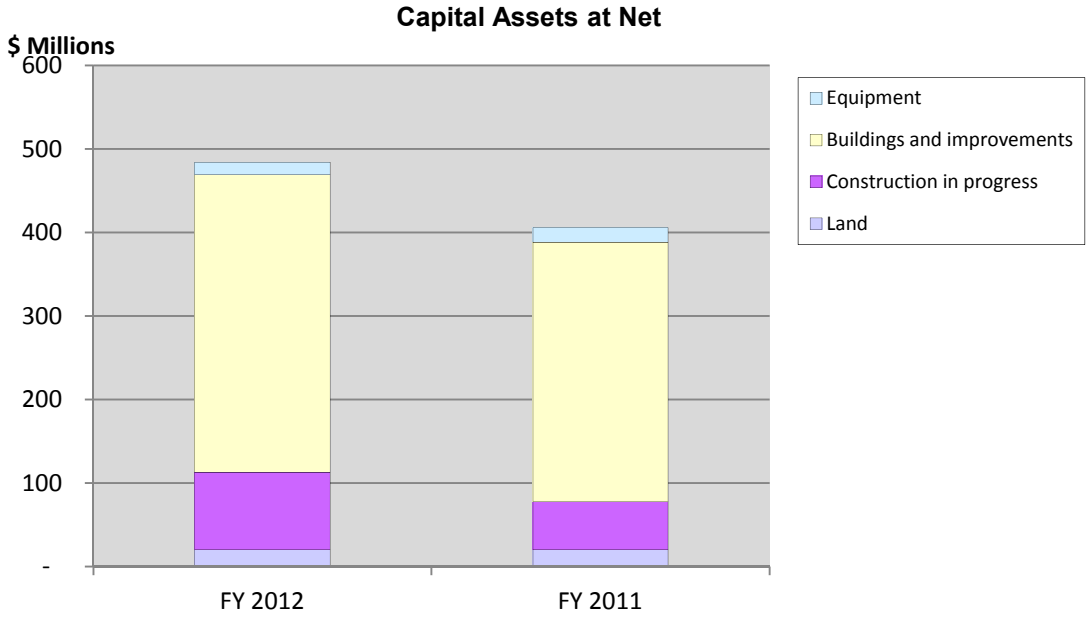


Total expenses decreased $6,856,782 or 1.87%. Expenses decreased in Instruction, for two primary reasons: (1) the district increased class sizes by one to four students in reaction to continued austerity reductions from the state, and (2) grant-funded expenses were reduced following the end of the funding received under the American Recovery and Reinvestment Act. In addition, interest on long-term debt decreased due to scheduled principal retirements on bonded debt.

Capital Assets

At June 30, 2012, the District had $484,191,762 invested in capital assets, including land, construction in progress, buildings and improvements, and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of $78,324,785, or 19.30% from last year.

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Change	%
Land	$ 20,186,212			$ 20,186,212	$ -	0.00%
Construction in progress	57,997,463	90,886,593	(56,073,012)	92,811,044	34,813,581	60.03%
Buildings and improvements	431,218,500	55,432,600		486,651,100	55,432,600	12.85%
Equipment	82,887,234	5,944,245	(2,482,308)	86,349,171	3,461,937	4.18%
Total capital assets	592,289,409	152,263,438	(58,555,320)	685,997,527	93,708,118	15.82%
Less accumulated depreciation:						
Buildings and improvements	(121,122,136)	(9,253,389)	26,529	(130,348,996)	(9,226,860)	7.62%
Equipment	(65,300,296)	(8,348,823)	2,192,350	(71,456,769)	(6,156,473)	9.43%
Total accumulated depreciation	(186,422,432)	(17,602,212)	2,218,879	(201,805,765)	(15,383,333)	8.25%
Total capital assets, net	$ 405,866,977	$ 134,661,226	$ (56,336,441)	$ 484,191,762	$ 78,324,785	19.30%



Capital assets, net of depreciation, increased due to growth in construction in progress and transfers from construction in progress to building and improvements and equipment upon the completion of projects. See Note II.D. for additional information on Capital assets.

Long-term Debt

As of June 30, 2012, the District had $74,852,125 in total long-term debt. This represents a decrease of $8,834,327, or 10.56%, from the previous year, due to scheduled payments. Additional information on the District's long-term debt can be found in Notes II.E. and II.G.

OVERVIEW OF FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds (internal service), and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages D-4 and D-6, respectively.

The District's fund financial statements provide detailed information about the most significant funds – not the District as a whole. The majority of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds financial statements provide a detailed short-term view of the District's operations and the services it provides.

In accordance with generally accepted accounting principles, the District maintains many individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General and ESPLOST Funds, each of which is considered to be a major fund. Also, data from the other non-major

governmental funds are combined into a single aggregated column presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements beginning on page F-1 in this report.

The basic governmental fund financial statements can be found on pages D-3 through D-6 of this report.

Proprietary funds. Proprietary funds are used to account for ongoing organizations and activities which are similar to those found in the private sector. The District's proprietary funds are the internal service funds and are used to report activities that provide services for its other programs and activities. The District's internal service funds consist of the Workers' Compensation Fund, the Employee Dental Fund, and the Unemployment Compensation Fund.

Fiduciary funds. Agency funds, a type of fiduciary funds, are used to account for assets held by the District on behalf of other parties. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. The District's fiduciary funds consist of the Flex One Fund and the Student Activity Fund.

Revenues, Other Financing Sources and Special Item – Fund Financial Statements

The following schedule presents a summary of the governmental funds revenues, and other financing sources for the period ended June 30, 2012 as compared to June 30, 2011. It also depicts the amount and percentage increases and decreases in relation to prior year revenues, other financing sources, and special item.

	FY 2012	FY 2011	2012 Percent of Total	Change	% Change
Property taxes	$ 164,126,291	$ 168,274,547	39.19%	$ (4,148,256)	-2.47%
Sales taxes	62,476,978	57,287,383	14.92%	5,189,595	9.06%
State sources	122,509,674	134,008,964	29.26%	(11,499,290)	-8.58%
Federal sources	50,972,081	58,557,946	12.17%	(7,585,865)	-12.95%
Charges for services	2,508,971	2,543,255	0.60%	(34,284)	-1.35%
Local and other funds	2,770,579	2,797,330	0.66%	(26,751)	-0.96%
Subtotal	405,364,574	423,469,425	96.80%	(18,104,851)	-4.28%
Other financing sources	13,389,125	30,280,054	3.20%	(16,890,929)	-55.78%
Total	$ 418,753,699	$ 453,749,479	100.00%	$ (34,995,780)	-7.71%

Expenditures and Other Financing Uses – Fund Financial Statements

The following schedule represents a summary of the governmental funds expenditures for the fiscal year ended June 30, 2012 and 2011, and the percentage increase and decrease in relation to prior year amounts.

	FY 2012	FY 2011	2012 Percent of Total	Change	% Change
Current					
Instruction	$ 214,630,103	$ 222,037,495	46.47%	$ (7,407,392)	-3.34%
Pupil services	17,114,412	17,182,889	3.71%	(68,477)	-0.40%
Instructional services	9,540,441	9,163,207	2.07%	377,234	4.12%
Educational media services	5,584,236	5,712,603	1.21%	(128,367)	-2.25%
General administration	5,330,296	5,915,280	1.15%	(584,984)	-9.89%
School administration	19,618,186	19,503,863	4.25%	114,323	0.59%
Business administration	4,763,277	4,614,642	1.03%	148,635	3.22%
Maintenance and operations	25,144,415	24,578,995	5.44%	565,420	2.30%
Pupil transportation	17,637,802	16,610,370	3.82%	1,027,432	6.19%
Central support services	3,524,461	3,894,193	0.76%	(369,732)	-9.49%
Other support services	2,980,980	3,749,273	0.65%	(768,293)	-20.49%
Food service operations	15,558,750	15,138,644	3.37%	420,106	2.78%
Debt service:					
Principal retirement	7,801,936	14,935,027	1.69%	(7,133,091)	-47.76%
Interest and fiscal charges	3,474,046	3,627,535	0.75%	(153,489)	-4.23%
Capital outlay	96,190,426	54,353,495	20.83%	41,836,931	76.97%
Subtotal	448,893,767	421,017,511	97.20%	27,876,256	6.62%
Other financing uses	12,935,375	22,085,054	2.80%	(9,149,679)	-41.43%
Total	$ 461,829,142	$ 443,102,565	100.00%	$ 18,726,577	4.23%

Analysis of Major Funds

The Board has two major funds: the General Fund and the ESPLOST Fund. The General Fund is the general operating fund of the Board and is used to account for all financial resources except those required to be accounted for in another fund. The ESPLOST Fund is used to account for financial resources received from the Educational Special Purpose Local Option Sales Tax to finance construction of new schools and other capital projects.

General Fund

As of June 30, 2012, total fund balance in the General Fund was $31,903,798. As a result of operations in fiscal year 2012, the total fund balance decreased by $3,033,323. This resulted from reductions in every revenue category, most significantly caused by the end of the Federal Education Jobs Program funding and a decline in the local property tax digest. Well-controlled expenditures kept the fund balance decrease less than was budgeted.

ESPLOST Fund

As of June 30, 2012, total fund balance in the ESPLOST Fund was $69,144,905, all of which was restricted. As a result of operations in fiscal year 2012, the total fund balance decreased by $38,144,805. From the inception of ESPLOST in 2007 through fiscal year 2011, collections outpaced construction spending, which allowed projects to proceed without the need for borrowing. In fiscal year 2012, moving toward the conclusion of the first five-year ESPLOST program, construction spending outpaced collections.

Notes to Financial Statements

The Notes to Financial Statements follow the statements in the report and complement the financial statements by describing qualifying factors and changes throughout the fiscal year.

BUDGETARY HIGHLIGHTS

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States for the General Fund, Debt Service Fund, Special Revenue Funds, and Other Funds. All annual unencumbered appropriations lapse at fiscal year-end.

- In June 2011, the Board adopted a budget for fiscal year 2012 that reflected total resources including appropriations for expenditures and other uses of $291,609,235 for the General Fund.

- Actual General Fund revenues for fiscal year 2012 were $281,812,018 and actual General Fund expenditures were $282,805,562.

- Actual revenues were 0.81% less than budgeted revenues and actual expenditures were 1.51% less than budgeted expenditures.

- The original budget adopted by the District included the use of $8.4 million of fund balance. During the year, the budget was amended several times, primarily to record the Midterm Adjustment to the Quality Basic Education state revenue and to use fund balance to establish capital projects to set up portables at Godley Station K-8 and New Hampstead High School. The final budget included fund balance use of $5.0 million. Actual revenues were $2.3 million under budget and actual expenditures were $4.3 million under budget. This resulted in actual fund balance use of $3.0 million.

NEXT YEAR'S BUDGET AND RATES

- In June 2012, the Board adopted a balanced budget for fiscal year 2013 that reflected total resources including appropriations for expenditures and other uses of $300,137,998 for the General Fund.

- The fiscal year 2013 budget was based on a tax rate for maintenance and operation of schools (M&O) of 14.631 mills.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Additional details can be requested by mail at the following address:

Division of Finance
Savannah-Chatham County School District
208 Bull Street, Room 302
Savannah, GA 31401


SCCPSS



DISTRICT-WIDE FINANCIAL STATEMENTS


SCCPSS

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2012

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	45,687,013
Receivables		63,607,584
Inventories		227,007
Other current assets		109,685
Note receivable		2,250,000
Bond issuance costs		367,984
Restricted cash and investments		86,303,382
Capital assets:		
Land, improvements, and construction in progress		112,997,256
Other capital assets, net of accumulated depreciation		371,194,506
Total assets		682,744,417
LIABILITIES		
Accounts payable and contracts payable		6,442,229
Accrued interest		1,268,904
Unearned revenue		213,488
Salaries and benefits payable		42,737,518
Other liabilities		658,091
Payable from restricted assets- accounts and contracts payable		21,701,820
Noncurrent liabilities:		
Due within one year		8,504,434
Due in more than one year		66,347,691
Total liabilities		147,874,175
NET ASSETS		
Invested in capital assets, net of related debt		413,730,235
Restricted for:		
Debt service		1,074,687
Capital projects		69,144,905
Continuation of federal and state programs		1,973,790
Unrestricted		48,946,625
Total net assets	$	534,870,242

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

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS: TOTAL GOVERNMENTAL ACTIVITIES
Governmental activities:					
Instruction	$ 227,692,291	$ 374,452	$ 126,752,032		$ (100,565,807)
Support services:					
Pupil services	17,145,040	314,542	3,056,572		(13,773,926)
Instructional services	9,605,414		6,678,085		(2,927,329)
Educational media services	5,588,603		2,497,678		(3,090,925)
General administration	5,037,384		1,558,113		(3,479,271)
School administration	19,654,243		5,003,600		(14,650,643)
Business administration	4,766,002		3,873		(4,762,129)
Maintenance and operations	25,299,685		6,425,712		(18,873,973)
Pupil transportation	18,899,262		3,071,443	$ 1,220,310	(14,607,509)
Central support services	4,241,940		3,260,455		(981,485)
Other support services	2,979,979		609,441		(2,370,538)
Food services	15,683,108	2,094,703	13,479,277		(109,128)
Interest on long-term debt	3,203,814				(3,203,814)
Total governmental activities	$ 359,796,765	$ 2,783,697	$ 172,396,281	$ 1,220,310	(183,396,477)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	162,272,046
Property taxes, levied for debt service	(10,300)
Special purpose sales taxes for capital projects	62,476,978
Grants and contributions not restricted to specific programs	925,889
Unrestricted investment earnings	161,150
Miscellaneous	133,033
Total general revenues	225,958,796
Change in net assets	42,562,319
Net assets, beginning	492,307,923
Net assets, ending	$ 534,870,242



FUND FINANCIAL STATEMENTS

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2012

	GENERAL FUND	ESPLOST FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	$ 38,494,107	$ 0	$ 5,087,980	$ 43,582,087
Receivables	48,031,514	6,351,854	9,156,716	63,540,084
Due from other funds	1,179,481	0	0	1,179,481
Inventories	0	0	227,007	227,007
Other current assets	22,481	0	87,204	109,685
Restricted cash and investments	0	84,086,111	2,217,271	86,303,382
Notes receivable	0	0	2,250,000	2,250,000
Total assets	$ 87,727,583	$ 90,437,965	$ 19,026,178	$ 197,191,726
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts and contracts payable	$ 4,882,354	$ 0	$ 1,458,294	$ 6,340,648
Salaries and benefits payable	35,532,008	0	7,205,510	42,737,518
Due to other funds	0	0	1,179,481	1,179,481
Other liabilities	51,000	0	0	51,000
Deferred revenue	15,358,423	0	2,436,656	17,795,079
Payable from restricted assets:				
Accounts and contracts payable	0	21,293,060	408,760	21,701,820
Total liabilities	55,823,785	21,293,060	12,688,701	89,805,546
FUND BALANCES				
Nonspendable:				
Prepaid assets	22,481	0	87,204	109,685
Inventories	0	0	124,381	124,381
Restricted for:				
Debt service	0	0	2,343,591	2,343,591
Capital projects	0	69,144,905	0	69,144,905
Continuation of federal and state programs	0	0	1,973,790	1,973,790
Committed to:				
Working capital reserve	15,006,900	0	0	15,006,900
Assigned to:				
Subsequent period expenditures	7,666,654	0	0	7,666,654
Capital projects	0	0	1,808,511	1,808,511
Unassigned	9,207,763	0	0	9,207,763
Total fund balances	31,903,798	69,144,905	6,337,477	107,386,180
Total liabilities and fund balances	$ 87,727,583	$ 90,437,965	$ 19,026,178	$ 197,191,726

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2012

Total fund balances - governmental funds		$ 107,386,180
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		484,191,762
Other long-term assets are not available to pay for current period expenditures:		
Property taxes deferred in the funds	$ 15,331,591	
Notes receivable deferred in the funds	2,250,000	
Interest receivable	67,500	17,649,091
The assets and liabilities of internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.		1,396,254
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets. See the long-term debt note.		(74,484,141)
Interest payable on long-term obligations is not due and payable in the current period and is not included in the fund financial statements, but is included in the governmental activities of the Statement of Net Assets.		(1,268,904)
Total net assets - governmental activities		$ 534,870,242

