GLYNN COUNTY BOARD OF EDUCATION
Brunswick, Georgia

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2011


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Annual Financial Report
For the Year Ended June 30, 2011

Table of Contents

	Page
Independent Auditors' Report	A -1
Management's Discussion and Analysis	B -1
Basic Financial Statements:	
District-wide Financial Statements:	
Statement of Net Assets	C - 1
Statement of Activities	C - 2
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	C - 3
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	C - 4
Statement of Revenues, Expenditures, and Changes in Fund Balances	C - 5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C - 6
Proprietary Funds (Internal Service):	
Statement of Net Assets	C - 7
Statement of Revenues, Expenses and Changes in Fund Net Assets	C - 8
Statement of Cash Flows	C - 9
Fiduciary Funds (Agency):	
Statement of Fiduciary Assets and Liabilities	C - 10
Notes to the Basic Financial Statements	C - 11
Required Supplementary Information other than MD&A:	
Budgetary Comparison Schedule - General Fund	D - 1
Notes to Required Supplementary Information on Budgetary Accounting and Control	D - 2
Supplementary Data - Combining Fund Financial Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet - by Fund Type	E - 1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - by Fund Type	E - 3
Budgetary Comparison Schedules - Nonmajor Governmental Funds:	
Special Revenue Funds:	
Special Programs	E - 5
Title I	E - 6
Title II	E - 7
Title IVB	E - 8
Special Education	E - 9
Pre Kindergarten	E - 10
Athletics	E - 11
School Food Service	E - 12
Debt Service Fund	E - 13

Glynn County Board of Education

Annual Financial Report
For the Year Ended June 30, 2011

Table of Contents

	Page
Internal Service Funds:	
Combining Statement of Net Assets	E - 14
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	E - 15
Combining Statement of Cash Flows	E - 16
Fiduciary Funds:	
Statement of Changes in Assets and Liabilities - Agency Funds	E - 17
Supplemental Schedule:	
Schedule of Approved Special Purpose Local Option Sales Tax Projects	E - 18
Compliance and Internal Control Reports:	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	F - 1
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	F - 3
Schedule of Expenditures of Federal Awards	F - 5
Note to the Schedule of Expenditures of Federal Awards	F - 7
Schedule of Findings and Questioned Costs and Status of Prior Audit Findings	F - 8

INDEPENDENT AUDITORS' REPORT


GLYNN
SCHOOLS
COUNTY

KARP, RONNING & TINDOL
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Superintendent and Members of the
Glynn County Board of Education
Brunswick, Georgia:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Glynn County Board of Education (School District), as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the School District. 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 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 School District, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, 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 March 29, 2012, on our consideration of the School District's internal control over financial reporting and 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 compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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Required Supplementary Information

The Management's Discussion and Analysis beginning on page B-1 and the required supplementary information other than Management's Discussion and Analysis beginning on page E-1 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Supplementary Data - Combining Fund Financial Statements and Schedules

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The supplementary data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. In addition, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Karp, Ronning & Tindol, P.C.

Karp, Ronning & Tindol, P.C.

Savannah, Georgia
March 29, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS


GLYNN
SCHOOLS
COUNTY

GLYNN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

The discussion and analysis of Glynn County Board of Education's financial performance provides an overall review of the Board's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Board's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the Board's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2011 are as follows:

- In total, net assets increased $21.4 million, which represents a 13 percent increase from fiscal year 2010. This increase was due to governmental activities since the Board has no business-type activities.

- General revenues accounted for $92.2 million in revenue or 60 percent of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for $60.5 million or 40 percent of total revenues of $152.7 million.

- The Board had $131.3 million in expenses related to governmental activities; only $60.5 million of these expenses were offset by program revenues. General revenues (primarily property and sales taxes) of $92.2 million funded the remaining expenses for these programs.

- Among major funds, the general fund has $112.9 million in revenues and $103.7 million in expenditures. The general fund's fund balance increased by $9.2 million to $30 million.

Using the Basic Financial Statements

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

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

Reporting the Board as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the Board to provide programs and activities, the view of the Board as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2011?" The *Statement of Net Assets* and the *Statement of Activities* answers this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the Board's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Board's major funds. The Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Board's most significant funds. The Board's major governmental funds are the general fund, and the capital projects fund.

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

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

The Board as a Whole

- The perspective of the statement of net assets is of the Board as a whole. Table 1 provides a summary of the Board's net assets for fiscal year 2011 compared to fiscal year 2010.

Table 1
Net Assets
(In Thousands)

	Governmental Activities	
	Fiscal Year 2011	Fiscal Year 2010
Assets		
Current and Other Assets	$ 139,222	$ 82,157
Capital Assets, Net	141,403	135,956
Total Assets	280,625	218,113
Liabilities		
Current and Other Liabilities	20,508	20,979
Long-Term Liabilities	72,195	30,598
Total Liabilities	92,703	51,577
Net Assets		
Invested in Capital Assets, Net of Related Debt	127,663	110,796
Restricted	18,504	23,753
Unrestricted	41,755	31,987
Total Net Assets	$ 187,922	$ 166,536

Total net assets increased $21.4 million in fiscal year 2011.

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Table 2 shows the changes in net assets for fiscal year 2011 compared to the changes in net assets for fiscal year 2010.

	Governmental Activities	
	Fiscal Year 2011	Fiscal Year 2010
Revenues		
Program Revenues:		
Charges for Services and Sales	$ 2,552	$ 2,672
Operating Grants and Contributions	56,800	56,321
Capital Grants and Contributions	1,136	35
Total Program Revenues	60,488	59,028
General Revenues:		
Taxes		
Property Taxes	71,741	79,116
Sales Taxes	17,586	17,997
Other Taxes	1,073	1,142
Grants and Contributions not Restricted to Specific Programs	191	13
Unrestricted Investment Earnings	130	119
Investment Earnings Restricted for Capital Projects	379	221
Miscellaneous	1,140	1,078
Total General Revenues	92,240	99,686
Total Revenues	152,728	158,714
Program Expenses		
Instruction	87,376	89,850
Support Services		
Pupil Services	3,679	4,221
Improvement of Instructional Services	4,429	5,814
Educational Media Services	2,079	2,255
General Administration	1,321	1,688
School Administration	6,510	7,088
Business Administration	1,082	1,187
Maintenance and Operation of Plant	10,146	10,691
Student Transportation Services	5,157	5,360
Central Support Services	1,658	1,845
Other Support Services	743	705
Operations of Non-Instructional Services		
Community Services	3	2
Food Services	5,731	5,757
Interest on Short-Term and Long-Term Debt	1,428	1,152
Total Expenses	131,342	137,615
Increase in Net Assets	21,386	21,099
Net Assets - Beginning	166,536	145,437
Net Assets - Ending	$ 187,922	$ 166,536

Governmental Activities

Instruction comprises 66.5 percent of governmental program expenses. Interest expense was 1 percent of governmental program expenses. Interest expense was attributable to capital leases and the outstanding bonds for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services comparing fiscal year 2011 with fiscal year 2010. Net cost of services can be defined as the total cost less fees generated by the activities and revenues or contributions provided for specific programs. That is, it identifies the cost of these services supported by tax revenues, unrestricted state grants, investment earnings and other general revenues.