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
JUNE 30, 2012

	GENERAL FUND	ESPLOST FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Property taxes	$ 164,136,591	$ 0	$ (10,300)	$ 164,126,291
Sales taxes	0	62,476,978	0	62,476,978
State sources	113,566,122	0	8,943,552	122,509,674
Federal sources	1,650,300	0	49,321,781	50,972,081
Charges for services	344,832	0	2,164,139	2,508,971
Local and other funds	2,114,173	126,560	529,846	2,770,579
Total revenues	281,812,018	62,603,538	60,949,018	405,364,574
EXPENDITURES				
Current:				
Instruction	182,894,443	181,474	31,554,186	214,630,103
Pupil services	14,573,008	0	2,541,404	17,114,412
Instructional services	3,318,373	0	6,222,068	9,540,441
Educational media services	5,560,520	0	23,716	5,584,236
General administration	3,747,710	0	1,582,586	5,330,296
School administration	19,550,353	0	67,833	19,618,186
Business administration	4,763,277	0	0	4,763,277
Maintenance and operations	24,243,199	0	901,216	25,144,415
Pupil transportation	17,258,170	0	379,632	17,637,802
Central support services	3,522,839	0	1,622	3,524,461
Other support services	18,543	2,354,346	608,091	2,980,980
Food service operations	0	0	15,558,750	15,558,750
Debt service:				
Principal	0	0	7,801,936	7,801,936
Interest and other charges	0	0	3,474,046	3,474,046
Capital outlay	3,355,127	89,316,927	3,518,372	96,190,426
Total expenditures	282,805,562	91,852,747	74,235,458	448,893,767
Excess (deficiency) of revenues over (under) expenditures	(993,544)	(29,249,209)	(13,286,440)	(43,529,193)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000,000	0	11,935,375	12,935,375
Transfers out	(3,039,779)	(8,895,596)	(1,000,000)	(12,935,375)
Collections on installment sale of land	0	0	453,750	453,750
Total other financing sources (uses)	(2,039,779)	(8,895,596)	11,389,125	453,750
Net change in fund balances	(3,033,323)	(38,144,805)	(1,897,315)	(43,075,443)
Fund balances, beginning	34,937,121	107,289,710	8,234,792	150,461,623
Fund balances, ending	$ 31,903,798	$ 69,144,905	$ 6,337,477	$ 107,386,180

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Total net change in fund balances - governmental funds		$	(43,075,443)
Amounts reported for Governmental Activities in the Statement of Activities are different because:			
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.			
This is the amount by which capital outlays $96,190,426 exceeded depreciation $17,602,212 in the current period.			78,588,214
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations) is to decrease net assets. This is the amount of the net book value of the dispositions.			(263,429)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned:			
Deferred property tax revenue	($1,864,548)		
Notes receivable and related interest	(386,250)		(2,250,798)
Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which payments exceeded proceeds. See long-term debt note.			7,801,936
In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.			270,232
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:			
Change in liability for compensated absences	906,573		
Amortization of deferred charge on refunding	(238,266)		
Amortization of bond issuance costs	(61,972)		
Amortization of bond premium	364,084		970,419
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue of the internal service funds is reported with governmental activities.			521,188
Change in net assets of governmental activities		$	42,562,319

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities- Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	$ 2,104,926
Total assets	2,104,926
LIABILITIES	
Current liabilities:	
Accounts payable	101,581
Other liabilities	607,091
Total liabilities	708,672
NET ASSETS	
Unrestricted	1,396,254
Total net assets	$ 1,396,254

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities- Internal Service Funds
OPERATING REVENUES	
Risk management fees	$ 2,947,720
Total operating revenues	2,947,720
OPERATING EXPENSES	
Risk management	2,427,915
Total operating expenses	2,427,915
Operating income	519,805
NON-OPERATING REVENUES	
Interest and investment revenue	1,383
Change in net assets	521,188
Total net assets - beginning	875,066
Total net assets - ending	$ 1,396,254

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities-Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for services and fees	$ 2,947,720
Cash paid for supplies and insurance	(2,399,003)
Net cash provided by operating activities	548,717
CASH FLOW FROM INVESTING ACTIVITIES	
Investment income	1,383
Net cash provided by investing activities	1,383
Increase in cash and cash equivalents	550,100
Cash and cash equivalents, beginning of year	1,554,826
Cash and cash equivalents, end of year	$ 2,104,926
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 519,805
Decrease in accounts payable	(16,624)
Increase in other liabilities	45,536
Net cash provided by operating activities	$ 548,717

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	AGENCY FUNDS
ASSETS	
Cash and cash equivalents	$ 1,266,416
Total assets	$ 1,266,416
LIABILITIES	
Due to student groups	$ 1,252,648
Other liabilities	13,768
Total liabilities	$ 1,266,416


SCCPSS

THE BOARD OF EDUCATION FOR
THE CITY OF SAVANNAH AND THE COUNTY
OF CHATHAM, GEORGIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE I.	**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**	**PAGE**
A.	Reporting Entity	D-12
B.	Basic Financial Statements	D-12
C.	Measurement Focus and Basis of Accounting	D-15
D.	Assets, Liabilities, and Equity	D-16
E.	Revenues, Expenditures, and Expenses	D-21
F.	Budgets and Budgetary Accounting	D-23
NOTE II.	**DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**	
A.	Deposits and Investments	D-23
B.	Receivables	D-25
C.	Property Taxes	D-26
D.	Capital Assets	D-27
E.	Capital Leases	D-28
F.	Long-term Debt	D-29
G.	Interfund Receivables, Payables and Transfers	D-30
NOTE III.	**OTHER NOTES**	
A.	Other Postemployment Benefits	D-31
B.	Retirement Plans	D-32
C.	Contingencies and Commitments	D-33
D.	Risk Management	D-34
E.	On-Behalf Payments	D-36

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Board of Public Education for the City of Savannah and the County of Chatham, Georgia (the "district") operates under a Board-Superintendent form of government and provides public educational services to the citizenry of the City of Savannah and the County of Chatham, Georgia. The district receives funding from local, state, and federal government sources and must comply with the accompanying requirements of these funding source entities.

The district's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the district are discussed below.

A. Reporting Entity

Generally accepted accounting principles defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the district to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the district.

Using the above criteria the district has no component units.

The district is a primary government since it meets the following criteria:

a. It has a separately elected governing body.
b. It is legally separate.
c. It is fiscally independent of other state and local governments.

Since the district is a primary government, it is not a component unit of any other governmental reporting entity.

B. Basic Financial Statements

The district's basic financial statements include both district-wide (reporting the district as a whole) and fund financial statements (reporting the district's major funds). Both the district-wide and fund financial statements categorize its primary activities as governmental. Those activities (functions) are instruction, pupil services, instructional services, educational media services, general administration, school administration, business administration, maintenance and operations, pupil transportation, central support services, other support services, food service operations and interest on long-term debt.

1. District-wide Financial Statements

In the district-wide Statement of Net Assets, the governmental activity column (a) is presented on a consolidated basis and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The district's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The district first utilizes restricted resources to finance qualifying activities.

The district-wide Statement of Activities reports both the gross and net cost of each of the district's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, unrestricted investment earnings, and other revenues). The Statement of Activities reduces gross expenses (including depreciation and other indirect costs that are allocated proportionally among the functions) by related program revenues that are directly associated with the function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The district-wide focus is more on the sustainability of the district as an entity and the change in the district's net assets resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the district are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditure/expenses. The various funds are reported by generic classification within the financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The emphasis in fund financial statements is on the major funds in the governmental fund category.

The district reports the following major governmental funds:

- General Fund
- ESPLOST Fund

The district uses the following fund types:

a. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the district:

i. **The General Fund** is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund.
ii. **Special Revenue funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
iii. **The Debt Service fund** is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
iv. **Capital Project funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The ESPLOST fund accounts for the proceeds from the special purpose local option sales tax for educational purposes that are restricted for the construction and major renovation of schools.

b. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the district:

Internal service funds are used to account for the financing of risk management services such as: worker's compensation, unemployment compensation, and employee dental plan that are charged to other departments or funds of the district on a cost-reimbursement basis. The principal users of the internal services are the district's governmental activities. The financial statement of the internal service fund is consolidated into the governmental activities column when presented in the district-wide financial statements. The cost of these services is reported in the appropriate functional activity.

c. Fiduciary Funds:

Fiduciary Funds are used to report assets held in an agency capacity for others, are not available to support district programs, and do not involve measurement of results of operations. The district has two fiduciary (agency) funds. The Flex-one fund accounts for employee withholdings for dependent care under section 125 of the IRS code and the Student Activity fund accounts for various student activities.

The district's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of third parties and cannot be used to address activities or obligations of the government, these funds are not incorporated into the district-wide statements.

C. Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditure/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. The measurement focus relates to the types of transactions reported. The district-wide financial statements and the proprietary (internal service) fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities (whether current or non-current) are included on the statement of net assets. Governmental funds financial statements are accounted for on a flow of current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are reported.

1. Accrual:

Governmental activities in the district-wide financial statements, the proprietary (internal service) fund financial statements, and the fiduciary (agency) fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measureable and available. "Available" means collectible within the current period or within 60 days after year end. Revenues considered susceptible to accrual are property taxes, sales taxes, intergovernmental revenues, and investment income.

The State of Georgia reimburses the district 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 district 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 district recognizes its portion of that reimbursement as a receivable and revenue, consistent with symmetrical recognition. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on long-term debt are recognized when due.

D. Assets, Liabilities, and Equity

1. Deposits and Investments:

The district maintains a cash and investment pool that is available for all funds. Each funds' portion of this pool is displayed as "Cash & Cash Equivalents." For purposes of the statement of cash flows, the district considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by a 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 no less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance. OCGA Section 45-8-11(b) provides an officer holding public funds may, in his discretion, waive the requirement for security in the case of operating funds placed in the demand deposit checking accounts.

The district has no custodial credit risk policy that would require additional collateral requirements.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market price are reported at estimated fair values. Interest income on investments is accrued as earned.

The district is authorized by state statutes to invest in the obligations of the U.S. Treasury, agencies and instrumentalities, repurchase agreements, bank certificates of deposit, and the Georgia Fund 1 administered by the State of Georgia. Georgia Fund 1 was created under OCGA 36-83-8 and operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the Securities Exchange Commission as an investment company. The fair value of the district's position in the pool is the same as the value of pool shares ($1 per share value).

2. Receivables:

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, sales taxes, grants, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the district-wide financial statements in accordance with the accrual basis. Allowance for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

3. Inventories and Prepaid Items:

Inventories are stated at cost (principally first in, first-out), which is not in excess of market. The district utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenditures when used rather than when purchased. Reported inventories are reflected as nonspendable fund balance.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of commodities on hand at year-end is reflected as deferred revenue.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets:

Restricted assets represent amounts related to bond proceeds, tax levies, and sales tax proceeds whose use is limited by applicable bond covenants or enabling legislation.

5. Capital Assets:

The accounting treatment over Capital Assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-wide Statements

Capital assets, which include land, building, building improvements, equipment, and software, are reported in the applicable governmental activities columns in the district-wide financial statements. Capital Assets are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold is a unit cost of $1,000 or more, except for computers and software. Computers are capitalized regardless of cost and software is capitalized at a unit cost of $30,000 or more. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs, that do not add to the value of the assets or materially extend asset lives, are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements	20-50 years
Equipment and software	3-10 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in district-wide statements.

6. Long-term Debt:

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

Long-term debt to be repaid from governmental resources is reported as a liability in the district-wide statements. The long-term debt consists of general obligation bonds, capital leases, and accrued compensated absences. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using a straight-line method.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The face amount of the debt issued and premiums on the debt issuances are reported as other financing sources.

Payment of principal, interest and issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

7. Equity Classifications:

District-wide Statements

Equity is classified as net assets and displayed in three components:

a. **Invested in capital assets, net of related debt** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. **Restricted net assets** - Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. **Unrestricted net assets** - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Governmental Accounting Standards Board (GASB) Statement 54 distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

a. **Nonspendable Fund Balance** - Fund balance reported as nonspendable represents fund balance associated with inventory, prepaid items, or long-term receivables. Nonspendable indicates that the respective resources are not available to be spent in any way due to their very nature and /or their lack of availability.

b. **Restricted Fund Balance**- Fund balance reported as restricted represents amounts that can be spent only on the specific purposes stipulated by law through constitutional provisions or enabling legislation or by the external providers of those resources.

c. **Committed Fund Balance**- Fund balance reported as committed includes amounts that can be used only for the specific purposes determined by a formal action of the Board. The only way committed funds can be removed or changed is by a formal action of the Board on or before the end of the fiscal year. A majority vote of the Board is required to commit fund balance.

d. **Assigned Fund Balance**- Fund balance reported as assigned represents amounts intended to be used for specific purposes, but not meeting the criteria to be reported as committed or restricted fund balance. At fiscal year end, any appropriation of existing fund balance to eliminate a projected budgetary deficit in the next year's budget is considered to be an assignment of fund balance. The Board adopted a fiscal goals and objectives policy which gives the Chief Financial Officer, through the Superintendent, the authority to assign funds for particular purposes.

e. **Unassigned Fund Balance**- Fund balance reported as unassigned represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications.

The Board has formally adopted a minimum fund balance policy in the general fund which states that it will maintain a working capital reserve by committing 5% of annual budgeted expenditures. This committed fund balance is intended to be permanent in nature and not subject to draw down. In addition, the target range for the total fund balance is between seven and ten percent of the annual budgeted expenditures.

When an expenditure is incurred that would qualify as an expenditure of either Restricted or Unrestricted fund balance, those expenditures will first be applied to the Restricted Fund Balance category. When expenditures are incurred that would qualify as a use of any of the Unrestricted Fund Balance categories (Committed, Assigned, Unassigned), those expenditures will be applied in the order of Assigned first, then Unassigned, and then Committed.

Proprietary fund equity is classified the same as in the district-wide statements.

E. Revenues, Expenditures, and Expenses

1. Operating Revenues and Expenses:

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district's internal service funds are charges to funds for risk management services. The district's operating expenses for internal service funds include risk management expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

2. Expenditures/Expenses

In the district-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character: Current (further classified by function), Debt Service, and Capital Outlay.

Proprietary Fund – By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of current financial resources. Proprietary funds report expenses relating to use of economic resources.

3. Interfund Activity and Internal Balances:

Interfund activities are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses and are eliminated from the statement of activities to remove the "doubling-up" effect of the activity. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. Permanent reallocation of resources between funds is classified as interfund transfers.

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities certain amounts reported as interfund activity and balances in the funds are eliminated or reclassified in the district-wide financial statements.

Exceptions to this general rule are charges between the district's internal service functions and other district functions. The amounts charged are reasonably equivalent in value to the services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. See note I.B.2.b for additional information on Internal Service Funds.

4. Compensated Absences:

Eligible district employees earn annual vacation based on length of service, to a maximum of 22 days after 20 years of service. Sick leave accrues based upon the following provisions:

1) All employees earn one and one-quarter days of sick leave with full pay each month.
2) Sick leave is cumulative up to one hundred twenty days.
3) Upon retirement or termination of employment with five or more years of service in the school system and at least thirty full days of unused sick leave, employees are paid a portion of their accumulated sick leave as severance pay based on a formula approved by the district.

All compensated absences and related benefits are accrued when incurred in the district-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

F. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General, Special Revenue, and Debt Service funds. Appropriations for capital projects are adopted by the district principally on an individual project basis, when the project is initially approved. All appropriations, both encumbered and unencumbered, lapse at June 30, except encumbrances in the ESPLOST and Other Capital Projects Fund, which are continuing. The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the fund level.

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. Deposits and Investments

Summary of the districts deposits and investments at June 30, 2012 is as follows:

Account Balances			Ownership of Funds		
Petty Cash/Cash on Hand	$	21,611	Governmental Funds:		
Demand Deposits		37,289,437	Cash and Investments	$	43,582,087
Money Market Funds		5,068,180	Restricted Cash and Investments		86,303,382
Certificates of Deposit		600,000	Internal Service Funds		2,104,926
Investments		90,277,583	Agency Funds		1,266,416
	$	133,256,811		$	133,256,811

As of June 30, 2012, the district had the following investments:

Investment	Weighted Average Maturities	Fair Value
Georgia Fund I (investment pool)	28 day average	$ 90,277,583
		$ 90,277,583

Custodial Credit risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. At June 30, 2012 the Districts deposits which totaled $42,957,617 were either covered by federal depository

insurance, collateralized though the Georgia Public Funds Pledging Pool, or collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The district's policy is to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and investing operating funds primarily in shorter-term securities, money market funds, or similar investment pools and limiting the average maturity of the portfolio.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The district's investment policy minimizes credit risk by limiting the types of securities to those listed in Note I.D.1, pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the district does business, and diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. As of June 30, 2012, the district's investment in Georgia Fund I (investment pool) was rated AAAm by Standards & Poor's.