Table 3
Governmental Activities
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2010
Instruction	$ 87,376	$ 89,850	$ 44,822	$ 49,171
Support Services				
Pupil Services	3,679	4,221	2,684	3,177
Improvement of Instructional Services	4,429	5,814	2,632	3,640
Educational Media Services	2,079	2,255	1,117	1,295
General Administration	1,321	1,688	(127)	138
School Administration	6,510	7,088	4,476	5,065
Business Administration	1,082	1,187	1,078	1,184
Maintenance and Operation of Plant	10,146	10,691	7,672	8,233
Student Transportation Services	5,157	5,360	3,895	4,041
Central Support Services	1,658	1,845	1,654	1,842
Other Support Services	743	705	237	236
Operations of Non-Instructional Services				
Community Services	3	2	(74)	(11)
Food Services	5,731	5,757	(640)	(575)
Interest on Short-Term and Long-Term Debt	1,428	1,152	1,428	1,152
Total Expenses	$ 131,342	$ 137,615	$ 70,854	$ 78,588

Expenditures for fiscal year 2011 decreased about 4.6% from the prior year, while net cost of services decreased about 9.8%. The decrease in net cost of services was due to an increase in Capital Grants revenue derived as reimbursement for construction costs in fiscal year 2011 from the Georgia State Financing and Investment Commission in the amount of $1,135,530 and to the decrease in expenditures of $6.3 million over fiscal year 2010 from budget cuts due to loss of revenue from the state and local taxes. Program specific revenues represent 40% of revenues. The Board is dependent upon tax revenues for governmental activities.

The Board's Funds

The Board's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of $224.9 million and expenditures and other financing uses of $166.4 million. The district-wide capital projects' fund balance had an increase of $48.5 million due to the sale of General Obligation Sales Tax Bonds in September 2010. The general fund had an increase of $9.2 million in fund balance. The positive change in the fund balance of the general fund for the year reflects that the Board was able to meet current costs without reducing its reserves.

General Fund Budgeting Highlights

The Board's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund which includes local, state and federal funds collected and disbursed for the purpose of operating the school system.

During the course of fiscal year 2011, the Board amended its general fund budget as needed. The Board uses site-based budgeting. The budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, the final budgeted revenues and other financing sources of $115.8 million was more than the original budgeted amount of $108.8 million by $7 million. This difference was due to an increase in QBE and federal grant revenues and to an increase in the adopted digest and prior year property tax collections. The actual revenues and other financing sources of $113.2 million were less than the budgeted amount of $115.8 million by $2.6 million due to a decrease in other financing sources from the capital projects fund.

The final budgeted expenditures and other financing uses of $ 111.8 million exceeded the original budgeted amount of $109.5 million by $2.3 million. This difference was due to changes in grants after the school year had begun, unanticipated expenditures, recording a capital lease, increase in heath insurance rates and transfers out. The actual expenditures and other financing uses of $104 million were $7.8 million less than budgeted. This difference was due to implementing a spending freeze, reducing the number of substitutes, combining positions and attrition.

General Fund revenues and other financing sources were more than the expenditures and other financing uses by $9.2 million. The Board was able to maintain an adequate fund balance during a downturn in the economy.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2011, the Board had $141 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2011 balances compared with fiscal year 2010 balances.

Table 4
Capital Assets at June 30
(Net of Depreciation, in Thousands)

	Governmental Activities	
	Fiscal Year 2011	Fiscal Year 2010
Land	$ 4,315	$ 2,859
Construction in Progress	11,212	54,851
Building and Building Improvements	120,439	70,822
Equipment	5,437	7,424
Total	$ 141,403	$ 135,956

Capital Assets increased by $5.5 million during fiscal year 2011. The Board completed the renovation of Risley Early College Academy and is building a new Risley Middle School. These capital expenditures are being funded with Educational Special Purpose Local Option Sales Tax (ESPLOST) revenues and General Obligation Bonds. In March of 2007, the voters of Glynn County approved the first ESPLOST for the school district to be collected between July 1, 2007 and December 31, 2010. In November of 2009, the voters of Glynn County approved the second ESPLOST for the school district to be collected between January 1, 2011 and December 31, 2015.

Debt

At June 30, 2011, the Board had $68.9 million in bonds outstanding with $20.9 million due within one year. Table 5 summarizes general obligation bonds, capital leases, and compensated absences outstanding. Table 5 shows fiscal year 2011 balances compared with fiscal year 2010 balances.

Table 5
Debt at June 30
(in Thousands)

	Governmental Activities	
	Fiscal Year 2011	Fiscal Year 2010
General Obligation Bonds	$ 68,865	$ 26,844
Capital Leases	626	1,170
Compensated Absences	2,467	2,507
Total	$ 71,958	$ 30,521

In November 2009, voters approved a 1% ESPLOST in conjunction with a $51.8 million General Obligation Bond issue for the purpose of building new schools and renovating schools. The ESPLOST, collected between January 1, 2011, and December 31, 2015, will be used to retire the bonds. In September 2010, Glynn County Board of Education issued $51.8 million in General Obligation Sales Tax Bonds to advance fund the capital projects. At June 30, 2011, the School District's assigned bond rating was "Aa1" as determined by Moody's Investors Service.

Current Issues

Despite state revenue austerity cuts of $6.4 million remaining intact since 2003, state mandated salary, retirement and health insurance increases only being partially funded, and the ongoing effort of the board to maintain class -sizes in accord with maximum class-size requirements from the state, the Glynn County School System has been able to accumulate $30 million in the General Fund and maintain the millage rate due to conservative budgeting practices. The digest has declined by 8.4% for the past two years. The Board voted to leave the millage rate at 15.230 in 2011. The School District passed their second ESPLOST, completed renovating the Risley Early College Academy and began constructing a new middle school. These projects will ensure adequate space for future growth in our middle schools.

Currently, there are no legal issues pending that would materially affect the financial position of the School System. Glynn County Schools is expecting the Austerity Reductions from the state to continue and the property digest to decrease due to the downturn in the economy. Although the Board will be looking to streamline programs and operations in order to compensate for the loss in revenues from the state and corrections in the digest, Glynn County Schools is in a sound financial position with a $30 million reserve and a conservative millage rate.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, you may contact Andrea H. Preston at Glynn County Board of Education, 1313 Egmont Street, Brunswick, Georgia 31521 or email at apreston@glynn.k12.ga.us.

DISTRICT-WIDE FINANCIAL STATEMENTS


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Statement of Net Assets

June 30, 2011

	Governmental Activities
Assets	
Cash and investments	$ 46,816,489
Receivables:	
Intergovernmental	4,452,312
Taxes	9,330,175
Other	3,564,058
Inventory and prepaid expenses	568,055
Deferred charges	236,746
Restricted cash and investments	74,254,667
Capital assets	
Land, improvements, and construction in progress	15,526,967
Other capital assets, net of accumulated depreciation	125,875,657
Total assets	280,625,126
Liabilities	
Accounts payable	3,831,614
Construction contracts payable - retainage	450,673
Accrued salaries and benefits	15,328,694
Interest payable	773,286
Other current liabilities	124,597
Long-term liabilities:	
Due within one year	21,344,578
Due in more than one year	50,850,000
Total liabilities	92,703,442
Net Assets	
Invested in capital assets, net of related debt	127,662,906
Restricted for	
Debt service	1,982,636
Capital projects	16,521,073
Unrestricted	41,755,069
Total net assets	$ 187,921,684

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

Glynn County Board of Education

Statement of Activities

For the Year Ended June 30, 2011

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	$ 87,376,162	$ 1,172,827	$ 40,245,855	$ 1,135,530	$ (44,821,950)
Support services:					
Pupil services	3,679,432	-	995,601	-	(2,683,831)
Improvement of instructional services	4,428,633	-	1,796,855	-	(2,631,778)
Educational media services	2,078,786	-	962,186	-	(1,116,600)
General administration	1,320,596	-	1,447,827	-	127,231
School administration	6,509,763	-	2,033,510	-	(4,476,253)
Business administration	1,082,111	-	3,548	-	(1,078,563)
Maintenance and operation of plant	10,146,298	-	2,474,152	-	(7,672,146)
Student transportation services	5,157,346	-	1,262,264	-	(3,895,082)
Central support services	1,658,194	-	4,160	-	(1,654,034)
Other support services	743,095	-	505,459	-	(237,636)
Operations of non-instructional services:					
Community services	3,024	76,790	-	-	73,766
Food services	5,730,728	1,302,024	5,069,089	-	640,385
Interest on long-term debt	1,427,786	-	-	-	(1,427,786)
Total governmental activities	$ 131,341,954	$ 2,551,641	$ 56,800,506	$ 1,135,530	(70,854,277)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					71,737,143
Property taxes, levied for debt service					4,109
Sales taxes for capital projects					17,585,815
Other taxes					1,072,556
Grants and contributions not restricted to specific programs:					
Other grants and contributions					191,147
Investment earnings:					
Unrestricted investment earnings					130,096
Restricted for capital projects					379,241
Miscellaneous					1,139,803
Total general revenues					92,239,910
Change in net assets					21,385,633
Net assets - beginning					166,536,051
Net assets - ending					$ 187,921,684

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

FUND FINANCIAL STATEMENTS


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Governmental Funds
Balance Sheet

June 30, 2011

	General	District-Wide Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	$ 35,551,349	$ 3,458,949	$ 5,061,239	$ 44,071,537
Receivables:				
Taxes	7,633,157	-	-	7,633,157
State government	4,386,623	1,697,018	65,689	6,149,330
Grants and other	124,379	-	3,439,679	3,564,058
Interfund receivables	2,733,212	176,881	833	2,910,926
Inventory and prepaid expenses	411,482	-	156,573	568,055
Restricted cash and investments	-	74,254,667	-	74,254,667
Total assets	$ 50,840,202	$ 79,587,515	$ 8,724,013	$ 139,151,730
Liabilities and fund balances				
Liabilities				
Accounts payable	$ 1,171,685	$ 1,162,796	$ 366,970	$ 2,701,451
Construction contracts payable - retainage	-	450,673	-	450,673
Accrued salaries and benefits	13,305,635	-	2,022,376	15,328,011
Interfund payables	399,372	180,975	2,343,367	2,923,714
Intergovernmental payables	-	-	5,150	5,150
Deferred revenue	5,739,314	-	-	5,739,314
Other current liabilities	124,597	-	-	124,597
Total liabilities	20,740,603	1,794,444	4,737,863	27,272,910
Fund balances				
Nonspendable:				
Inventory and prepaid expenses	411,482	-	156,573	568,055
Restricted:				
Debt service	-	6,248,544	-	6,248,544
Capital projects	-	71,544,527	-	71,544,527
School food service program	-	-	1,928,725	1,928,725
Assigned:				
Student activity accounts	-	-	295,724	295,724
Historic Glynn Academy	-	-	14,697	14,697
Athletic programs	-	-	456,364	456,364
Debt service	-	-	1,134,067	1,134,067
Appropriations for fiscal year 2012 budget	8,797,300	-	-	8,797,300
Local capital outlay projects	2,284,847	-	-	2,284,847
Unassigned	18,605,970	-	-	18,605,970
Total fund balances	30,099,599	77,793,071	3,986,150	111,878,820
Total liabilities and fund balances	$ 50,840,202	$ 79,587,515	$ 8,724,013	$ 139,151,730

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

Glynn County Board of Education

Reconciliation of Total Governmental Fund Balances
To Net Assets of Governmental Activities

June 30, 2011

Total Governmental Fund Balances		$ 111,878,820
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 the governmental funds, net of accumulated depreciation:		
Capital assets, at cost	$ 214,192,990	
Accumulated depreciation	(72,790,366)	141,402,624
Other long-term assets are not available to pay for current period expenditures:		
Deferred property taxes		5,739,314
Long-term and related liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.		
Unamortized bond issuance costs	$ 236,746	
Interest payable	(773,286)	
Compensated absences	(2,467,157)	
General obligation debt	(68,557,421)	
Capital leases payable	(1,170,000)	(72,731,118)
Internal service funds are used by management to charge the cost of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets		1,632,044
Net Assets of Governmental Activities		$ 187,921,684