Concentration of credit risk is the risk of loss attributed to the magnitude of the district's investment in a single issuer. The district's policy allows 100% of its portfolio to be invested in U.S. Treasury Obligations, Obligations of the U.S. Government agencies, or the State sponsored local government investment pool. The district limits its investment portfolio to 50% for investments in Repurchase Agreements collateralized by U.S. Government Securities, Certificates of Deposit, and Money Market Mutual funds. No more than the greater of $10 million or 25% of the total portfolio for Certificates of Deposit may be placed with any one financial institution and 100% of the investments in Repurchase Agreements may be placed with any one financial institution. The Georgia Fund I (investment pool) investments are excluded from concentration of credit risk.

B. Receivables

Receivables as of year end for the district's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	ESPLOST	Other Governmental	Total
Receivables:				
Taxes	$ 16,773,193	$ 5,541,554	$ -	$ 22,314,747
Interest	4,369	-	-	4,369
Accounts	1,448,459	810,300	9,156,730	11,415,489
Intergovernmental	30,006,771		31	30,006,802
	$ 48,232,792	$ 6,351,854	$ 9,156,761	$ 63,741,407
Less: Allowance for uncollectibles	(201,278)		(45)	(201,323)
Net total receivables	$ 48,031,514	$ 6,351,854	$ 9,156,716	$ 63,540,084

The only receivables not expected to be collected within the subsequent fiscal year are $3.3 million of taxes receivable in the General Fund. Notes receivable not expected to be collected within the subsequent fiscal year approximates $1.9 million.

In the General Fund, significant components of intergovernmental receivables include $16,158,336 from the State of Georgia for Quality Basic Education (QBE) formula grants and $13,848,435 from the Chatham County Tax Commissioner.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Property tax receivable (General Fund)	$ 15,330,915	$ -
Property tax receivable (Other governmental funds)	676	-
Lost & Damaged textbook deposits (General Fund)		27,508
Unearned summer program revenue (Other governmental funds)		64,829
Unearned grant revenue (Other governmental funds)		18,525
Donated USDA commodities not yet consumed (Other governmental funds)		102,626
Note receivable (Capital Projects Fund)	2,250,000	-
Total deferred/unearned revenue for governmental funds	$ 17,581,591	$ 213,488

Grants and other receivables (reported in General and Non-major governmental funds) primarily represent funds due to the district for reimbursement of expenditures/expenses incurred as of year-end under grant terms.

The note receivable, which bears 3 percent annual interest and annual principal payments of $375,000 through the year 2017, represents the balance on the 1998 sale of Wilder Middle School property.

C. Property Taxes

Chatham County bills and collects property taxes for the Board of Education. Property taxes are levied (assessed) on all taxable real, public utility and personal property (including vehicles) located within the County as of January 1st of each year. Assessed values for property tax purposes are determined by the Chatham County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. Public utility assessed values are established by the State of Georgia.

Property is appraised and a lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Taxes are due and payable when billed by the Chatham County Tax Commissioner. Chatham County may place liens on property once the related tax payments become delinquent.

The property tax calendar is as follows:

Event	Date
Beginning of fiscal year for taxes	January 1, 2012
Vehicle personal property tax bills rendered	January 1, 2012
First installment real property tax bills rendered (based on prior year tax digest)	April 1, 2012
Delinquency date - vehicle personal property taxes	Taxpayer's birthday
First installment real property tax payment due date	June 1, 2012
Millage rate approved	June 30, 2012
Second installment real property tax bills and personal property tax bills rendered	September 15, 2012
Second installment real property tax bills and personal property tax payments due date	November 15, 2012
Tax sales - delinquent real property taxes and other assessments	Various

D. Capital Assets

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Capital Assets, not being depreciated:				
Land	$ 20,186,212	$ -	$ -	$ 20,186,212
Construction in progress	57,997,463	90,886,593	(56,073,012)	92,811,044
Total capital assets, not being depreciated	78,183,675	90,886,593	(56,073,012)	112,997,256
Capital assets, being depreciated:				
Building and improvements	431,218,500	55,432,600	-	486,651,100
Equipment	82,887,234	5,944,245	(2,482,308)	86,349,171
Total capital assets, being depreciated	514,105,734	61,376,845	(2,482,308)	573,000,271
Less accumulated depreciation for:				
Buildings and improvements	(121,122,136)	(9,253,389)	26,529	(130,348,996)
Equipment	(65,300,296)	(8,348,823)	2,192,350	(71,456,769)
Total accumulated depreciation	(186,422,432)	(17,602,212)	2,218,879	(201,805,765)
Total capital assets, being depreciated, net	327,683,302	43,774,633	(263,429)	371,194,506
Governmental activities capital assets, net	$ 405,866,977	$ 134,661,226	$ (56,336,441)	$ 484,191,762

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

Governmental activities:	
Instruction	14,382,028
Pupil services	58,210
Instructional services	80,435
Educational media services	13,360
General administration	661,681
School administration	67,622
Business administration	7,824
Maintenance and operations	196,540
Pupil transportation	1,261,460
Central support services	723,498
Food service operations	149,554
Total depreciation expense - governmental activities	$ 17,602,212

E. Capital Leases

The district has entered into several capital lease agreements as lessee for financing the acquisition of buses and certain other equipment. Principal and interest payments under capital leases having remaining terms in excess of one year as of June 30, 2012 are as follows:

Fiscal Year Ending June 30,	Capital Leases
2013	$ 2,112,801
2014	1,743,687
2015	1,218,823
2016	956,707
2017	956,707
2018-2020	2,870,121
Total minimum lease payments	9,858,846
Less: amount representing interest	(876,843)
Present value of future minimum lease payments	$ 8,982,003

The following schedule shows the book value of these assets.

	Capital Assets Under Capital Leases
Equipment	$ 15,074,850
Less: accumulated depreciation	(5,807,779)
Total	$ 9,267,071

F. Long-term Debt

The following schedule summarizes the district's long-term debt issues, including interest rates, original debt, and balance at year end.

	Interest Rates	Original Debt	Balance June 30, 2012
General Obligation Bonds:			
Refunded Series 2002	2.5% - 5.25%	$ 39,950,000	$ 27,505,000
Refunded Series 2004	5.0% - 5.25%	45,525,000	32,605,000
Total General Obligation Bonds		85,475,000	60,110,000
Capital Leases:			
GMA Lease Supplement N	3.26%	1,240,437	-
GMA Lease Supplement O	3.37%	693,119	110,859
GMA Lease Supplement P/Q	3.42%	2,122,239	670,393
GMA Lease Supplement 300-8	variable (1)	1,474,032	-
GMA Lease Supplement 300-9	variable (1)	1,767,205	252,457
GMA Lease Supplement 300-10	variable (1)	1,280,358	365,818
GMA Lease Supplement 300-11	variable (1)	1,911,928	819,396
Energy Management Lease	2.53%	7,300,000	6,763,080
Total Capital Leases		17,789,318	8,982,003
Total Debt Issues		$ 103,264,318	$ 69,092,003

Interest rate note (1) - interest rate based on current market rate

The general obligation bonds were issued for the construction and major renovation of the district's facilities.

Requirements to Maturity - General Obligation Debt

Year	Principal	Interest
2013	6,185,000	2,890,525
2014	6,585,000	2,604,440
2015	7,100,000	2,249,901
2016	7,635,000	1,887,848
2017	8,265,000	1,494,806
2018-2021	24,340,000	1,951,163
	$ 60,110,000	$ 13,078,683

Changes in Long-term Debt

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012	Due Within One Year
General Obligation Bonds	$ 65,855,000	$ -	$ 5,745,000	$ 60,110,000	$ 6,185,000
Capital Leases	11,038,939	-	2,056,936	8,982,003	1,868,634
Compensated Absences	5,297,172	2,307,394	3,213,967	4,390,599	324,982
Sub total	82,191,111	2,307,394	11,015,903	73,482,602	8,378,616
Deferred Amounts:					
Deferred charges on refunding	(1,121,844)	-	(238,266)	(883,578)	(238,266)
Bond premium	2,617,185	-	364,084	2,253,101	364,084
Total	$ 83,686,452	$ 2,307,394	$ 11,141,721	$ 74,852,125	$ 8,504,434

In prior years, compensated absences have been typically liquidated with General Fund resources.

G. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012 is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General	Other governmental	$ 1,179,481	Cash to be repaid upon receipt of grant revenues.
Total due to / from other funds		$ 1,179,481	

These balances represent loans between the borrower fund and the lender fund. These balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Interfund receivables and payables are reported in the fund financial statements. However, they are eliminated in the district-wide financial statements if the interfund loan is between governmental funds. Interfund receivables and payables are expected to be repaid within one year.

	Transfer In		
Transfer Out:	General Fund	Other Governmental	Total
General Fund	$ -	$ 3,039,779	$ 3,039,779
ESPLOST	-	8,895,596	8,895,596
Other Governmental Funds	1,000,000		1,000,000
Total Transfers out	$ 1,000,000	$ 11,935,375	$ 12,935,375

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers of this type are recorded as other financing uses and other financing sources in the governmental funds financial statements. However, they are eliminated in the district-wide financial statements if the interfund transfer is within the governmental fund group.

The following are the significant interfund transfers that occurred in FY12:
1) Transferred $8,895,596 from the ESPLOST fund to the debt service fund to cover general obligation bond payments
2) Transferred $2,243,345 from the general fund to the debt service fund for the payment of capital leases

III. OTHER NOTES

A. Other Postemployment Benefits

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

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

Participating employers are statutorily required to contribute in accordance with the employer contribution rate established by the Board of Community Health. This contribution rate is established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements. The employer contribution rates for the combined active and retiree plans for the fiscal year ended June 30, 2012, were as follows:

Teachers	3.958% - 24.0%
Non-Certificated Employees	$246.20 -$296.20 per month

The District's contribution to the health insurance plans for the fiscal year ended June 30, 2012 was $32,155,860, which equaled the required contribution.

B. Retirement Plans

Teachers' Retirement System

Plan Description. The district contributes to the Teachers' Retirement System of Georgia (TRS), a cost - sharing, multiple - employer defined benefit pension plan administered by the TRS Board of Trustees. TRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 47, Chapter 3 of the Official Code of Georgia Annotated, assigns the authority to establish and amend benefit provisions to the TRS Board of Trustees. The TRS Board of Trustees issues a publicly available financial report that includes financial statements and required supplementary information for TRS. That report may be obtained by writing to TRS of Georgia, Two Northside 75, Suite 400, Atlanta GA 30331, or by calling 1-800-352-0650.

Funding Policy. Plan members are required to contribute 5.53% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 10.28% of annual covered payroll. The contribution requirements of plan members and the district are established and may be amended by the TRS Board of Trustees. The district's contributions to TRS for the years ended June 30, 2012, 2011, and 2010 were $19,516,143. $19,971,828, and $18,759,762, respectively, equal to the required contributions for each year.

Employees' Retirement System

Lunchroom personnel, and maintenance and custodial personnel are covered by the Public Employees' Retirement System of Georgia (ERS), a defined contribution plan. The district is not legally required and did not contribute to ERS, which is fully funded by the state and by employee contributions. The State contribution on behalf of the school system was $203,536, which represents 2% of covered payroll. The employees made the required contribution of $17,052, which is statutorily determined at $4 per employee per month. The contribution represented 0.17% of covered payroll.

All full-time lunchroom personnel, maintenance, and custodial personnel are covered and must participate in ERS as mandated by the State. Under the pension plan, benefits vest after 10 years of full-time employment. An employee with 10 years of service may retire at age 65 and receive full retirement benefits. Employees covered by the pension plan must contribute a fixed monthly amount to the pension plan. The State is required to make actuarially determined contributions that maintain the financial integrity of the retirement system. See Note III.E for information related to the recognition of revenues and expenditures during the period.

The district's total fiscal year 2012 payroll for all of its employees was $212,837,757. The amount of its fiscal year 2012 payroll covered by the ERS pension plan was $10,161,477.

C. Contingencies and Commitments

The district is involved in a number of legal matters, which either have or could result in litigation. In the opinion of district management after consultation with legal counsel, the ultimate outcome of these contingencies will not have a material impact on the financial position of the district.

The district participates in a number of Federal Financial assistance programs, including the National School Lunch Program and the School Breakfast Program, the Title VIB Special Education, The Title I Part A Improving the Academic Achievement of the Disadvantaged Program, Title II Part A Improving Teacher Quality, and the Assistance for Education for All Children with Disabilities Program. Although the district's grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2012, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the district expects such amounts, if any, to be immaterial.

The district is committed under outstanding construction contracts in the ESPLOST fund and the Other Capital Projects funds in the amount of $57,895,926. Construction contracts include new school construction and expansion or renovation of existing facilities. These commitments included in the ESPLOST fund are encumbered at year-end.

D. Risk Management

The district is exposed to various risks of loss for claims associated with torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, natural disasters, and unemployment compensation.

There were no significant reductions in insurance coverage from coverage in the prior year. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

Self Insurance

The district is self-insured for the risks associated with workers compensation. The district has established a separate fund for accounting for workers compensation risk financing. A contribution to the fund is calculated on the basis of .62% of each salary dollar. Liabilities of this fund are reported when it is probable a loss has occurred and the amounts can be reasonably estimated including amounts for claims incurred but not yet reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims up to statutory limits.

The district also self-insures unemployment claims. These liabilities were immaterial at June 30, 2012.

Changes in the balances of claims liabilities for the workers' compensation fund during fiscal years 2010, 2011, and 2012 were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Current Year Liability	Claim Payments	Balance at Fiscal Year End
2010	1,107,590	1,130,908	1,239,592	998,906
2011	998,906	416,907	856,306	559,507
2012	559,507	594,352	545,658	608,201

The fiscal year-end liability is calculated by a third party administrator considering the effects of inflation and recent claim settlement trends including frequency and amount of pay-outs as previously described.

Risk Pool

The district has elected to be a member of the Georgia School Boards Association Risk Management Fund (GSBA-RMF), an interlocal risk management agency created under Georgia law. Coverage for losses arising from certain liability and property risks to the district is provided through a group self-insurance plan. For accounting purposes, this plan is considered to be a Risk Transfer Pool. Under this plan, the district is responsible for the first $25,000 of each property loss, the first $1,000 of auto physical damage loss, and for the first $10,000 of each school leader's liability claim. The plan assumes certain risks of the district in excess of the stated retentions up to certain customary coverage limits. The district is required to make a financial contribution to the plan each year in an amount that is determined on the basis of actuarial projections of losses.

Management of GSBA-RMF has determined the district had maximum outstanding liability of $51,000 within the loss retentions stated in the preceding paragraph.

Management of GSBA-RMF has also informed the district that there is a possibility of additional contribution liability in the event that the plan is terminated or the district elects to withdraw prematurely. No amount has been recorded in the financial statements due to the belief that plan termination is unlikely and withdrawal by the district is not contemplated.

Changes in the balances of claims liabilities for the risk pool fund during fiscal years 2010, 2011 and 2012 were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Currect Year Liability	Claim Payments	Balance at Fiscal Year End
2010	156,000	(108,398)	7,602	40,000
2011	40,000	121,731	82,731	79,000
2012	79,000	91,295	119,295	51,000

Risk Transfer

The district transfers the risk from all other risks through the use of commercially purchased insurance.

E. On-Behalf Payments

The district has recognized revenues and expenditures in the amount of $23,343,008 for health insurance and retirement contributions paid on the district's behalf by the following State Agencies.

Georgia Department of Education		
Paid to Georgia Department of Community Health for Health Insurance of Personnel	$	23,045,416
Paid to the Teachers Retirement System of Georgia (TRS) for the TRS Employer's Cost	$	94,056
Office of Treasury and Fiscal Services		
Paid to the Public School Employees Retirement System (ERS) For the ERS Employer's Cost	$	203,536
	$	23,343,008



REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

Description

Required supplementary information other than MD&A is presented in accordance with GASB Statement No. 34. It contains budget and actual comparison schedules for the School District's major governmental funds with annual appropriated budgets (General Fund). The notes to the required supplementary information disclose relevant budgetary information.

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE OVER
	ORIGINAL	FINAL	AMOUNTS	(UNDER)
REVENUES				
Property taxes	$ 163,620,090	$ 163,620,090	$ 164,136,591	$ 516,501
State funds	110,549,282	115,485,215	113,566,122	(1,919,093)
Federal funds	1,566,685	1,665,335	1,650,300	(15,035)
Other local funds	3,283,643	3,341,821	2,459,005	(882,816)
Total revenues	279,019,700	284,112,461	281,812,018	(2,300,443)
EXPENDITURES				
Current:				
Instruction	182,786,245	181,980,949	182,894,443	913,494
Pupil services	15,001,599	15,159,577	14,573,008	(586,569)
Instructional services	3,686,448	3,692,212	3,318,373	(373,839)
Educational media services	5,704,738	5,644,258	5,560,520	(83,738)
General administration	4,477,050	4,652,587	3,747,710	(904,877)
School administration	20,163,196	19,824,225	19,550,353	(273,872)
Business administration	5,932,180	5,416,037	4,763,277	(652,760)
Maintenance and operations	25,638,289	25,498,291	24,243,199	(1,255,092)
Pupil transportation	15,989,040	17,581,334	17,258,170	(323,164)
Central support services	4,602,316	4,734,807	3,522,839	(1,211,968)
Other support services	3,500	18,448	18,543	95
Capital outlay	5,008,388	2,941,685	3,355,127	413,442
Total expenditures	288,992,989	287,144,410	282,805,562	(4,338,848)
Excess (deficiency) of revenues over (under) expenditures	(9,973,289)	(3,031,949)	(993,544)	2,038,405
OTHER FINANCING USES				
Transfers in	1,000,000	1,000,000	1,000,000	0
Transfers out	(2,616,246)	(3,039,779)	(3,039,779)	0
Capital leases	3,143,128	0	0	0
Total other financing uses	1,526,882	(2,039,779)	(2,039,779)	0
Net change in fund balances	(8,446,407)	(5,071,728)	(3,033,323)	2,038,405
Fund balances, beginning	34,937,121	34,937,121	34,937,121	0
Fund balances, ending	$ 26,490,714	$ 29,865,393	$ 31,903,798	$ 2,038,405

THE BOARD OF EDUCATION FOR
THE CITY OF SAVANNAH AND THE COUNTY
OF CHATHAM, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
YEAR ENDED JUNE 30, 2012

BUDGETARY INFORMATION

I. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Formal budgetary integration is employed as a management control device during the year for the General Fund. The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the fund level.

Supplemental appropriations and decreases in budget appropriations were properly approved by the School District. For the year ended June 30, 2012, the following supplemental and decrease in appropriations were approved.

Fund Type	Original Appropriations	Supplemental Appropriations	Supplemental Decreases	Final Appropriations
General Fund	$291,609,235	$888,133	$2,313,179	$290,184,189


SCCPSS



SUPPLEMENTARY DATA – COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES


SCCPSS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Description

Special revenue funds are used to account for revenues received from other governmental agencies or locally generated revenues that are legally restricted to expenditures for specified purposes. The following funds are included in the special revenue funds category:

Special Programs	This fund was established to provide accounting for certain special programs that are funded for distinct program objectives.
Race to the Top	This fund was established to provide accounting of federal categorical grants flowing through the Department of Education, State of Georgia for the purpose of providing education innovation and reform.
Psychological Education	This fund was established to provide accounting of federal categorical grants flowing through the Department of Education, State of Georgia for the purpose of providing specialized educational treatment for emotionally disturbed students.
Title I	This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the propose of providing remedial education in the areas of reading and math.
Title VIB	This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of providing special education programs for handicapped students.
School Food Service	This fund was established to provide accounting of the district's School Food Service operations.

OTHER CAPITAL PROJECTS FUNDS are used to account for financial resources to be used for the acquisition for construction of major capital facilities.

DEBT SERVICE FUND is used to account for resources accumulated for the payment of long-term debt principle and interest.

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012

	Special Revenue Funds			
	Special Programs	Race to the Top	Psychological Education	Title I
ASSETS				
Cash and investments	1,301,066	$ 0	$ 61,824	$ 0
Receivables	2,499,575	231,211	383,620	3,988,637
Inventories	0	0	0	0
Other current assets	49,697	0	0	37,507
Restricted cash and investments	0	0	0	0
Note receivable	0	0	0	0
Total assets	$ 3,850,338	$ 231,211	$ 445,444	$ 4,026,144
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and contracts payable	$ 562,871	$ 45,979	$ 0	$ 699,285
Salaries and benefits payable	1,907,385	24,904	423,376	2,043,245
Due to other funds	0	141,803	0	1,037,678
Deferred revenue	64,833	18,525	0	0
Payable from restricted assets-				
Accounts payable and contracts payable	0	0	0	0
Total liabilities	2,535,089	231,211	423,376	3,780,208
FUND BALANCES				
Nonspendable:				
Prepaid assets	49,697	0	0	37,507
Inventories	0	0	0	0
Restricted for:				
Debt service	0	0	0	0
Continuation of federal and state programs	1,265,552	0	22,068	208,429
Assigned to:				
Capital projects	0	0	0	0
Total fund balances	1,315,249	0	22,068	245,936
Total liabilities and fund balances	$ 3,850,338	$ 231,211	$ 445,444	$ 4,026,144

Title VIB	School Food Service	Other Capital Project Funds	Debt Service	Total
$ 194,526	$ 1,190,049	$ 0	$ 2,340,515	$ 5,087,980
1,585,837	464,088	0	3,748	9,156,716
0	227,007	0	0	227,007
0	0	0	0	87,204
0	0	2,217,271	0	2,217,271
0	0	2,250,000	0	2,250,000
$ 1,780,363	$ 1,881,144	$ 4,467,271	$ 2,344,263	$ 19,026,178
$ 0	$ 150,159	$ 0	$ 0	$ 1,458,294
1,711,163	1,095,437	0	0	7,205,510
0	0	0	0	1,179,481
0	102,626	2,250,000	672	2,436,656
0	0	408,760	0	408,760
1,711,163	1,348,222	2,658,760	672	12,688,701
0	0	0	0	87,204
0	124,381	0	0	124,381
0	0	0	2,343,591	2,343,591
69,200	408,541	0	0	1,973,790
0	0	1,808,511	0	1,808,511
69,200	532,922	1,808,511	2,343,591	6,337,477
$ 1,780,363	$ 1,881,144	$ 4,467,271	$ 2,344,263	$ 19,026,178

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			
	Special Programs	Race to the Top	Psychological Education	Title I
REVENUES				
Property taxes	$ 0	$ 0	$ 0	$ 0
State sources	5,830,370	0	2,686,934	0
Federal sources	8,300,783	1,372,147	331,184	16,712,668
Charges for services	69,438	0	0	0
Local and other funds	498,116	0	0	0
Total revenues	14,698,707	1,372,147	3,018,118	16,712,668
EXPENDITURES				
Current:				
Instruction	9,134,247	738,644	1,899,897	11,785,338
Pupil services	508,060	0	720,099	57,790
Instructional services	3,178,122	472,540	367,427	2,139,580
Educational media services	1,208	22,508	0	0
General administration	636,435	32,880	25,605	632,034
School administration	52,701	0	0	15,132
Maintenance and operations	894	0	0	0
Pupil transporation	271,404	0	752	107,476
Central support services	1,622	0	0	0
Other support services	74,792	0	0	533,299
Food service operations	19,576	0	0	0
Debt Service:				
Principal	0	0	0	0
Interest and other charges	0	0	0	0
Capital Outlay	974,179	105,575	4,338	1,442,019
Total expenditures	14,853,240	1,372,147	3,018,118	16,712,668
Excess (deficiency) of revenues over (under) expenditures	(154,533)	0	0	0
OTHER FINANCING SOURCES (USES)				
Transfers in	391,434	0	0	0
Transfers out	0	0	0	0
Collections on installment sale of land	0	0	0	0
Total other financing sources	391,434	0	0	0
Net change in fund balances	236,901	0	0	0
Fund balances, beginning	1,078,348	0	22,068	245,936
Fund balances, ending	$ 1,315,249	$ 0	$ 22,068	$ 245,936

Title VIB	School Food Service	Other Capital Project Funds	Debt Service	Total
$ 0	$ 0	$ 0	$ (10,300)	$ (10,300)
0	426,248	0	0	8,943,552
9,571,546	13,033,453	0	0	49,321,781
0	2,094,701	0	0	2,164,139
0	27,669	4,035	26	529,846
9,571,546	15,582,071	4,035	(10,274)	60,949,018
7,996,060	0	0	0	31,554,186
1,255,455	0	0	0	2,541,404
64,399	0	0	0	6,222,068
0	0	0	0	23,716
255,632	0	0	0	1,582,586
0	0	0	0	67,833
0	0	900,322	0	901,216
0	0	0	0	379,632
0	0	0	0	1,622
0	0	0	0	608,091
0	15,539,174	0	0	15,558,750
0	0	0	7,801,936	7,801,936
0	0	0	3,474,046	3,474,046
0	125,760	866,501	0	3,518,372
9,571,546	15,664,934	1,766,823	11,275,982	74,235,458
0	(82,863)	(1,762,788)	(11,286,256)	(13,286,440)
0	0	405,000	11,138,941	11,935,375
0	0	(1,000,000)	0	(1,000,000)
0	0	453,750	0	453,750
0	0	(141,250)	11,138,941	11,389,125
0	(82,863)	(1,904,038)	(147,315)	(1,897,315)
69,200	615,785	3,712,549	2,490,906	8,234,792
$ 69,200	$ 532,922	$ 1,808,511	$ 2,343,591	$ 6,337,477

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS- SPECIAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
State sources	$ 6,923,503	$ 5,830,370	$ (1,093,133)
Federal sources	10,311,391	8,300,783	(2,010,608)
Charges for services	144,924	69,438	(75,486)
Other	434,411	498,116	63,705
Total revenues	17,814,229	14,698,707	(3,115,522)
EXPENDITURES			
Current:			
Instruction	11,508,715	9,134,247	(2,374,468)
Pupil services	525,262	508,060	(17,202)
Instructional services	4,226,302	3,178,122	(1,048,180)
Educational media services	33,875	1,208	(32,667)
General administration	538,413	636,435	98,022
School administration	50,704	52,701	1,997
Maintenance and operations	28,038	894	(27,144)
Pupil transportation	256,356	271,404	15,048
Central support services	14,150	1,622	(12,528)
Other support services	158,008	74,792	(83,216)
Food service operations	79,596	19,576	(60,020)
Capital outlay	978,483	974,179	(4,304)
Total expenditures	18,397,902	14,853,240	(3,544,662)
Deficiency of revenues under expenditures	(583,673)	(154,533)	429,140
OTHER FINANCING SOURCES (USES)			
Transfers in	391,434	391,434	0
Total other financing sources (uses)	391,434	391,434	0
Net change in fund balances	(192,239)	236,901	429,140
Fund balances, beginning	1,078,348	1,078,348	0
Fund balances, ending	$ 886,109	$ 1,315,249	$ 429,140

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS- RACE TO THE TOP
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Federal sources	$ 3,643,330	$ 1,372,147	$ (2,271,183)
Total revenues	3,643,330	1,372,147	(2,271,183)
EXPENDITURES			
Current:			
Instruction	1,289,726	738,644	(551,082)
Instructional services	1,630,577	472,540	(1,158,037)
Educational media	25,000	22,508	(2,492)
General administration	90,416	32,880	(57,536)
Capital outlay	607,611	105,575	(502,036)
Total expenditures	3,643,330	1,372,147	(2,271,183)
Net change in fund balances	0	0	0
Fund balances, beginning	0	0	0
Fund balances, ending	$ 0	$ 0	$ 0

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS- PSYCHOLOGICAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
State sources	$ 2,686,934	$ 2,686,934	$ 0
Federal sources	481,346	331,184	(150,162)
Total revenues	3,168,280	3,018,118	(150,162)
EXPENDITURES			
Current:			
Instruction	2,031,877	1,899,897	(131,980)
Pupil services	736,712	720,099	(16,613)
Instructional services	368,250	367,427	(823)
General administration	26,603	25,605	(998)
Pupil transportation	500	752	252
Capital outlay	4,338	4,338	0
Total expenditures	3,168,280	3,018,118	(150,162)
Net change in fund balances	0	0	0
Fund balances, beginning	22,068	22,068	0
Fund balances, ending	$ 22,068	$ 22,068	$ 0

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS- TITLE I
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Federal sources	$ 23,665,557	$ 16,712,668	$ (6,952,889)
Total revenues	23,665,557	16,712,668	(6,952,889)
EXPENDITURES			
Current:			
Instruction	14,476,872	11,785,338	(2,691,534)
Pupil services	63,690	57,790	(5,900)
Instructional services	5,574,785	2,139,580	(3,435,205)
General administration	896,475	632,034	(264,441)
School administration	25,480	15,132	(10,348)
Pupil transportation	141,100	107,476	(33,624)
Other support services	763,758	533,299	(230,459)
Capital outlay	1,723,397	1,442,019	(281,378)
Total expenditures	23,665,557	16,712,668	(6,952,889)
Net change in fund balances	0	0	0
Fund balances, beginning	245,936	245,936	0
Fund balances, ending	$ 245,936	$ 245,936	$ 0

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS- TITLE VI B
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Federal sources	$ 10,277,230	$ 9,571,546	$ (705,684)
Total revenues	10,277,230	9,571,546	(705,684)
EXPENDITURES			
Current:			
Instruction	8,477,610	7,996,060	(481,550)
Pupil services	1,375,945	1,255,455	(120,490)
Instructional services	167,268	64,399	(102,869)
General administration	256,407	255,632	(775)
Total expenditures	10,277,230	9,571,546	(705,684)
Net change in fund balances	0	0	0
Fund balances, beginning	69,200	69,200	0
Fund balances, ending	$ 69,200	$ 69,200	$ 0

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS- SCHOOL FOOD SERVICE
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
State sources	$ 441,064	$ 426,248	$ (14,816)
Federal sources	11,952,759	13,033,453	1,080,694
Charges for services	2,854,498	2,094,701	(759,797)
Other	420,831	27,669	(393,162)
Total revenues	15,669,152	15,582,071	(87,081)
EXPENDITURES			
Current:			
Food service operations	15,560,934	15,539,174	(21,760)
Capital outlay	108,218	125,760	17,542
Total expenditures	15,669,152	15,664,934	(4,218)
Net change in fund balances	0	(82,863)	(82,863)
Fund balances, beginning	615,785	615,785	0
Fund balances, ending	$ 615,785	$ 532,922	$ (82,863)

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Property taxes	$ 0	$ (10,300)	$ (10,300)
Other	500	26	(474)
Total revenues	500	(10,274)	(10,774)
EXPENDITURES			
Debt services:			
Principal retirements	7,801,936	7,801,936	0
Interest and fiscal charges	3,496,835	3,474,046	(22,789)
Total expenditures	11,298,771	11,275,982	(22,789)
Excess (deficiency) of revenues over (under) expenditures	(11,298,271)	(11,286,256)	12,015
OTHER FINANCING USES			
Transfers in	11,138,941	11,138,941	0
Total other financing uses	11,138,941	11,138,941	0
Net change in fund balances	(159,330)	(147,315)	12,015
Fund balances, beginning	2,490,906	2,490,906	0
Fund balances, ending	$ 2,331,576	$ 2,343,591	$ 12,015

INTERNAL SERVICE FUNDS

Description

Internal service funds are used to account for services furnished by a designated department to other departments within the district. Amounts expended by the fund are restored to it either from operating earnings or by transfers from other funds, so that the original fund activity is kept intact. The following funds are included in the internal service funds category:

Workers' Compensation Fund	This fund was established to provide accounting for the self-insured workers' compensation claims activity of the Board of Education.
Employee Dental Plan Fund	This fund was established to provide accounting for the Self-supporting direct reimbursement dental plan for employees.
Unemployment Compensation Fund	This fund was established to provide accounting for the self-insured unemployment compensation claims activity of the Board of Education.