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

Glynn County Board of Education

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2011

	General	District-Wide Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 73,125,870	$ -	$ 4,109	$ 73,129,979
Sales taxes	-	17,585,815	-	17,585,815
State sources	35,541,922	1,135,530	2,319,030	38,996,482
Federal sources	2,967,941	-	16,162,760	19,130,701
Charges for services	-	-	1,302,587	1,302,587
Investment earnings	113,340	379,241	11,972	504,553
Miscellaneous	1,158,956	-	1,411,265	2,570,221
Total revenues	112,908,029	19,100,586	21,211,723	153,220,338
Expenditures				
Current				
Instruction	70,157,791	-	11,434,952	81,592,743
Support services:				
Pupil services	3,045,492	-	649,549	3,695,041
Improvement of instructional services	2,835,835	-	1,613,710	4,449,545
Educational media services	2,073,696	-	5,090	2,078,786
General administration	1,187,979	-	332,064	1,520,043
School administration	6,369,192	-	156,246	6,525,438
Business administration	1,072,662	-	-	1,072,662
Maintenance and operation of plant	9,974,893	-	50,301	10,025,194
Student transportation services	4,097,641	-	284,747	4,382,388
Central support services	1,787,124	-	-	1,787,124
Other support services	236,391	-	504,755	741,146
Community services	3,024	-	-	3,024
Food services	33	-	5,668,418	5,668,451
Capital Outlay	-	11,760,071	-	11,760,071
Debt Service				
Principal	793,581	-	13,405,000	14,198,581
Interest and other charges	78,242	1,221,164	996,835	2,296,241
Total expenditures	103,713,576	12,981,235	35,101,667	151,796,478
Excess of revenues over (under) expenditures	9,194,453	6,119,351	(13,889,944)	1,423,860
Other financing sources (uses)				
Capital lease	249,754	-	-	249,754
Bond issuance	-	51,815,000	-	51,815,000
Premium on bond issuance	-	4,984,356	-	4,984,356
Transfers in	-	-	14,664,070	14,664,070
Transfers out	(234,127)	(14,429,943)	-	(14,664,070)
Total other financing sources (uses)	15,627	42,369,413	14,664,070	57,049,110
Net Changes in fund balances	9,210,080	48,488,764	774,126	58,472,970
Fund balances at beginning of year	20,889,519	29,304,307	3,212,024	53,405,850
Fund balances at end of year	$ 30,099,599	$ 77,793,071	$ 3,986,150	$ 111,878,820

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

Glynn County Board of Education

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2011

Net change in Fund Balances - Total Governmental Funds		$ 58,472,970
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	$ 11,743,495	
Depreciation expense	(6,293,761)	5,449,734
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of capital assets sold		(3,399)
Bond proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:		
General Obligation Sales Tax Bonds, Series 2010	$ (51,815,000)	
Premium on bonds issued	(4,984,356)	
Bond issuance costs	261,206	(56,538,150)
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability		(249,756)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year these amounts consist of:		
Bond principal retirement	$ 13,405,000	
Capital lease payments	793,581	14,198,581
Because some revenues will not be collected for several months after the system's fiscal year ends, they are not considered "available" revenues and are deferred in the governmenal funds. Deferred revenue decreased by this amount this year		(316,171)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Decrease in compensated absences	$ 40,092	
Net increase in accrued interest expense	(505,568)	
Amortization of bond premium	1,213,579	
Amortization of issuance costs	(100,761)	647,342
Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities		(275,518)
Change in Net Assets of Governmental Activities		$ 21,385,633

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

Glynn County Board of Education

Proprietary Funds
Statement of Net Assets

June 30, 2011

	Governmental Activities - Internal Service Funds
Assets	
Current assets:	
Cash and investments	$ 2,744,952
Interfund receivables	404,989
Total assets	3,149,941
Liabilities	
Current liabilities:	
Accounts payable and contracts payable	1,125,696
Due to other funds	392,201
Total liabilities	1,517,897
Net Assets	
Unrestricted	1,632,044
Total net assets	$ 1,632,044

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

Glynn County Board of Education

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Year Ended June 30, 2011

	Governmental Activities - Internal Service Funds
Operating revenues	
Risk management fees	$ 962,763
Total operating revenues	962,763
Operating expenses	
Risk management	1,243,065
Total operating expenses	1,243,065
Operating income (loss)	(280,302)
Nonoperating revenues	
Investment income	4,784
Total nonoperating revenues (expenses)	4,784
Change in net assets	(275,518)
Net assets, beginning of year	1,907,562
Net assets, end of year	$ 1,632,044

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

Glynn County Board of Education

Proprietary Funds
Statement of Cash Flows

For the Year Ended June 30, 2011

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Cash received for services and fees	$ 962,763
Cash payments for supplies and insurance	(1,085,389)
Net cash provided (used) by operating activities	(122,626)
Cash flows from noncapital financing activities:	
Increase in interfund payables	55,500
Decrease in interfund receivables	1,007,041
Net cash provided (used) by noncapital financing activities	1,062,541
Cash flows from investing activities:	
Interest earned on cash and investments	4,784
Net cash provided (used) by investing activities	4,784
Net increase (decrease) in cash and cash equivalents	944,699
Cash and cash equivalents, beginning of year	1,800,253
Cash and cash equivalents, end of year	$ 2,744,952
Operating income (loss)	$ (280,302)
Change in liabilities:	
Increase (decrease) in accounts payable	157,676
Total adjustments	157,676
Net cash provided (used) by operating activities	$ (122,626)

Glynn County Board of Education

Fiduciary Funds
Statement of Fiduciary Assets and Liabilities

June 30, 2011

	Agency Funds
Assets	
Cash and investments	$ 277,412
Total assets	$ 277,412
Liabilities	
Due to student groups	$ 277,412
Total liabilities	$ 277,412

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

NOTES TO THE BASIC FINANCIAL STATEMENTS


GLYNN
SCHOOLS
COUNTY

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.	Reporting Entity	C - 11
B.	Basic Financial Statements	C - 11
C.	Measurement Focus and Basis of Accounting	C - 13
D.	Assets, Liabilities, and Equity	C - 14
E.	Revenues, Expenditures, and Expenses	C - 17

NOTE II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A.	Cash and Investments	C - 18
B.	Receivables	C - 19
C.	Property Taxes	C - 20
D.	Capital Assets	C - 21
E.	Capital Leases	C - 22
F.	Long-term Debt	C - 22
G.	Interfund Receivables, Payables, and Transfers	C - 24
H.	Operating Leases	C - 25
I.	Restricted Assets	C - 25

NOTE III. OTHER NOTES

A.	Retirement Plans	C - 25
B.	Postemployment Benefits	C - 26
C.	Commitments and Contingencies	C - 27
D.	Risk Management	C - 27
E.	On-Behalf of Payments	C - 28


GLYNN
SCHOOLS
COUNTY

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.* The Board implemented the general provisions of the Statement in fiscal year 2003. Certain of the significant changes in the Statement include the following:

1) Management's Discussion and Analysis (MD&A) section providing an analysis of the Board's overall financial position and results of operations.
2) Financial Statements prepared using full accrual accounting for all of the Board's activities.
3) A change in the fund financial statements to focus on the major funds.

These changes are reflected in the accompanying financial statements (including notes to the basic financial statements.)

The Board'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 Board are discussed below.

A. Reporting Entity

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

B. Basic Financial Statements

The Board's basic financial statements include both district-wide (reporting the Board as a whole) and fund financial statements (reporting the Board'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, business administration, school administration, pupil transportation, maintenance and operations, 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 (b) and 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 Board's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Board first utilizes restricted resources to finance qualifying activities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The district-wide Statement of Activities reports both the gross and net cost of each of the Board'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) 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 Board does not allocate indirect cost to functions in the statement of activities.