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2012

	Workers' Compensation	Employee Dental Plan	Unemployment Compensation	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,329,741	$ 743,578	$ 31,607	$ 2,104,926
Total assets	1,329,741	743,578	31,607	2,104,926
LIABILITIES				
Current liabilities:				
Accounts payable	66,417	8,312	26,852	101,581
Other liabilities	607,091	0	0	607,091
Total liabilities	673,508	8,312	26,852	708,672
NET ASSETS				
Unrestricted	656,233	735,266	4,755	1,396,254
Total net assets	$ 656,233	$ 735,266	$ 4,755	$ 1,396,254

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Workers' Compensation	Employee Dental Plan	Unemployment Compensation	Total
OPERATING REVENUES				
Risk management fees	$ 1,250,997	$ 1,433,462	$ 263,261	$ 2,947,720
Total operating revenues	1,250,997	1,433,462	263,261	2,947,720
OPERATING EXPENSES				
Risk management	962,431	1,235,927	229,557	2,427,915
Total operating expenses	962,431	1,235,927	229,557	2,427,915
Operating income	288,566	197,535	33,704	519,805
NON-OPERATING REVENUES				
Interest and investment revenue	1,327	0	56	1,383
Change in net assets	289,893	197,535	33,760	521,188
Total net assets, beginning	366,340	537,731	(29,005)	875,066
Total net assets, ending	$ 656,233	$ 735,266	$ 4,755	$ 1,396,254

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Workers' Compensation	Employee Dental Plan	Unemployment Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services and fees	$ 1,250,997	$ 1,433,462	$ 263,261	$ 2,947,720
Cash paid for supplies and insurance	(934,495)	(1,229,150)	(235,358)	(2,399,003)
Net cash provided by operating activities	316,502	204,312	27,903	548,717
CASH FLOW FROM INVESTING ACTIVITIES				
Investment income	1,327	0	56	1,383
Net cash provided by investing activities	1,327	0	56	1,383
Increase in cash and cash equivalents	317,829	204,312	27,959	550,100
Cash and cash equivalents, beginning of year	1,011,912	539,266	3,648	1,554,826
Cash and cash equivalents, end of year	$ 1,329,741	$ 743,578	$ 31,607	$ 2,104,926

FIDUCIARY FUNDS

Description

Agency funds are used to account for assets held by the Board of Education on behalf of outside parties, or on behalf of other funds within the Board. The following funds are included in the agency funds category:

Flex One Fund	This fund was established to provide accounting for funds withheld from employees that are used to pay for dependent care under Section 125 of the IRS code.
Student Activity Fund	This fund was established to provide accounting for student activity fund receipts and disbursements.

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
FIDUCIARY FUNDS (AGENCY FUNDS)
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	Flex One Fund	Student Activity Funds	Total
ASSETS			
Cash and investments	$ 13,768	$ 1,252,648	$ 1,266,416
Total assets	$ 13,768	$ 1,252,648	$ 1,266,416
LIABILITIES			
Due to student groups	$ 0	$ 1,252,648	$ 1,252,648
Other liabilities	13,768	0	13,768
Total liabilities	$ 13,768	$ 1,252,648	$ 1,266,416

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
FLEX ONE FUND				
ASSETS				
Cash and investments	$ (4,186)	$ 404,428	$ 386,474	$ 13,768
Total assets	$ (4,186)	$ 404,428	$ 386,474	$ 13,768
LIABILITIES				
Other liabilities	$ (4,186)	$ 404,428	$ 386,474	$ 13,768
Total liabilities	$ (4,186)	$ 404,428	$ 386,474	$ 13,768
STUDENT ACTIVITY FUNDS				
ASSETS				
Cash and investments	$ 1,309,493	$ 3,702,791	$ 3,759,636	$ 1,252,648
Total assets	$ 1,309,493	$ 3,702,791	$ 3,759,636	$ 1,252,648
LIABILITIES				
Due to student groups	$ 1,309,493	$ 3,702,791	$ 3,759,636	$ 1,252,648
Total liabilities	$ 1,309,493	$ 3,702,791	$ 3,759,636	$ 1,252,648
TOTAL				
ASSETS				
Cash and investments	$ 1,305,307	$ 4,107,219	$ 4,146,110	$ 1,266,416
Total assets	$ 1,305,307	$ 4,107,219	$ 4,146,110	$ 1,266,416
LIABILITIES				
Due to student groups	$ 1,309,493	$ 3,702,791	$ 3,759,636	$ 1,252,648
Other liabilities	(4,186)	404,428	386,474	13,768
Total liabilities	$ 1,305,307	$ 4,107,219	$ 4,146,110	$ 1,266,416


SCCPSS

SUPPLEMENTAL SCHEDULES

Description

The Schedule of Allotments and Expenditures by Programs are presented to demonstrate compliance with the Quality Basic Education Act as required by the State of Georgia, Department of Education.

The Schedule of Approved Local Option Sales Tax Projects is presented to demonstrate legal compliance of Sales Tax imposed for Educational Purposes.

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA

SCHEDULE OF ALLOTMENTS AND EXPENDITURES – BY PROGRAM
GENERAL FUND – QUALITY BASIC EDUCATION PROGRAMS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Allotments From Department of Education	Direct Instructional Expenditures		
	Amount	Salaries	Operations	Total
General and Career Education Programs				
Kindergarten	$ 14,618,594	$ 16,075,527	$ 107,111	$ 16,182,639
Kindergarten EIP	332,147	723,200	5,609	728,808
Grades 1-3	28,589,558	38,631,507	283,639	38,915,146
Grades 1-3 EIP	1,208,566	1,529,181	11,153	1,540,334
Sub-total K-3	44,748,865	56,959,415	407,512	57,366,928
Grades 4-5	13,041,754	16,428,379	130,277	16,558,655
Grades 4-5 EIP	683,902	987,813	7,768	995,580
Middle Grade 6-8	3,269,925	4,628,033	11,457	4,639,490
Middle School 6-8	16,651,493	22,321,728	506,306	22,828,034
Grades 9-12	15,669,181	21,628,424	532,110	22,160,534
Vocational Education Laboratories	3,797,381	4,881,754	423,725	5,305,479
Total General and Career Education Programs	97,862,501	127,835,545	2,019,155	129,854,700
Special Education Programs				
Category I	3,470,824	4,105,149	72,796	4,177,944
Category II	1,185,812	1,401,512	24,871	1,426,383
Category III	12,122,181	14,314,824	254,246	14,569,070
Category IV	6,669,732	7,867,178	139,888	8,007,066
Category V	3,993,708	4,723,453	83,762	4,807,216
Gifted Education	12,669,344	13,484,319	143,320	13,627,640
Special Ed. Itinerant	41,832			-
Special Ed. Supplemental Speech	43,258			-
Total Special Education Programs	40,196,691	45,896,436	718,883	46,615,319
English for Speakers of Other Languages	712,066	962,645	1,060	963,705
Remedial Education Programs	1,730,000	2,048,899	11,790	2,060,689
Alternative Education Programs	1,470,767	2,483,783	58,790	2,542,572
Media Center Programs	3,971,961	5,134,106	485,503	5,619,608
Staff and Professional Development Programs	852,479	-	-	360,669
Nurses	475,481	1,722,896	-	1,722,896
Principal Supplement	0	0	-	0
20 Days Additional Instruction	1,115,380	585,844	-	585,844
Grand Total	$ 148,387,326	$ 186,670,153	$ 3,295,181	$ 190,326,004

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA

SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS - ESPLOST I

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Project	Original Estimated Cost	Current Estimated Cost	Amount Expended in Current Year	Amount Expended in Prior Years	Project Status
For the purpose of acquiring, constructing, and equipping new facilities for: Beach HS, Butler ES, Gadsden ES, Godley Station K-8, a new High School, Oglethorpe Charter MS, & Pulaski ES	195,768,543	184,630,370	78,677,006	66,096,816	Active
For the purpose of constructing additions and other modifications to: Heard ES, Hesse ES, Howard ES, Isle of Hope ES, Largo-Tibet ES, Low ES, Mercer MS, Savannah HS, White Bluff ES, Windsor Forest ES, Windsor Forest HS	18,380,418	10,996,462	7,722,652	2,227,521	Active
For the conversion of Tompkins MS to a Technical Career HS	4,250,000	3,600,206	-	3,407,679	Completed
Oatland Island renovations and upgrades	5,196,488	4,567,541	13,975	4,553,563	Completed
Massie Heritage Ctr renovations and upgrades	441,025	845,108	125,649	719,459	Completed
Existing site upgrades district-wide for: ADA Requirements, Classroom Furniture, Electrical, Flooring, Food Service Equipment, HVAC, Painting, Plumbing, Roofing, Security, Safety & Fencing, Local School Requests, Signage, and Energy Savings	41,346,860	17,899,594	547,186	12,955,443	Active
Payment of principal and interest on the school district's general obligation bonds	67,372,185	67,374,185	8,895,596	58,478,589	Completed
Academic technology upgrade - district-wide	30,000,000	14,895,085	1,070,209	13,672,665	Active
Program management	6,000,000	5,993,868	1,310,422	4,446,208	Active
	$ 368,755,519	$ 310,802,419	$ 98,362,695	$ 166,557,943	

THE BOARD OF EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA

SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS - ESPLOST II

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Project	Original Estimated Cost	Current Estimated Cost	Amount Expended in Current Year	Amount Expended in Prior Years	Project Status
For the purpose of acquiring, constructing, and equipping new facilities for: Bartow ES, Haven ES, Hodge ES, Howard ES, Low ES, Pt.Wentworth ES, Spencer ES, Hesse K8, Isle of Hope K8	206,702,500	206,702,500	10,648	-	Active
For the purpose of constructing additions and other modifications to: Heard ES, Largo-Tibet ES, White Bluff ES, Garrison K8, Coastal MS, Hubert MS, Islands HS, New Hampstead HS, Woodville-Tompkins HS	40,390,350	40,390,350	2,375,000	-	Active
Existing site upgrades district-wide for: ADA Requirements, Athletics, Electrical, Fire Alarms/Sprinklers, HVAC, Interiors, Roofing, Security Cameras, Sitework	40,670,000	40,670,000	-	-	Not Started
Payment of principal and interest on the school district's general obligation bonds	47,237,150	47,237,150	-	-	Not Started
Academic technology upgrade - district-wide	15,000,000	15,000,000	-	-	Not Started
	$ 350,000,000	$ 350,000,000	$ 2,385,648	$ -	

STATISTICAL SECTION

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

Contents **Page**

Financial Trends G-2

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity G-9

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity G-16

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information G-21

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information G-23

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.


SCCPSS

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
NET ASSETS
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year				
	2003	2004	2005	2006	2007
GOVERNMENTAL ACTIVITIES					
Invested in capital assets, net of related debt	$ 198,093,328	$ 201,091,525	$ 204,250,078	$ 208,430,752	$ 219,296,443
Restricted	14,397,406	13,385,284	14,612,823	20,176,911	23,828,222
Unrestricted	47,895,163	45,847,922	47,786,635	51,951,720	65,507,204
Total net assets	$ 260,385,897	$ 260,324,731	$ 266,649,536	$ 280,559,383	$ 308,631,869

	Fiscal Year				
	2008	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES					
Invested in capital assets, net of related debt	$ 230,873,163	$ 244,503,936	$ 284,503,074	$ 327,477,695	$ 413,730,235
Restricted	63,660,957	110,598,383	109,195,222	110,081,168	72,193,382
Unrestricted	59,207,230	43,152,250	47,140,058	54,749,060	48,946,625
Total net assets	$ 353,741,350	$ 398,254,569	$ 440,838,354	$ 492,307,923	$ 534,870,242

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental activities:				
Instruction	$ 180,654,884	$ 182,938,870	$ 189,028,323	$ 195,656,892
Support services:				
Pupil services	12,568,745	12,297,300	13,645,718	14,531,652
Instructional services	6,289,015	9,983,138	11,599,777	12,262,875
Educational media services	4,740,810	4,812,489	4,847,531	5,037,960
General administration	4,415,306	6,160,584	6,118,412	6,765,424
School administration	15,785,477	15,937,975	16,626,138	16,925,511
Business administration	3,958,166	3,911,621	2,688,790	2,757,252
Maintenance and operations	23,072,497	22,580,491	22,713,699	24,117,942
Pupil transportation	11,876,452	12,215,463	13,848,193	14,832,739
Central support services	4,059,489	4,061,378	4,984,360	4,451,437
Other support services	143,652	376,715	310,679	430,591
Food services	12,772,864	12,738,485	12,442,533	12,494,907
Interest on long-term debt	7,375,449	7,080,184	6,571,172	6,718,418
Total Expenses	287,712,806	295,094,693	305,425,325	316,983,600
Program revenues				
Charges for services				
Instruction	210,170	171,665	187,282	298,662
Pupil services	234,586	355,873	274,079	400,912
Food services	3,580,418	3,549,804	3,447,074	3,438,132
Business administration				
Operating grants and contributions	155,848,682	155,036,667	160,121,893	163,165,222
Capital grants and contributions	3,119,986	4,764,955	3,841,987	3,540,601
Total Program Revenues	162,993,842	163,878,964	167,872,315	170,843,529
Net (Expense) Revenue	(124,718,964)	(131,215,729)	(137,553,010)	(146,140,071)
General Revenues				
Property taxes	119,222,783	136,055,561	141,071,011	155,495,924
Special Purpose sales taxes				
Grants and contributions not restricted to specific programs	372,882	897,602	363,074	367,631
Unrestricted investment earnings	724,109	471,773	1,192,102	2,162,726
Miscellaneous	951,990	729,627	1,251,628	2,023,637
Special item - Gain (Loss) on sale or disposal of capital assets	942,750			
Special item - Health Insurance				
Total general revenues	122,214,514	138,154,563	143,877,815	160,049,918
Change in Net Assets	$ (2,504,450)	$ 6,938,834	$ 6,324,805	$ 13,909,847

Fiscal Year					
2007	2008	2009	2010	2011	2012
$ 212,938,826	$ 228,032,301	$ 224,717,046	$ 222,310,198	$ 234,643,795	$ 227,692,291
17,129,370	19,247,444	18,828,137	18,199,906	17,223,195	17,145,040
10,974,939	10,925,335	12,078,527	11,627,828	9,246,357	9,605,414
5,214,207	5,653,032	5,514,672	5,387,071	5,725,758	5,588,603
7,449,147	6,944,425	7,158,316	5,743,800	5,753,126	5,037,384
18,396,169	20,113,957	19,606,623	18,928,219	19,514,881	19,654,243
3,245,734	3,326,702	9,106,879	4,381,881	4,625,686	4,766,002
25,426,558	26,590,495	25,331,401	24,439,791	24,854,830	25,299,685
17,350,920	18,832,450	18,891,608	18,073,427	17,963,620	18,899,262
5,026,452	5,731,641	5,486,128	3,804,847	4,574,884	4,241,940
434,948	1,348,830	1,915,787	2,030,823	3,748,982	2,979,979
13,435,390	14,510,015	16,335,995	15,380,794	15,260,871	15,683,108
6,111,946	4,838,084	4,692,905	4,028,945	3,517,562	3,203,814
343,134,606	366,094,711	369,664,024	354,337,530	366,653,547	359,796,765
196,555	72,734	212,525	376,779	412,727	374,452
299,281	256,010	228,820	229,970	270,285	314,542
3,399,162	2,935,596	2,864,715	2,398,804	2,204,689	2,094,703
		58,010	-	-	-
178,978,296	181,367,377	162,920,627	172,711,698	184,294,446	172,396,281
2,538,982	1,662,271	2,070,626	1,634,420	8,103,000	1,220,310
185,412,276	186,293,988	168,355,323	177,351,671	195,285,147	176,400,288
(157,722,330)	(179,800,723)	(201,308,701)	(176,985,859)	(171,368,400)	(183,396,477)
161,721,966	155,956,005	166,800,618	160,692,756	165,816,998	162,261,746
18,677,142	62,716,886	56,938,503	57,230,414	57,287,383	62,476,978
464,488	937,103	991,371	1,137,659	1,183,853	925,889
3,254,124	3,391,835	1,528,577	424,073	222,329	161,150
1,677,096	920,261	426,739	84,742	495,914	133,033
	988,114			(2,168,508)	
		9,993,143			
185,794,816	224,910,204	236,678,951	219,569,644	222,837,969	225,958,796
$ 28,072,486	$ 45,109,481	$ 35,370,250	$ 42,583,785	$ 51,469,569	$ 42,562,319

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
FUND BALANCE OF GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS (PRIOR TO GASB 54)
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	30,026,615	29,296,562	32,957,764	37,880,666	46,177,083
Total General Fund	$ 30,026,615	$ 29,296,562	$ 32,957,764	$ 37,880,666	$ 46,177,083
ESPLOST Fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	18,796,769
Total ESPLOST Fund	$ -	$ -	$ -	$ -	$ 18,796,769
Other Governmental Funds:					
Capital Projects Fund					
Reserved	$ 3,156,751	$ 548,013	$ 129,745	$ 514,383	$ -
Unreserved	7,271,542	7,615,608	6,837,022	10,946,908	8,146,966
Total Capital Projects Fund	$ 10,428,293	$ 8,163,621	$ 6,966,767	$ 11,461,291	$ 8,146,966
Special Revenue Funds					
Reserved	$ 390,342	$ 321,656	$ 373,824	$ 228,179	$ 366,782
Unreserved	3,519,155	4,552,071	5,767,625	6,623,777	6,855,697
Total Special Revenue Funds	$ 3,909,497	$ 4,873,727	$ 6,141,449	$ 6,851,956	$ 7,222,479
Debt Service Fund					
Reserved	$ 1,915,110	$ 3,016,442	$ 4,424,521	$ 5,197,484	$ 1,367,960
Unreserved	-	187,715	-	-	-
Total Debt Service Fund	$ 1,915,110	$ 3,204,157	$ 4,424,521	$ 5,197,484	$ 1,367,960

	Fiscal Year		
	2008	2009	2010
General Fund			
Reserved	$ -	$ -	$ -
Unreserved	32,670,493	26,761,491	28,070,632
Total General Fund	$ 32,670,493	$ 26,761,491	$ 28,070,632
ESPLOST Fund			
Reserved	$ 8,319,853	$ 46,458,699	$ 42,547,752
Unreserved	54,639,383	54,319,821	61,111,019
Total ESPLOST Fund	$ 62,959,236	$ 100,778,520	$ 103,658,771
Other Governmental Funds:			
Capital Projects Fund			
Reserved	$ -	$ -	$ -
Unreserved	7,435,022	7,514,355	2,648,309
Total Capital Projects Fund	$ 7,435,022	$ 7,514,355	$ 2,648,309
Special Revenue Funds			
Reserved	$ 328,032	$ 297,024	$ 150,815
Unreserved	5,912,020	2,985,633	3,090,466
Total Special Revenue Funds	$ 6,240,052	$ 3,282,657	$ 3,241,281
Debt Service Fund			
Reserved	$ 2,260,798	$ 2,001,476	$ 2,195,716
Unreserved	-	-	-
Total Debt Service Fund	$ 2,260,798	$ 2,001,476	$ 2,195,716

Note: GASB 54 changed presentation of fund balance effective FY11. See schedule on page G-6 additional years fund balance.

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TWO FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year 2011	Fiscal Year 2012
General Fund		
Nonspendable	$ 10,371	$ 22,481
Restricted	-	-
Committed	14,575,462	15,006,900
Assigned	8,440,933	7,666,654
Unassigned	11,910,355	9,207,763
Total General Fund	$ 34,937,121	$ 31,903,798
ESPLOST Fund		
Nonspendable	$ -	$ -
Restricted	107,289,710	69,144,905
Committed	-	-
Assigned	-	-
Unassigned	-	-
Total ESPLOST Fund	$ 107,289,710	$ 69,144,905
Other Governmental Funds:		
Capital Projects Fund		
Nonspendable	$ -	$ -
Restricted	-	-
Committed	-	-
Assigned	3,712,549	1,808,511
Unassigned	-	-
Total Capital Projects Fund	$ 3,712,549	$ 1,808,511
Special Revenue Funds		
Nonspendable	$ 191,677	$ 211,585
Restricted	1,839,792	1,973,790
Committed	-	-
Assigned	-	-
Unassigned	(132)	-
Total Special Revenue Funds	$ 2,031,337	$ 2,185,375
Debt Service Fund		
Nonspendable	$ -	$ -
Restricted	2,490,906	2,343,591
Committed	-	-
Assigned	-	-
Unassigned	-	-
Total Debt Service Fund	$ 2,490,906	$ 2,343,591

Note: GASB 54 changed presentation of fund balance effective FY11.

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year			
	2003	2004	2005	2006
REVENUES:				
Property taxes	$ 117,542,175	$ 137,307,907	$ 142,438,362	$ 155,024,989
Sales Taxes				
State sources	127,812,153	123,175,168	119,610,782	122,892,994
Federal sources	29,126,135	35,379,599	42,084,644	42,132,573
Charges for services	4,023,541	4,077,342	3,908,435	3,880,705
Other	4,801,397	3,834,446	6,186,433	6,877,500
Total revenues	$ 283,305,401	$ 303,774,462	$ 314,228,656	$ 330,808,761
EXPENDITURES:				
Current				
Instruction	$ 171,531,211	$ 172,221,146	$ 177,152,974	$ 183,895,373
Pupil services	12,538,431	12,263,180	13,549,574	14,420,894
Instructional services	6,241,572	9,885,249	11,419,473	12,061,941
Educational media services	4,684,760	4,748,568	4,771,889	4,965,643
General administration	4,537,169	6,145,458	6,213,575	6,095,296
School administration	15,773,079	15,876,569	16,500,813	16,791,883
Business administration	3,940,625	3,886,044	2,648,842	2,713,076
Maintenance and operations	23,151,197	22,179,192	22,097,193	23,543,798
Pupil transportation	10,184,239	10,440,634	11,651,418	12,493,498
Central support services	3,120,051	2,821,445	3,860,865	3,402,260
Other support services	143,652	376,715	310,679	359,078
Food service operations	12,556,152	12,538,973	12,223,579	12,267,760
Debt service:				
Principal retirement	8,905,393	10,228,343	11,583,509	15,425,129
Interest and other charges	8,183,469	7,087,926	7,348,945	6,558,174
Capital outlay	13,328,597	10,924,792	9,635,044	6,309,386
Total expenditures	$ 298,819,597	$ 301,624,234	$ 310,968,372	$ 321,303,189
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (15,514,196)	$ 2,150,228	$ 3,260,284	$ 9,505,572
OTHER FINANCING SOURCES (USES):				
Transfers in	$ 4,660,094	$ 9,084,363	$ 8,527,296	$ 16,034,271
Transfers out	(4,660,094)	(9,084,363)	(10,065,475)	(17,099,271)
Refunding bonds issued	52,060,000		45,525,000	
Payment to refunded bond escrow agent	(53,714,533)		(48,298,200)	
Capital lease - proceeds		4,108,324	2,714,469	2,460,324
Capital lease - repayment				
Proceeds from Sale of Land				
Collection of Installment Sale of Land				
Premium on bond issuance	2,244,558		3,289,060	
Total other financing sources (uses)	$ 590,025	$ 4,108,324	$ 1,692,150	$ 1,395,324
SPECIAL ITEMS:				
Health Insurance				
Sale of Capital Assets	1,305,000			
	$ 1,305,000	$ -	$ -	$ -
NET CHANGE IN FUND BALANCES	$ (13,619,171)	$ 6,258,552	$ 4,952,434	$ 10,900,896
Debt service as a percentage of noncapital expenditures	5.99%	5.96%	6.28%	6.98%

Fiscal Year						
2007	2008	2009	2010	2011	2012
$ 163,550,187	$ 151,939,149	$ 164,175,645	$ 158,380,371	$ 168,274,547	$ 164,126,291
18,677,142	62,716,886	56,938,503	57,230,414	57,287,383	62,476,978
136,872,594	140,337,141	120,965,222	111,685,915	134,008,964	122,509,674
44,263,187	42,295,058	44,224,505	63,038,083	58,557,946	50,972,081
3,810,766	3,419,563	3,209,987	3,005,552	2,543,255	2,508,971
6,144,849	6,304,320	3,371,162	2,297,841	2,797,330	2,770,579
$ 373,318,725	$ 407,012,117	$ 392,885,024	$ 395,638,176	$ 423,469,425	$ 405,364,574
$ 201,474,869	$ 215,468,974	$ 214,348,160	$ 210,359,939	$ 222,037,495	$ 214,630,103
16,988,680	19,069,994	18,791,013	18,165,029	17,182,889	17,114,412
10,792,606	10,751,357	11,971,358	11,521,197	9,163,207	9,540,441
5,141,009	5,571,038	5,473,610	5,363,174	5,712,603	5,584,236
6,757,419	6,721,699	6,491,364	5,912,824	5,915,280	5,330,296
18,238,618	20,058,965	19,564,161	18,907,127	19,503,863	19,618,186
3,197,797	3,146,731	9,087,858	4,365,731	4,614,642	4,763,277
24,820,529	25,973,440	24,792,396	24,068,261	24,578,995	25,144,415
15,086,553	16,677,697	17,047,484	16,501,182	16,610,370	17,637,802
3,777,485	4,492,465	4,621,826	3,134,730	3,894,193	3,524,461
404,578	1,318,831	1,915,339	2,031,013	3,749,273	2,980,980
13,180,633	14,228,697	16,164,686	15,252,872	15,138,644	15,558,750
16,458,529	17,014,625	14,141,038	14,145,782	14,935,027	7,801,936
6,168,306	5,470,764	4,836,309	4,263,612	3,627,535	3,474,046
11,529,585	12,903,569	15,602,177	42,645,743	54,353,495	96,190,426
$ 354,017,196	$ 378,868,846	$ 384,848,779	$ 396,638,216	$ 421,017,511	$ 448,893,767
$ 19,301,529	$ 28,143,271	$ 8,036,245	$ (1,000,040)	$ 2,451,914	$ (43,529,193)
$ 11,865,443	$ 25,144,924	$ 21,389,248	$ 25,394,072	$ 22,085,054	$ 12,935,375
(13,230,443)	(27,444,924)	(21,389,248)	(25,394,072)	(22,085,054)	(12,935,375)
2,383,330	2,931,196	3,193,471		7,300,000	
		(3,193,471)			
				430,000	
		487,500	476,250	465,000	453,750
$ 1,018,330	$ 631,196	$ 487,500	$ 476,250	$ 8,195,000	$ 453,750
		$ 9,993,143			
	1,079,877				
$ -	$ 1,079,877	$ 9,993,143	$ -	$ -	$ -
$ 20,319,859	$ 29,854,344	$ 18,516,888	$ (523,790)	$ 10,646,914	$ (43,075,443)
6.61%	6.14%	5.14%	5.20%	5.06%	3.20%

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
Real and Personal	$ 7,866,820,594	$ 8,507,109,822	$ 9,619,207,743	$ 11,244,344,033
Motor Vehicles	529,470,980	531,347,580	536,571,680	541,145,780
Mobile Homes	27,499,800	27,340,800	27,862,000	28,981,400
Timber	1,736,725	2,706,080	1,687,482	1,484,053
Heavy Duty Equip	3,263,567	1,245,374	4,343,190	1,178,710
Gross Digest	$ 8,428,791,666	$ 9,069,749,656	$ 10,189,672,095	$ 11,817,133,976
Less: Tax Exempt Real Property Bond	$ 822,828,674	$ 893,752,932	$ 949,456,845	$ 1,015,847,404
Total Taxable Assessed Value - Bond	$ 7,605,962,992	$ 8,175,996,724	$ 9,240,215,250	$ 10,801,286,572
Total Direct Tax Rate	1.810	1.722	1.531	1.306
Forest Land Assistance Grant Value	-	-	-	-
Less: Tax Exempt Real Property M&O	$ 1,253,718,699	$ 1,460,414,274	$ 1,702,009,135	$ 2,089,523,640
Total Taxable Assessed Value - M&O	$ 7,175,072,967	$ 7,609,335,382	$ 8,487,662,960	$ 9,727,610,336
Total Direct Tax Rate	15.958	15.878	15.746	14.511
Estimated Actual Value	$ 21,071,979,165	$ 22,674,374,140	$ 25,474,180,238	$ 29,542,834,940
Assessed Value as a Percentage of Actual Value	40%	40%	40%	40%

Source: Georgia Department of Revenue

2007	2008	2009	2010	2011	2012
$ 12,894,532,528	$ 13,958,123,170	$ 13,931,316,675	$ 13,287,801,495	$ 12,600,566,459	$ 12,607,971,796
584,847,980	617,291,700	642,274,660	576,195,090	577,043,990	616,388,070
23,265,200	24,095,200	23,423,600	23,200,400	22,538,390	27,102,608
2,622,380	1,295,759	476,054	565,072	1,993,557	1,430,748
4,642,838	4,841,573	7,669,280	7,416,635	4,594,253	2,162,864
$ 13,509,910,926	$ 14,605,647,402	$ 14,605,160,269	$ 13,895,178,692	$ 13,206,736,649	$ 13,255,056,086
$ 1,110,580,527	$ 1,217,813,110	$ 1,281,598,393	$ 1,209,795,849	$ 1,340,877,667	$ 1,423,732,331
$ 12,399,330,399	$ 13,387,834,292	$ 13,323,561,876	$ 12,685,382,843	$ 11,865,858,982	$ 11,831,323,755
-	-	-	-	-	-
-	-	-	398,800	398,380	2,149,759
$ 2,453,125,475	$ 2,636,427,510	$ 2,455,183,953	$ 2,045,536,854	$ 1,882,246,638	$ 1,885,253,354
$ 11,056,785,451	$ 11,969,219,892	$ 12,149,976,316	$ 11,850,040,638	$ 11,324,888,391	$ 11,371,952,491
13.795	13.404	13.404	14.131	14.631	14.631
$ 33,774,777,315	$ 36,514,118,505	$ 36,512,900,673	$ 34,737,946,730	$ 33,016,841,623	$ 33,137,640,215
40%	40%	40%	40%	40%	40%

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	City of Savannah								
	County			School					
Tax Year	General Fund	Chatham Area Transit Authority	Total County	School M&O [1]	School Bond	Total School	City	State	Total
2003	10.367	0.820	11.187	15.958	1.810	17.768	13.300	0.250	42.505
2004	10.367	0.820	11.187	15.878	1.722	17.600	13.100	0.250	42.137
2005	11.037	0.820	11.857	15.746	1.531	17.277	12.900	0.250	42.284
2006	10.837	0.820	11.657	14.511	1.306	15.817	12.700	0.250	40.424
2007	10.537	0.820	11.357	13.795	-	13.795	12.500	0.250	37.902
2008	10.537	0.820	11.357	13.404	-	13.404	12.500	0.250	37.511
2009	10.537	0.820	11.357	13.404		13.404	12.500	0.250	37.511
2010	10.537	0.820	11.357	14.131	-	14.131	13.000	0.250	38.738
2011	10.250	0.859	11.109	14.631	-	14.631	12.500	0.250	38.490
2012	10.250	0.859	11.109	14.631	-	14.631	12.500	0.200	38.440

	Other Municipalities						
Year	Bloomingdale	Garden City	Pooler	Wentworth	Thunderbolt	Tybee Island	Vernonburg
2003	None	None	3.669	2.525	6.700	4.174	None
2004	None	None	4.250	4.500	6.470	4.117	None
2005	None	None	4.071	4.498	6.080	4.117	None
2006	None	None	4.500	4.498	6.080	3.800	None
2007	None	None	4.392	4.498	6.080	3.738	None
2008	None	None	4.500	4.498	6.080	3.738	None
2009	None	None	4.500	4.397	6.119	3.738	None
2010	None	None	4.635	4.397	6.377	4.186	None
2011	None	None	4.635	4.397	6.377	4.186	None
2012	None	None	4.635	4.397	6.496	4.186	None

[1] School M&O is limited to 20 mils by state law

Source: District Records
Georgia Department of Revenue

Chatham County, Unincorporated								
County				School				
General Fund	Special Service	Chatham Area Transit Authority	Total County	School M&O [1]	School Bond	Total School	State	Total
10.367	3.475	0.820	14.662	15.958	1.810	17.768	0.250	32.680
10.367	3.475	0.820	14.662	15.878	1.722	17.600	0.250	32.512
11.037	3.475	0.820	15.332	15.746	1.531	17.277	0.250	32.859
10.837	3.475	0.820	15.132	14.511	1.306	15.817	0.250	31.199
10.537	3.475	0.820	14.832	13.795	-	13.795	0.250	28.877
10.537	3.475	0.820	14.832	13.404	-	13.404	0.250	28.486
10.537	3.475	0.820	14.832	13.404		13.404	0.250	28.486
10.537	3.475	0.820	14.832	14.131	-	14.131	0.250	29.213
10.250	3.590	0.859	14.699	14.631	-	14.631	0.250	29.580
10.250	3.590	0.859	14.699	14.631	-	14.631	0.200	29.530