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

a. Fund Financial Statements

The financial transactions of the Board 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.

GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of the governmental category) for the determination of major funds.

The District reports the following major governmental funds:

- General Fund
- District-wide Capital Projects Fund

The following fund types are used by the Board:

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 Board:

The ***General fund*** is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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.

The ***District-wide Capital Project fund*** is used to account for financial resources including eSPLOST, bond proceeds, and grants from the Georgia State Financing and Investment Commission to be used for the acquisition, construction, or renovation of major capital facilities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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 Board:

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

Fiduciary Funds

Fiduciary funds are used to report assets held in an agency capacity for others, are not available to support Board programs, and do not involve measurement of results of operations. The Board has one fiduciary (agency) fund. Student Activity funds account for various student activities.

The Board'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 expenditures /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 noncurrent) 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 measurable and available. "Available" means collectible within the current period or within 60 days after year end. Revenues considered susceptible to accrual are property taxes, intergovernmental revenues, and investment income. Expenditures are generally recognized under the modified accrual basis of accounting

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt are recognized when due.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

1. Cash and Cash Equivalents

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

2. Investments

During 2011 and as of June 30, 2011, the Board held no financial instruments classified as investments. The Board 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.

3. 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. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the district-wide financial statements in accordance with the accrual basis. Allowances for uncollectible taxes receivable are based upon historical trends and the periodic aging of taxes receivable.

4. Sales Tax

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $17,585,815 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

The Board sold general obligation bonds to provide advance funding for Capital Outlay Projects associated with issuance of Special Purpose Local Option Sales Tax (SPLOST). In fiscal year 2011, the School District provided $14,429,943 of SPLOST proceeds to the Debt Service Fund for debt services on said general obligation debt.

5. Inventory

Inventories are stated at cost (principally first-in, first-out), which is not in excess of market. The Board 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 equally offset by a reservation of fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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

6. 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 and equipment, 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 $5,000 or more for equipment and $10,000 for buildings and improvements. 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 asset or materially extend assets 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.....	30 years
Equipment.....	3-20 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.

7. 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.

District-wide Statements

All long-term debt to be repaid from governmental resources is reported as liabilities in the district-wide statements. The long-term debt consists primarily of general obligation bonds, contractual obligations, 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.

Fund Financial Statements

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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

8. Equity Classifications

District-wide Statements

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

1) **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.
2) **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.
3) **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 Financial 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:

1) **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.
2) **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.
3) **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.
4) **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.
5) **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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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 nonoperating 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 Board's internal service funds are charges to funds for risk management services. The Board's operating expenses for internal service funds include risk management expenses. All revenues and expenses not meeting this definition are reported as nonoperating 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 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 a 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.

4. Compensated Absences

Eligible Board employees can earn annual vacation based on length of service, to a maximum of 18 days after 10 years of service. However, no more than 45 days are allowed to be carried over between fiscal years. Sick pay is as follows:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

1) All employees earn one and one quarter days of sick leave with full pay each month.
2) Sick leave is cumulative up to an indefinite period.
3) Sick leave is paid for each day over 45 days at ½ of the substitute rate upon retirement or termination of employment.

All compensated absences 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.

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. Cash and Investments

Collateralization of Deposits

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

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

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

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

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

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

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

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

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

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

At June 30, 2011, the carrying amount of the Board's deposits was $121,348,402 and the bank balances were $120,521,317. The bank balances were entirely by either federal depository insurance or collateralized with securities held by the pledging financial institution.

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction the district will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The district does not have a formal policy for managing custodial credit risk.

Deposits and investments are reconciled between the financial statements and note disclosure as follows:

Basic financial statements:	
Cash and investments	$ 46,816,489
Restricted cash and investments	74,254,667
Fiduciary fund cash	277,412
Total	$ 121,348,568
Notes to financial statements:	
Deposits and investments	$ 121,348,402
Cash on hand	166
Total	$ 121,348,568

B. Receivables

The Board disaggregates significant components of receivables in the financial statements. Receivables from taxes expected to be collected within the subsequent fiscal year approximate $6.4 million in the General Fund.

In the General fund, significant components of intergovernmental receivables include $4.2 million from the State of Georgia for Quality Basic Education (QBE) formula grants.

In the District-wide capital projects fund, the intergovernmental receivables include $1.7 million due from the State of Georgia for eSPLOST revenue collected but not remitted at June 30, 2011.

Taxes receivable reported in General Fund represents 2010 and prior years' uncollected taxes. Deferred taxes are recorded as liabilities for the amount included in taxes receivable, which are not collected in time (60 days after year-end) to meet the "available" criteria in accordance with GASB Cod. Sec. 1600.103. An evaluation of the allowance for uncollected taxes is made in relation to the expected collectability of the taxes.

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

receivable, and the allowance is adjusted to an amount estimated to be adequate to cover any eventual losses. At June 30, 2011, the allowance was $180,881.

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

C. Property Taxes

The Glynn County Tax Commissioner 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 Glynn 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 Glynn County Tax Commissioner. Glynn 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, 2010
Vehicle personal property tax bill rendered	January 1, 2010
Delinquency date - vehicle personal property taxes	Taxpayer's birthday
Millage rate approved	July 29, 2010
Real and personal property tax bills rendered	September 15, 2010
Real and personal property tax payments due	November 15, 2010

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

D. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

	Balance June 30, 2010	Increases	Decreases	Transfers	Balance June 30, 2011
Capital assets, not being depreciated:					
Land	$ 2,858,634	$ -	$ -	$ 1,456,130	$ 4,314,764
Construction in progress	54,851,460	11,394,935	-	(55,034,192)	11,212,203
Total capital assets, not being depreciated	57,710,094	11,394,935	-	(53,578,062)	15,526,967
Capital assets, being depreciated:					
Buildings and improvements	110,929,942	-	-	53,578,062	164,508,004
Equipment	33,886,018	348,560	(76,559)	-	34,158,019
Total capital assets, being depreciated	144,815,960	348,560	(76,559)	53,578,062	198,666,023
Less accumulated depreciation for:					
Buildings and improvements	(40,107,688)	(3,961,489)	-	-	(44,069,177)
Equipment	(26,462,077)	(2,332,272)	73,160	-	(28,721,189)
Total accumulated depreciation	(66,569,765)	(6,293,761)	73,160	-	(72,790,366)
Total capital asset, being depreciated, net	78,246,195	(5,945,201)	(3,399)	53,578,062	125,875,657
Governmental activities capital assets, net	$ 135,956,289	$ 5,449,734	$ (3,399)	$ -	$ 141,402,624

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

Governmental activities:	
Instruction	$ 5,150,218
Improvement of instructional services	13,654
School administration	1,582
Business administration	4,390
Maintenance and operations	121,379
Pupil transportation	748,088
Support services	139,537
Food service operations	114,913
Total Depreciation expense - governmental activities	$ 6,293,761

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

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, 2011 are as follows:

Year	Principal	Interest	Total
2012	417,924	30,345	448,269
2013	144,482	6,042	150,524
2014	63,769	519	64,288
Totals.....	$ 626,175	$ 36,906	$ 663,081

The following is an analysis of capital assets leased under capital leases as of June 30, 2011:

	Capital Assets Under Capital Leases
Equipment.....	$ 2,262,136
Less: accumulated depreciation.....	(1,044,601)
Total.....	$ 1,217,535

F. Long-term Debt

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

	Interest Rates	Original Debt	Balance June 30, 2011
General Obligation Bonds:			
Series 1995	4.00% to 5.10%	$ 18,760,000	$ 1,070,000
Sales Tax, Series 2007	5.00%	43,730,000	11,935,000
Sales Tax, Series 2010	3.00% to 4.00%	51,815,000	51,815,000
Total General Obligation Bonds.....		$ 114,305,000	$ 64,820,000

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

Requirements to Maturity - General Obligation Debt

Year	Principal	Interest
2012	20,505,000	2,202,985
2013	9,000,000	1,592,600
2014	9,500,000	1,222,600
2015	13,000,000	772,600
2016	12,815,000	256,300
Totals.....	$ 64,820,000	$ 6,047,085

Changes in Long-term Debt

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011	Due Within One Year
General obligation bonds:					
General obligation bonds.....	$ 26,410,000	$ 51,815,000	$ (13,405,000)	$ 64,820,000	$ 20,505,000
Unamortized premium.....	510,469	4,984,356	(1,213,579)	4,281,246	382,853
Unamortized issuance cost.....	(76,300)	(261,206)	100,761	(236,745)	-
Total general obligation bonds.....	26,844,169	56,538,150	(14,517,818)	68,864,501	20,887,853
Capital leases payable.....	1,170,000	249,756	(793,581)	626,175	417,923
Compensated absences.....	2,507,248	30,069	(70,161)	2,467,156	38,802
Totals.....	$ 30,521,417	$ 56,817,975	$ (15,381,560)	$ 71,957,832	$ 21,344,578

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

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

G. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General	Capital Projects	$ 180,975
	Other governmental	2,160,036
	Internal service	392,201
Subtotal General Fund interfund receivable.....		2,733,212
Capital Projects	General	176,881
Other governmental	General	833
Total governmental fund interfund receivables.....		2,910,926
Proprietary Funds:		
Internal service	General	399,372
	Other governmental	5,617
Total proprietary fund interfund receivables.....		404,989
Total due to / from other funds.....		$ 3,315,915

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.

	Transfer In:	
Transfer out:	Nonmajor Governmental	Total
General Fund.....	$ 234,127	$ 234,127
Capital Projects.....	14,429,943	14,429,943
Totals.....	$ 14,664,070	$ 14,664,070

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.

II. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (*continued*)

H. Operating Leases

All operating leases were satisfied during fiscal year end June 30, 2011. Rental expenditures in 2011 amounted to $199,135. The Board did not renew or enter into any new operating leases in during the year.

I. Restricted Assets

Special Purpose Local Option Sales Tax (SPLOST) proceeds, general obligation bond proceeds, and Georgia State Financing and Investment Commission (GSFIC) funds are restricted assets in the Statement of Net Assets because their use is limited by applicable bond covenants or statutory provisions. Restricted assets at June 30, 2011, were as follows:

Special Purpose Local Option Sales Tax funds	$ 14,300,929
Unspent General Obligation Bonds	60,225,673
	$ 74,526,602

III. OTHER NOTES

A. Retirement Plans

Teachers' Retirement System

Plan Description. The Board 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 Board 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 Board are established and may be amended by the TRS Board of Trustees. The Board's contributions to TRS were equal to the required contributions for each year.

Year ended June 30,	Percentage Contributed	Required Contribution
2011	100%	$ 7,653,169
2010	100%	7,300,794
2009	100%	7,025,508
2008	100%	6,495,846
2007	100%	6,067,840

III. OTHER NOTES (*continued*)

All full-time bus drivers, lunchroom personnel, and 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.

The Board's total fiscal year 2011 payroll for all of its employees was $80,110,361.

Section 403- B Tax Qualified Retirement Plan

The Board makes available an IRS section 403-b tax qualified retirement plan for its classified employees. Participation is voluntary. To be eligible for matching funds, you cannot be a participant of TRS, and must contribute at least 1% of compensation. During 2011, employee contributions amounted to $191,700 and employer contributions amounted to $307,325.

B. Postemployment Benefit Plans

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. The GRHBF is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of the State including all departments, agencies and local school systems. GRHBF provides health insurance benefits to eligible retirees and their qualified beneficiaries through the health insurance plan for State employees. Pursuant to Title 45, Chapter 18 of the Official Code of Georgia Annotated, the authority to establish and amend the benefit provisions of the employees' health insurance plan (including benefits to retirees) is assigned to the Board of Community Health (Board). 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, GA 30303.

Funding Policy. The contribution requirements of plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. On average, plan members pay approximately twenty-five percent (25%) of the cost of health insurance coverage.

Participating employers are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The 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 combined rates for the active and retiree plans for the fiscal year ended June 30, 2011, were as follows:

Certified employees	
July 2010 - April 2011	21.955% of state-based salaries for August – May coverage
May 2011 – June 211	1.429% of state-based salaries for June coverage
Non-Certificated Employees	
July 2010 – November 2010	$162.72 for August – December coverage
December 2010 – April 2011	$218.20 for January – May coverage
May 2011 – June 2011	$246.20 for June coverage

III. OTHER NOTES (*continued*)

No additional contribution was required by the Board for fiscal year 2011 nor contributed to GRBHF to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the State plan for other postemployment benefits and are subject to appropriation.

The School District's contributions to the health insurance plans for the years ended June 30, 2010, and June 30, 2011, were $9,936,223, and $11,680,769, respectively, which equaled the required contribution.

C. Commitments and Contingencies

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

The Board 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, and the Title I Part A Improving the Academic Achievement of the Disadvantaged Program and the Title II Part A Improving Teacher Quality. Although the Board's grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2011, 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 Board expects such amounts, if any, to be immaterial.

The Board had the following commitments with respect to unfinished capital projects at June 30, 2011:

Capital Projects	Spent-to-Date	Remaining Commitment
Risley Middle School Replacement	$ 4,056,059	$ 15,410,038
New Brunswick High School - PH2	81,248	262,965

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 Board is self-insured for the risks associated with unemployment compensation and workers compensation. The Board has established a separate fund for accounting for workers compensation risk financing. A contribution to the fund is calculated on the basis of 1.15% 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.

III. OTHER NOTES (*continued*)

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.