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND PERIOD NINE YEARS PRIOR

	2012			2003		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southern Energy	$ 221,569,168	1	2.10%			
International Paper	140,607,873	2	1.33%	$ 176,381,373	2	2.32%
Gulfstream	132,955,456	3	1.26%	375,866,956	1	4.94%
Georgia Power (Savannah Electric)	126,719,659	4	1.20%	118,504,267	3	1.56%
Weyerhaeuser	70,409,406	5	0.67%	48,023,317	6	0.63%
Wal-Mart	60,992,159	6	0.58%	31,923,526	9	0.42%
Colonial Oil/Terminals/Chemicals	51,400,237	7	0.49%			
Duke Realty Limited	40,327,240	8	0.38%			
Imperial Sugar	39,852,610	9	0.38%			
Oglethorpe Mall	36,702,352	10	0.35%	31,182,600	10	0.41%
Kemira				77,638,693	4	1.02%
Bell South (Southern Bell)				51,015,355	5	0.67%
SWQ/SWQ				32,843,800	8	0.43%
Home Depot				39,722,656	7	0.53%
Total	$ 921,536,160		8.73%	$ 983,102,543		12.94%

Source: Chatham County Board of Assessors

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS – GENERAL FUND
LAST TEN FISCAL YEARS

		Collected within the Tax Year of the Levy			Total Collections to Date	
Tax Year	Taxes Levied for the Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2003	105,532,239	91,519,327	86.72%	14,012,912	105,532,239	100.00%
2004	111,887,471	96,477,313	86.23%	15,403,357	111,880,670	99.99%
2005	124,664,925	109,281,843	87.66%	15,372,127	124,653,970	99.99%
2006	132,845,617	115,303,202	86.79%	17,523,536	132,826,738	99.99%
2007	144,039,210	124,067,526	86.13%	19,764,489	143,832,015	99.86%
2008	151,756,009	127,692,556	84.14%	23,804,709	151,497,265	99.83%
2009	153,826,083	132,643,982	86.23%	20,715,814	153,359,796	99.70%
2010	158,870,077	137,464,237	86.53%	20,709,884	158,174,121	99.56%
2011	156,825,566	138,805,862	88.51%	15,442,963	154,248,825	98.36%
2012	156,915,546	(A)	(A)	(A)	(A)	(A)

(A) - Data is not yet available. The Tax Commissioner bills in two installments which are due June 1st and November 15th.

Note: Taxes are assessed for the calendar year on January 1st. The fiscal year begins six months later on July 1st and ends on June 30th of the following year.

Source: Chatham County Tax Commisioner Office and District records

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS – DEBT SERVICE FUND
LAST TEN FISCAL YEARS

		Collected within the Tax Year of the Levy			Total Collections to Date	
Tax Year	Taxes Levied for the Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2003	12,749,667	11,662,530	91.47%	1,087,137	12,749,667	100.00%
2004	13,110,205	11,963,316	91.25%	1,146,148	13,109,464	99.99%
2005	13,273,456	12,181,001	91.77%	1,091,353	13,272,354	99.99%
2006	13,358,422	12,115,819	90.70%	1,240,701	13,356,520	99.99%
2007	(A)	N/A	N/A	N/A	N/A	N/A
2008	(A)	N/A	N/A	N/A	N/A	N/A
2009	(A)	N/A	N/A	N/A	N/A	N/A
2010	(A)	N/A	N/A	N/A	N/A	N/A
2011	(A)	N/A	N/A	N/A	N/A	N/A
2012	(A)	N/A	N/A	N/A	N/A	N/A

(A) - No Debt Service taxes were levied for 2007-2012. The revenue from the Educational Sales Tax will be used to pay principal and interest on general obligation debt.

N/A - Not Applicable

Source: Chatham County Tax Commisioner Office and District records

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Contractual Obligations	Capital Leases	Total	Personal Income (in 000's) [1]	Total Debt as a Percentage of Personal Income [1]	Per Capita [1]
2003	141,615,000	23,260,000	6,348,279	171,223,279	7,125,558	2.40%	726.68
2004	134,450,000	21,835,000	8,818,260	165,103,260	7,566,250	2.18%	694.57
2005	124,350,000	20,415,000	9,174,219	153,939,219	8,106,019	1.90%	646.70
2006	116,085,000	15,240,000	9,649,415	140,974,415	8,804,027	1.60%	583.96
2007	107,295,000	10,035,000	9,569,218	126,899,218	9,407,040	1.35%	510.72
2008	97,915,000	4,805,000	10,095,787	112,815,787	10,302,644	1.10%	449.25
2009	87,885,000	3,250,000	7,539,750	98,674,750	10,325,430	0.96%	383.96
2010	77,230,000	1,650,000	5,648,967	84,528,967	10,295,130	0.82%	318.82
2011	65,855,000	-	11,038,939	76,893,939	N/A	N/A	N/A
2012	60,110,000	-	8,982,002	69,092,002	N/A	N/A	N/A

[1] Personal income and population - U.S. Department of Commerce and U.S. Census Bureau

N/A - Data not available

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Value of Property	Per Capita [1]
2003	141,615,000	1,915,110	139,699,890	0.66%	592.89
2004	134,450,000	3,204,157	131,245,843	0.58%	552.14
2005	124,350,000	4,424,521	119,925,479	0.47%	503.81
2006	116,085,000	5,197,484	110,887,516	0.38%	459.33
2007	107,295,000	1,367,960	105,927,040	0.31%	426.32
2008	97,915,000	2,260,798	95,654,202	0.26%	380.91
2009	87,885,000	2,001,476	85,883,524	0.24%	334.19
2010	77,230,000	2,195,716	75,034,284	0.22%	283.01
2011	65,855,000	2,490,906	63,364,094	0.19%	233.35
2012	60,110,000	2,343,591	57,766,409	0.17%	N/A

[1] Population - U.S. Department of Commerce and U.S. Census Bureau

N/A - Data not available

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012

Governmental Unit	Debt Outstanding	Estimated Pecentage Applicable [1]	Estimated Share of Outstanding Debt
Chatham County, Georgia:			
Downtown Savannah Authority (Chatham County Projects) Series 2005	$ 11,520,000	100.00%	$ 11,520,000
Chatham County Public Health Facilities Projects	340,000	100.00%	340,000
Downtown Savannah Authority (Chatham County Projects) Series 2005A	4,950,000	100.00%	4,950,000
Downtown Savannah Authority (Union Mission) Series 2009	2,230,000	100.00%	2,230,000
Downtown Savannah Authority (Union Mission) Series 2011	2,679,900	100.00%	2,679,900
Mosquito Control Facility	3,903,143	100.00%	3,903,143
City of Savannah, Georgia:			
Downtown Savannah Authority (Stormwater Project)	33,500,000	100.00%	33,500,000
Downtown Savannah Authority (Capital Improvement Project)	10,320,000	100.00%	10,320,000
Downtown Savannah Authority (Parking Improvements)	24,820,000	100.00%	24,820,000
Resource Recovery Development Authority	22,445,000	100.00%	22,445,000
Total Overlapping Debt	116,708,043		116,708,043
Board of Public Education for Savannah and Chatham:			
General Obligation Bonded Debt	60,110,000	100.00%	60,110,000
Total Direct Debt	$ 60,110,000		60,110,000
Total Direct and Overlapping Debt			$ 176,818,043

[1] Method: Applicable percentages were determined based on geographic boundaries. Chatham County shares the same boundaries as the District. The City of Savannah's boundaries are located entirely within the boundaries of the District.

Sources:
District records
Chatham County Finance Department
City of Savannah Finance Department

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
Net Assessed Valuation - County Wide School Bonds - January 1,	$ 7,605,962,992	$ 8,175,996,724	$ 9,240,215,250	$ 10,801,286,572
Debt Limit - 10% of Assessed Value	$ 760,596,299	$ 817,599,672	$ 924,021,525	$ 1,080,128,657
Amount of Debt Applicable to Debt Limit:				
Total Bonded Debt	$ 141,615,000	$ 134,450,000	$ 124,350,000	$ 116,085,000
Less assets in debt service funds	1,915,110	3,204,157	4,424,521	5,197,484
Total Amount of Debt Applicable to Debt Limit	$ 139,699,890	$ 131,245,843	$ 119,925,479	$ 110,887,516
Unused Legal Debt Margin	$ 620,896,409	$ 686,353,829	$ 804,096,046	$ 969,241,141
Total net debt applicable to the limit as a percentage of debt limit	18.37%	16.05%	12.98%	10.27%

2007	2008	2009	2010	2011	2012
$ 13,509,910,926	$ 14,605,647,402	$ 14,605,160,269	$ 13,895,178,692	$ 13,206,736,649	$ 13,255,056,086
$ 1,350,991,093	$ 1,460,564,740	$ 1,460,516,027	$ 1,389,517,869	$ 1,320,673,665	$ 1,325,505,609
$ 107,295,000	$ 97,915,000	$ 87,885,000	$ 77,230,000	$ 65,855,000	$ 60,110,000
1,367,960	2,260,798	2,001,476	2,195,716	2,490,906	2,343,591
$ 105,927,040	$ 95,654,202	$ 85,883,524	$ 75,034,284	$ 63,364,094	$ 57,766,409
$ 1,245,064,053	$ 1,364,910,538	$ 1,374,632,503	$ 1,314,483,585	$ 1,257,309,571	$ 1,267,739,200
7.84%	6.55%	5.88%	5.40%	4.80%	4.36%

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population [1]	Personal Income (in 000's) [1]	Per Capita Personal Income	Median Age [2]	School Enrollment [3]	Unemployment Rate [4]
2003	235,624	7,125,558	30,241	34.7	41,903	5.40%
2004	237,705	7,566,250	31,830	34.7	41,615	5.00%
2005	238,039	8,106,019	34,053	34.9	41,571	5.20%
2006	241,411	8,804,027	36,469	35.0	41,225	4.60%
2007	248,469	9,407,040	37,860	34.7	40,520	4.20%
2008	251,120	10,302,644	41,022	34.8	40,244	5.40%
2009	256,992	10,325,430	40,178	33.6	41,152	8.70%
2010	265,128	10,295,130	38,748	34.0	40,973	9.00%
2011	271,544	N/A	N/A	33.9	41,588	9.90%
2012	N/A	N/A	N/A	N/A	42,064	9.30%

N/A - Data not available

[1] U.S. Department of Commerce and U.S. Census Bureau
[2] U. S. Bureau of the Census - Population Estimates Program
[3] District records - includes public and private school enrollment
[4] U.S. Department of Labor Bureau of Labor Statistics - June data not seasonally adjusted

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
PRIMARY EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2012			2003		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gulfstream Aerospace Corporation	6,000	1	4.16%	4,300	4	3.11%
Memorial Health	5,000	2	3.47%	4,583	2	3.32%
Savannah-Chatham County Board of Education	4,839	3	3.36%	4,706	1	3.41%
Ft. Stewart/Hunter Army Airfield	4,300	4	2.98%	3,485	6	2.52%
St. Joseph's/Candler	3,300	5	2.29%	3,800	5	2.75%
Wal-mart	2,900	6	2.01%			
City of Savannah	2,500	7	1.73%	2,000	7	1.45%
Savannah College of Art and Design	1,500	8/9 tie	1.04%			
Chatham County	1,500	8/9 tie	1.04%	1,600	8	1.16%
Georgia-Pacific Corporation	1,200	10	0.83%	1,461	9	1.06%
Kroger				1,300	10	0.94%
Savannah International Airport				4,500	3	3.26%

Source: Chamber of Commerce publications and District records

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS

	2003	2004	2005	2006	2007
Instruction	3,300.65	3,233.50	3,246.00	3,254.87	3,346.39
Pupil services	209.00	209.00	222.50	224.97	235.96
Instructional services	37.50	44.00	64.04	68.04	74.99
Educational media services	92.00	92.00	91.50	93.50	93.49
General administration	36.50	35.50	36.46	41.96	38.98
Business administration	36.50	35.50	34.50	34.50	35.50
School administration	247.50	247.50	249.50	251.00	258.99
Pupil transportation	0.00	0.00	0.00	0.00	1.00
Maintenance and operations	400.00	398.00	399.00	399.00	399.00
Central support services	34.50	33.50	39.50	41.50	47.00
Other support services	10.00	9.00	9.00	8.00	9.00
Food service operations	380.00	378.50	365.00	364.50	328.00
TOTAL	4,784.15	4,716.00	4,757.00	4,781.84	4,868.30

	2008	2009	2010	2011	2012
Instruction	3,465.18	3,535.40	3,454.00	3,445.00	3,305.00
Pupil services	244.47	256.00	251.75	229.50	223.50
Instructional services	77.48	76.00	72.50	69.00	71.00
Educational media services	92.50	90.50	88.50	89.50	88.50
General administration	39.48	16.00	17.00	17.00	17.00
Business administration	35.50	37.00	36.00	36.00	38.00
School administration	277.00	273.00	264.00	266.00	271.00
Pupil transportation	1.00	1.00	1.00	1.00	0.00
Maintenance and operations	427.60	447.00	430.00	427.00	426.50
Central support services	42.25	68.00	59.00	59.00	59.00
Other support services	7.00	7.00	7.00	7.00	7.00
Food service operations	342.00	386.00	323.50	330.50	332.00
TOTAL	5,051.46	5,192.90	5,004.25	4,976.50	4,838.50

Source: District records

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Total Governmental Activities Expense	Cost Per Student	Percentage Change	Teaching Staff	Student/ Teacher Ratio	Free/ Reduced Price Meal Eligibility
2003	34,730	287,712,806	8,284	N/A	2,818.95	12.32	53.59%
2004	34,507	295,094,693	8,552	3.23%	2,750.50	12.55	55.21%
2005	34,544	305,425,325	8,842	3.39%	2,791.60	12.37	57.95%
2006	33,962	316,983,600	9,333	5.56%	2,826.54	12.02	61.04%
2007	34,250	343,134,606	10,019	7.34%	2,915.04	11.75	60.10%
2008	34,145	366,094,711	10,722	7.02%	3,024.15	11.29	59.00%
2009	33,996	369,664,024	10,874	1.42%	3,053.90	11.13	61.85%
2010	34,550	354,337,530	10,256	-5.68%	2,977.90	11.60	69.75%
2011	35,146	366,653,547	10,432	1.72%	2,929.20	12.00	62.65%
2012	35,808	359,796,765	10,048	-3.68%	2,797.85	12.80	64.50%

Source: District records
N/A - Data not available

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
TEACHER DATA
LAST TEN FISCAL YEARS

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Teachers by Level of Education:										
Level Four - Bachelor's degree or equivalent	1,380.80	1,078.30	1,185.00	1,207.80	1,128.15	1,390.45	1,154.00	1,088.10	975.00	897.00
Level Five - Master's degree or equivalent	1,222.65	1,485.70	1,369.50	1,375.08	1,524.27	1,358.79	1,471.03	1,462.30	1,469.70	1,412.85
Level Six - Education Specialist's or equivalent	159.00	128.00	179.00	181.98	203.14	218.43	352.89	353.50	404.00	416.00
Level Seven - Ph.D. or Ed.D or equivalent	37.50	40.50	41.10	46.48	41.48	37.48	54.98	53.50	63.50	66.50
Other	19.00	18.00	17.00	15.20	18.00	19.00	21.00	20.50	17.00	5.50
TOTAL	2,818.95	2,750.50	2,791.60	2,826.54	2,915.04	3,024.15	3,053.90	2,977.90	2,929.20	2,797.85
Teachers by Salary Steps: [1]										
Step 0	1.00	3.00	1.50	1.00	2.00	7.00	199.00	120.00	156.50	105.00
Step 1	-	1.00	9.00	0.00	14.00	2.00	98.50	69.50	45.00	20.00
Step 2	-	2.00	7.00	0.00	1.00	0.00	47.50	64.00	48.50	21.00
Step 3	427.50	259.00	304.00	313.60	271.50	408.30	202.60	170.00	136.50	155.00
Step 4	135.50	127.50	128.00	165.00	160.50	126.00	210.00	191.60	151.50	129.00
Step 5	105.20	104.50	138.90	107.75	150.20	435.20	113.50	199.00	175.00	141.00
Step 6	112.50	101.50	115.20	137.50	317.85	125.00	133.50	107.50	183.00	154.00
Step 7	287.70	599.50	328.80	336.05	224.50	125.50	132.20	123.00	102.00	173.50
Step 8	109.50	97.50	111.90	96.30	109.50	131.90	129.30	114.70	122.50	98.00
Step 9	86.50	85.00	110.10	111.40	89.50	109.50	147.50	124.80	107.50	113.50
Step 10	68.50	67.70	88.50	106.40	100.10	90.50	105.00	198.50	176.30	139.00
Step 11	87.75	57.50	75.50	92.25	108.50	99.60	85.50	99.50	132.00	120.80
Step 12	89.00	79.50	61.90	75.10	91.30	101.50	101.00	86.50	103.00	125.00
Step 13	84.40	80.00	86.60	57.00	67.50	80.50	107.50	100.50	82.50	97.50
Step 14	84.10	69.00	79.50	85.90	50.50	63.50	90.50	109.00	97.00	77.00
Step 15	61.50	76.00	77.00	83.99	92.49	52.50	70.00	81.50	109.00	93.50
Step 16	73.00	51.00	79.80	80.75	72.00	78.49	57.50	70.00	72.50	99.50
Step 17	62.00	65.50	60.00	77.60	77.00	79.00	85.50	56.50	70.50	69.00
Step 18	57.60	48.00	72.60	57.00	73.90	73.00	70.00	77.00	48.00	70.20
Step 19+20	659.40	544.00	205.80	150.90	134.80	129.50	156.50	144.50	150.00	123.00
Step 21+22 [2]			409.90	434.53	494.14	502.41	465.73	501.30	492.40	487.50
Step 25+26	226.30	231.80	240.10	256.52	212.26	203.25	245.57	169.00	168.00	185.85
TOTAL	2,818.95	2,750.50	2,791.60	2,826.54	2,915.04	3,024.15	3,053.90	2,977.90	2,929.20	2,797.85
Average Salary	$43,003	$43,364	$44,535	$45,712	$47,347	$47,872	$49,631	$48,326 *	$50,153	$50,672

Source: District records

[1] Salary Steps generally equal years of experience, although differences can occur.