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

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Current Year Liability	Claim Payments	Balance at Fiscal Year End
2011	$ 919,215	$ 969,315	$ 811,275	$ 1,077,255
2010	1,268,250	858,071	1,207,106	919,215

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.

The Board also self insures unemployment claims. Changes in the balances of claims liabilities for the unemployment fund during fiscal years 2011 and 2010 were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Current Year Liability	Claim Payments	Balance at Fiscal Year End
2011	$ 48,805	$ 237,750	$ 238,114	$ 48,441
2010	44,151	91,456	86,802	48,805

Risk Transfer

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

E. On-Behalf of Payments

The Board has recognized revenues and expenditures in the amount of $300,575 for health insurance and retirement contributions paid on the Board's behalf by the following State Agencies.

	Amount
Georgia Department of Education	
Paid to Georgia Department of Community Health	
For Health Insurance of Non-certified Personnel	$ 217,794
Paid to the Teachers Retirement System of Georgia (TRS)	
For the TRS Employer's Cost	13,532
Office of Treasury and Fiscal Services	
Paid to the Public School Employees Retirement System (ERS)	
For the ERS Employer's Cost	69,249
Total on-behalf of payments	$ 300,575

REQUIRED SUPPLEMENTARY INFORMATION


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Postive
	Original	Final	Amounts	(Negative)
Revenues				
Propety taxes	$ 67,916,800	$ 71,184,700	$ 73,125,870	$ 1,941,170
State sources	36,221,200	37,126,800	35,541,922	(1,584,878)
Federal sources	1,060,800	3,516,900	2,967,941	(548,959)
Investment earnings	200,000	200,000	113,340	(86,660)
Miscellaneous	835,000	963,600	1,158,956	195,356
Total revenues	106,233,800	112,992,000	112,908,029	(83,971)
Expenditures				
Current				
Instruction	73,117,500	74,458,700	70,157,791	4,300,909
Support services:				
Pupil services	3,572,500	2,974,500	3,045,492	(70,992)
Improvement of instructional services	2,792,400	2,986,700	2,835,835	150,865
Educational media services	2,246,000	2,188,300	2,073,696	114,604
General administration	1,325,600	1,262,500	1,187,979	74,521
School administratioin	6,707,100	6,520,200	6,369,192	151,008
Business administration	1,220,100	1,195,900	1,072,662	123,238
Maintenance and operation of plant	11,431,900	11,593,000	9,974,893	1,618,107
Student transportation services	4,412,800	4,847,800	4,097,641	750,159
Central support services	1,777,900	1,881,900	1,787,124	94,776
Other support services	265,800	266,000	236,391	29,609
Community services	6,300	6,200	3,024	3,176
Food services	43,300	18,600	33	18,567
Capital Outlay	90,600	31,600	-	31,600
Debt Service				
Principal	116,400	1,026,100	793,583	232,517
Interest and other charges	9,700	165,000	78,240	86,760
Total expenditures	109,135,900	111,423,000	103,713,576	7,709,424
Excess of revenues over (under) expenditures	(2,902,100)	1,569,000	9,194,453	7,625,453
Other financing sources (uses)				
Capital lease	99,500	349,300	249,754	(99,546)
Transfers in	2,447,000	2,447,000	-	(2,447,000)
Transfers out	(402,600)	(430,200)	(234,127)	196,073
Total other financing sources (uses)	2,143,900	2,366,100	15,627	(2,350,473)
Net Changes in fund balances	(758,200)	3,935,100	9,210,080	5,274,980
Fund balances at beginning of year	20,889,519	20,889,519	20,889,519	-
Fund balances at end of year	$ 20,131,319	$ 24,824,619	$ 30,099,599	$ 5,274,980

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, 2011, the following supplemental and decrease in appropriations were approved:

Fund Type	Original Appropriations	Supplemental Appropriations	Supplemental Decreases	Final Appropriations
General	$ 109,135,900	$ 3,300,800	$ 1,013,700	$ 111,423,000

SUPPLEMENTARY DATA –

COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES


GLYNN
SCHOOLS
COUNTY


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	Special Revenue			
	Special Programs	Title I	Title II	Title IVB
Assets				
Cash and investments	$ 93,539	$ -	$ -	$ -
Receivables:				
State government	-	-	-	-
Grants and other	284,146	1,745,752	163,606	144,366
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 377,685	$ 1,745,752	$ 163,606	$ 144,366
Liabilities and fund balances				
Liabilities				
Accounts payable	$ 55,017	$ 45,088	$ 4,492	$ 49,817
Accrued salaries and benefits	12,247	762,515	6,589	36,691
Interfund payables	-	932,999	152,525	57,858
Intergovernmental payables	-	5,150	-	-
Total liabilities	67,264	1,745,752	163,606	144,366
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted:				
School food service	-	-	-	-
Assigned:				
Student activity accounts	295,724	-	-	-
Historic Glynn Academy	14,697	-	-	-
Athletic programs	-	-	-	-
Debt service	-	-	-	-
Total fund balances	310,421	-	-	-
Total liabilities and fund balances	$ 377,685	$ 1,745,752	$ 163,606	$ 144,366

Funds						
Special Education	Pre-Kindergarten	Athletics	School Food Service	Debt Service Fund	Total	
$ -	$ 385,152	$ 504,126	$ 2,945,188	$ 1,133,234	$ 5,061,239	
-	-	-	65,689	-	65,689	
1,101,809	-	-	-	-	3,439,679	
-	-	-	-	833	833	
-	-	-	156,573	-	156,573	
$ 1,101,809	$ 385,152	$ 504,126	$ 3,167,450	$ 1,134,067	$ 8,724,013	
$ 53,480	$ 21,666	$ 2,240	$ 135,170	$ -	$ 366,970	
507,491	363,486	-	333,357	-	2,022,376	
540,838	-	45,522	613,625	-	2,343,367	
-	-	-	-	-	5,150	
1,101,809	385,152	47,762	1,082,152	-	4,737,863	
-	-	-	156,573	-	156,573	
-	-	-	1,928,725	-	1,928,725	
-	-	-	-	-	295,724	
-	-	-	-	-	14,697	
-	-	456,364	-		456,364	
-	-	-	-	1,134,067	1,134,067	
-	-	456,364	2,085,298	1,134,067	3,986,150	
$ 1,101,809	$ 385,152	$ 504,126	$ 3,167,450	$ 1,134,067	$ 8,724,013	