[2] Step 21 was added to the salary scale in FY 2006.

* "Average Salary" decreased in FY10 since Teachers worked a 185-day work year. The other Fiscal Years are for 190-day work years.

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
TEACHER SALARY SCHEDULE
LAST TEN FISCAL YEARS

Fiscal Year	Minimum *	Maximum *
2003	31,075	68,554
2004	31,075	68,554
2005	31,465	70,635
2006	32,257	72,969
2007	33,475	75,613
2008	35,000	77,674
2009	35,815	79,443
2010 **	34,873	77,352
2011	35,815	79,443
2012	35,815	79,443

Source: District records

* Minimum - T-4 Certification, Maximum - Doctorate
** The FY2010 Salaries are based on a 185 day work year. The other Fiscal Years are for 190 day work years.

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
SCHOOL ENROLLMENT
LAST TEN FISCAL YEARS

	20th day 2003	20th day 2004	20th day 2005	20th day 2006	20th day 2007	10th day 2008	10th day 2009	10th day 2010	10th day 2011	10th day 2012
Elementary Schools:										
Bartow	503	469	456	504	538	546	577	591	779	665
Bloomingdale	523	566	650	655	680	672	643	700	476	453
Butler	660	690	710	739	812	839	835	791	639	657
Coastal Empire Montessori	-	-	-	-	-	-	110	134	188	232
East Broad	597	632	589	556	554	558	583	541	667	619
Ellis	549	541	524	523	544	553	555	562	557	564
Gadsden	594	673	674	619	613	581	618	611	598	565
Garden City	581	557	570	554	548	597	572	583	653	707
Garrison	609	583	569	530	453	432	392	454	697	809
Georgetown	610	698	663	609	661	672	666	713	585	660
Godley Station K-8	-	-	-	-	-	-	-	-	1,229	1,436
Gould	590	533	546	505	547	577	649	719	821	814
Haven	356	350	373	354	415	417	408	378	455	484
Heard	562	573	582	594	664	651	679	754	534	583
Hesse	600	551	501	467	466	516	570	700	845	989
Hodge	517	467	409	398	417	375	421	373	429	453
Howard	712	662	634	619	639	621	654	701	791	791
Islands	590	743	727	629	659	715	741	747	-	-
Isle of Hope	596	531	518	466	462	433	484	583	650	705
J.G. Smith	394	391	413	412	402	390	414	402	397	395
Largo-Tibet	611	614	606	547	533	531	593	583	715	741
Low	642	593	551	515	495	515	513	570	561	542
Marshpoint	823	837	858	929	890	929	903	873	851	896
Pooler	372	357	362	352	367	418	460	512	448	504
Port Wentworth	399	303	340	339	387	501	603	716	515	519
Pulaski	510	547	495	450	482	561	626	601	539	583
Shuman	-	-	-	-	-	-	-	-	663	723
Southwest	612	685	729	758	761	734	809	775	777	737
Spencer	354	494	487	550	561	551	415	379	526	521
Thunderbolt	650	682	671	689	656	624	521	515	413	447
West Chatham	534	577	624	672	727	780	915	994	744	822
White Bluff	819	776	723	701	669	565	591	620	636	626
Whitney	486	-	-	-	-	-	-	-	-	-
Windsor Forest	595	568	551	510	512	501	500	471	568	629
	17,550	17,243	17,105	16,745	17,114	17,355	18,020	18,646	19,946	20,871
Middle Schools:										
Bartlett	842	802	799	719	563	545	483	438	897	769
Coastal	850	866	807	741	710	810	885	926	704	695
DeRenne	835	876	877	813	891	873	837	803	705	679
Hubert	528	521	488	471	435	369	264	385	596	619
Mercer	763	757	745	757	878	891	823	783	663	619
Myers	874	889	882	816	706	731	557	621	561	551
Oglethorpe	300	335	363	391	396	405	407	420	421	427
Shuman	795	720	786	784	825	725	649	412	-	-
Southwest	901	947	946	919	891	885	973	957	685	711
Tompkins	496	470	433	447	400	-	-	-	-	-
West Chatham	963	981	961	898	909	959	1,000	1,096	1,017	1,001
	8,147	8,164	8,087	7,756	7,604	7,193	6,878	6,841	6,249	6,071

Source: District records

	20th day 2003	20th day 2004	20th day 2005	20th day 2006	20th day 2007	10th day 2008	10th day 2009	10th day 2010	10th day 2011	10th day 2012
High Schools:										
Beach	1,300	1,259	1,253	1,254	1,156	1,051	980	939	967	970
Gateway to College	-	-	-	-	-	-	62	93	99	18
Groves	1,334	1,378	1,494	1,597	1,590	1,478	1,287	1,359	1,330	1,304
Islands	-	-	-	-	-	-	-	-	560	730
Jenkins	1,620	1,656	1,717	1,610	1,691	1,763	1,563	1,517	1,387	1,294
Johnson	1,085	1,183	1,212	1,291	1,415	1,567	1,518	1,378	1,086	995
Savannah Arts	570	548	597	669	698	671	731	750	754	765
Savannah High	1,012	924	890	1,232	1,162	1,178	915	937	820	762
Windsor Forest	1,623	1,629	1,651	1,302	1,252	1,266	1,289	1,331	1,260	1,179
Woodville-Tompkins	-	-	-	-	-	-	-	-	-	104
	8,544	8,577	8,814	8,955	8,964	8,974	8,345	8,304	8,263	8,121
Other Educational Programs:										
Coastal Georgia Comprehensive Academy	116	119	133	139	172	165	181	161	167	164
Corporate Academies	138	138	124	114	111	154	51	76	34	14
Early College	-	-	-	-	-	91	140	165	184	226
Fresh Start at Shuman ES	-	-	-	-	-	-	-	-	-	23
New Alternative Learning Center at Scott	-	-	-	-	244	190	339	307	284	296
Oatland Island Intervention	7	-	-	-	-	-	-	-	-	-
Riley Learning Center	77	82	61	61	-	-	-	-	-	-
Scott Learning Center	87	114	165	160	-	-	-	-	-	-
TAPP	64	70	55	32	41	5	22	30	-	-
Woodville Tompkins Pre-K	-	-	-	-	-	18	20	20	19	22
	489	523	538	506	568	623	753	759	688	745
	34,730	34,507	34,544	33,962	34,250	34,145	33,996	34,550	35,146	35,808

Note: Enrollment changes daily. Over the last ten fiscal years, the 10th day of school and the 20th day of school have been used for official enrollment reporting purposes.

Source: District records

THE BOARD OF PUBLIC EDUCATION FOR THE CITY OF SAVANNAH
AND THE COUNTY OF CHATHAM, GEORGIA
SCHOOL BUILDINGS AND OTHER FACILITIES
AS OF JUNE 30, 2012

	Grades	Date occupied [1]	Square footage [2]	Acres [3]	Capacity [4]	2012 Enrollment [5]	Percentage of capacity used	Square footage per student
Elementary Schools:								
Bartow	Pre-K - 5	1963	61,342.0	16.23	532	665	125%	92.2
Bloomingdale	Pre-K - 5	1951	54,247.0	10.89	444	453	102%	119.8
Butler	Pre-K - 5	2011	85,906.0	14.78	600	657	110%	130.8
Coastal Empire Mntss	Pre-K - 3	2008	Leased	N/A	N/A	232	N/A	N/A
East Broad	Pre-K - 7	1990	100,554.0	12.95	846	619	73%	162.4
Ellis	Pre-K - 8	1929	53,136.0	0.60	500	564	113%	94.2
Gadsden	Pre-K - 5	1951	53,811.0	3.42	438	565	129%	95.2
Garden City	Pre-K - 5	1996	89,089.0	18.26	537	707	132%	126.0
Garrison	Pre-K - 8	1990	111,105.0	4.57	918	809	88%	137.3
Georgetown	Pre-K - 7	1994	89,089.0	22.97	758	660	87%	135.0
Godley Station	Pre-K - 8	2010	168,288.0	52.38	1,200	1,436	120%	117.2
Gould	Pre-K - 5	1956	80,730.0	16.98	755	814	108%	99.2
Haven	Pre-K - 5	1963	54,069.0	9.51	466	484	104%	111.7
Heard	Pre-K - 5	1957	45,907.0	7.85	395	583	148%	78.7
Hesse	Pre-K - 8	1963	69,159.0	12.38	718	989	138%	69.9
Hodge	Pre-K - 5	1953	61,022.0	9.41	429	453	106%	134.7
Howard	Pre-K - 5	1958	76,008.0	15.01	752	791	105%	96.1
Isle of Hope	Pre-K - 8	1956	61,890.0	9.78	492	705	143%	87.8
J.G. Smith	Pre-K - 5	1950	49,672.0	6.07	404	395	98%	125.8
Largo-Tibet	Pre-K - 5	1969	50,322.0	24.32	456	741	163%	67.9
Low	Pre-K - 5	1957	53,272.0	9.57	585	542	93%	98.3
Marshpoint	Pre-K - 5	1997	93,598.0	10.46	730	896	123%	104.5
Pooler	Pre-K - 5	1948	48,339.0	6.36	427	504	118%	95.9
Port Wentworth	Pre-K - 5	1937	72,836.0	20.15	687	519	76%	140.3
Pulaski	Pre-K - 5	2010	89,768.0	18.32	687	583	85%	154.0
Shuman	K - 5	1963	117,862.0	14.13	968	723	75%	163.0
Southwest	Pre-K - 5	1999	88,282.0	42.76	771	737	96%	119.8
Spencer	Pre-K - 5	1956	71,682.0	9.70	633	521	82%	137.6
Thunderbolt	Pre-K - 5	1968	50,551.0	5.99	531	447	84%	113.1
West Chatham	Pre-K - 5	1999	100,523.0	52.64	857	822	96%	122.3
White Bluff	Pre-K - 5	1956	73,915.0	15.34	508	626	123%	118.1
Windsor Forest	Pre-K - 5	1961	87,150.0	17.30	778	629	81%	138.6
TOTAL ELEMENTARY SCHOOLS			2,363,124.0	491.08	19,802	20,871	105%	113.2
Middle Schools:								
Bartlett	6-8	1962	121,486.0	13.13	1,036	769	74%	158.0
Coastal	6-8	1992	100,554.0	10.46	850	695	82%	144.7
DeRenne	6-8	1985	124,058.0	38.06	724	679	94%	182.7
Hubert	6-8	1960	88,770.0	9.49	716	619	86%	143.4
Mercer	6-8	1962	120,536.0	9.47	916	619	68%	194.7
Myers	6-8	2000	125,437.0	17.27	834	551	66%	227.7
Oglethorpe	6-8	1999	29,678.0	4.47	260	427	164%	69.5
Southwest	6-8	1998	118,558.0	18.58	960	711	74%	166.7
West Chatham	6-8	1998	138,600.0	41.53	986	1,001	102%	138.5
TOTAL MIDDLE SCHOOLS			967,677.0	162.46	7,282	6,071	83%	159.4

	Grades	Date occupied [1]	Square footage [2]	Acres [3]	Capacity [4]	2012 Enrollment [5]	Percentage of capacity used	Square footage per student
High Schools:								
Beach	9-12	1959	189,734.0	21.87	1,392	970	70%	195.6
Gateway to College	9-12	2008	Housed at Savh Tech	N/A	N/A	18	N/A	N/A
Groves	9-12	1958	190,517.0	24.36	1,672	1,304	78%	146.1
Islands	9-12	1992	118,558.0	17.11	986	730	74%	162.4
Jenkins	9-12	1956	168,914.0	28.71	1,433	1,294	90%	130.5
Johnson	9-12	2001	195,524.0	27.35	1,148	995	87%	196.5
Savannah Arts	9-12	1937	135,989.0	7.49	700	765	109%	177.8
Savannah High	9-12	1998	244,410.0	51.37	1,443	762	53%	320.7
Windsor Forest	9-12	1969	154,043.0	24.62	1,369	1,179	86%	130.7
Woodville Tompkins TCI	9-12	1998	122,995.0	16.04	740	104	N/A	N/A
TOTAL HIGH SCHOOLS			1,520,684.0	218.92	10,883	8,121	75%	187.3
Other Educational Programs:								
Coastal Georgia Comprehensive Academy	Pre-K - 12	1967	34,432.0	5.77	N/A	164	N/A	210.0
Corporate Academies	9 - 12	1992	Housed at WTTCI	N/A	N/A	14	N/A	N/A
Early College	9 - 12	2008	Housed at WTTCI Annex	N/A	N/A	226	N/A	N/A
Fresh Start	K - 5	1963	Housed at Shuman ES	N/A	N/A	23	N/A	N/A
Scott Alternative Learning Center	K - 12	2006	65,831.0	15.96	N/A	296	N/A	222.4
Woodville Tompkins Pre-K		2007	Housed at WTTCI		N/A	22	N/A	N/A
TOTAL OTHER EDUCATIONAL PROGRAMS			100,263.0	21.73	N/A	745	N/A	N/A
Other Facilities:								
Central Office		1901	78,768.0	1.43				
Maintenance/Warehouse		1965	49,608.0	11.58				
Massie Heritage Center		1856	10,204.0	0.26				
Oatland Island		1927	48,277.0	181.51				
New Beach HS/Old Hodge ES site		pending	-	15.01				
New High School/Little Neck Rd.		pending	-	75.00				
New Oglethorpe Charter/Central Ave.		pending	-	16.30				
Riley Learning Center		1915	26,088.0	0.63				
Rockingham Farms			vacant land	19.74				
WTTCI Annex(fmrlySecondaryTech)		1967	59,500.0	5.56				
Transportation Facility		1989	27,690.0	6.17				
Whitney		1953	41,016.0	5.28				
TOTAL OTHER FACILITIES			341,151.0	338.47				
GRAND TOTAL			5,292,899.0	1,232.66	37,967	35,808	94%	

[1] District records

[2] Appraisal by CBIZ Valuation Group and district records. Does not include portable classrooms.

[3] Chatham County Tax Assessor and district records

[4] 2002 DeJong Associates, Inc., facility study and district records. Does not include portable classrooms.

[5] Enrollment as of 10th day of school, FY 2012, per district records.


SCCPSS