Glynn County Board of Education

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Special Revenue			
	Special Programs	Title I	Title II	Title IVB
Revenues				
Property tax revenue	$ -	$ -	$ -	$ -
State sources	-	-	-	-
Federal sources	401,620	6,221,320	676,319	387,191
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	1,102,754	-	-	-
Total revenues	1,504,374	6,221,320	676,319	387,191
Expenditures				
Current				
Instruction	1,169,920	5,005,454	18,755	311,655
Support services:				
Pupil services	43,644	80,558	-	-
Improvement of instructional services	244,634	375,463	647,078	6,654
Educational media services	-	5,090	-	-
General administration	2,397	215,308	10,652	43,489
School administration	-	381	-	-
Maintenance and operations	-	258	-	-
Student transportation services	-	43,409	-	20,849
Other support services	4,781	495,399	-	4,575
Food service operations	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	1,465,376	6,221,320	676,485	387,222
Excess of revenues over (under) expenditures	38,998	-	(166)	(31)
Other financing sources (uses)				
Transfers in	-	-	166	31
Total other financing sources (uses)	-	-	166	31
Net Changes in fund balances	38,998	-	-	-
Fund balances at beginning of year	271,423	-	-	-
Fund balances at end of year	$ 310,421	$ -	$ -	$ -

Funds						
Special Education	Pre-Kindergarten	Athletics	School Food Service	Debt Service Fund	Total
$ -	$ -	$ -	$ -	$ 4,109	$ 4,109
-	2,117,210	-	201,820	-	2,319,030
3,582,374	26,667	-	4,867,269	-	16,162,760
-	-	-	1,302,587	-	1,302,587
-	-	7,040	4,651	281	11,972
-	-	308,511	-	-	1,411,265
3,582,374	2,143,877	315,551	6,376,327	4,390	21,211,723
2,555,475	2,124,670	249,023	-	-	11,434,952
415,459	63,987	45,901	-	-	649,549
327,665	4,746	7,470	-	-	1,613,710
-	-	-	-		5,090
60,218	-	-	-	-	332,064
-	155,865	-	-	-	156,246
4,403	27,959	9,382	8,299	-	50,301
219,734	-	755	-	-	284,747
-	-	-	-	-	504,755
-	-	-	5,668,418	-	5,668,418
-	-	-	-	13,405,000	13,405,000
-	-	-	-	996,835	996,835
3,582,954	2,377,227	312,531	5,676,717	14,401,835	35,101,667
(580)	(233,350)	3,020	699,610	(14,397,445)	(13,889,944)
580	233,350	-	-	14,429,943	14,664,070
580	233,350	-	-	14,429,943	14,664,070
-	-	3,020	699,610	32,498	774,126
-	-	453,344	1,385,688	1,101,569	3,212,024
$ -	$ -	$ 456,364	$ 2,085,298	$ 1,134,067	$ 3,986,150

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Special Programs

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 505,100	$ 462,500	$ 401,620	$ (60,880)
Local and other funds	900,000	900,000	1,102,754	202,754
Total revenues	1,405,100	1,362,500	1,504,374	141,874
Expenditures				
Current				
Instruction	1,047,700	1,033,100	1,169,920	(136,820)
Support services:				
Pupil services	7,000	46,800	43,644	3,156
Improvement of instructional services	291,700	270,400	244,634	25,766
General administration	57,700	6,700	2,397	4,303
Student transportation services	-	400	-	400
Other support services	1,000	5,100	4,781	319
Total expenditures	1,405,100	1,362,500	1,465,376	(102,876)
Excess of revenues over (under) expenditures	-	-	38,998	38,998
Net Changes in fund balances	-	-	38,998	38,998
Fund balances at beginning of year	271,423	271,423	271,423	-
Fund balances at end of year	$ 271,423	$ 271,423	$ 310,421	$ 38,998

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Title I

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 5,721,300	$ 6,657,000	$ 6,221,320	$ (435,680)
Total revenues	5,721,300	6,657,000	6,221,320	(435,680)
Expenditures				
Current				
Instruction	4,102,500	5,311,100	5,005,454	305,646
Support services:				
Pupil services	71,400	101,700	80,558	21,142
Improvement of instructional services	683,500	407,900	375,463	32,437
Educational media services	7,000	5,100	5,090	10
General administration	330,200	235,300	215,308	19,992
School administration	-	600	381	219
Student transportation services	17,800	43,900	43,409	491
Maintenance and operations	18,000	-	258	(258)
Other support services	490,900	551,400	495,399	56,001
Total expenditures	5,721,300	6,657,000	6,221,320	435,680
Excess of revenues over (under) expenditures	-	-	-	-
Net Changes in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Title II

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 1,060,600	$ 875,100	$ 676,319	$ (198,781)
Total revenues	1,060,600	875,100	676,319	(198,781)
Expenditures				
Current				
Instruction	133,300	18,800	18,755	45
Support services:				
Improvement of instructional services	892,600	843,100	647,078	196,022
General administration	16,200	13,200	10,652	2,548
Central suport services	18,500	-	-	-
Total expenditures	1,060,600	875,100	676,485	198,615
Excess of revenues over (under) expenditures	-	-	(166)	(166)
Other financing sources (uses)				
Transfers in	-	-	166	166
Total other financing sources (uses)	-	-	166	166
Net Changes in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Title IVB

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 315,900	$ 415,200	$ 387,191	$ (28,009)
Total revenues	315,900	415,200	387,191	(28,009)
Expenditures				
Current				
Instruction	162,800	317,500	311,655	5,845
Support services:				
Pupil services	89,400	-	-	-
Improvement of instructional services	-	35,400	6,654	28,746
General administration	42,200	41,300	43,489	(2,189)
Student transportation services	7,500	12,600	20,849	(8,249)
Other support services	14,000	8,400	4,575	3,825
Total expenditures	315,900	415,200	387,222	27,978
Excess of revenues over (under) expenditures	-	-	(31)	(31)
Other financing sources (uses)				
Transfers in	-	-	31	31
Total other financing sources (uses)	-	-	31	31
Net Changes in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Special Education

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Federal sources	$ 3,999,000	$ 4,142,700	$ 3,582,374	$ (560,326)
Total revenues	3,999,000	4,142,700	3,582,374	(560,326)
Expenditures				
Current				
Instruction	2,723,200	2,996,400	2,555,475	440,925
Support services:				
Pupil services	393,000	445,200	415,459	29,741
Improvement of instructional services	528,000	356,800	327,665	29,135
General administration	89,400	70,300	60,218	10,082
Maintenance and operations	4,000	4,500	4,403	97
Student transportation services	261,400	269,500	219,734	49,766
Total expenditures	3,999,000	4,142,700	3,582,954	559,746
Net Changes in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Pre-Kindergarten

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
State sources	$ 2,182,400	$ 2,215,100	$ 2,117,210	$ (97,890)
Federal sources	-	40,000	26,667	(13,333)
Charges for services	-	-	-	-
Local and other funds	-	-	-	-
Total revenues	2,182,400	2,255,100	2,143,877	(111,223)
Expenditures				
Current				
Instruction	2,133,800	2,371,700	2,124,670	247,030
Support services:				
Pupil services	282,300	87,900	63,987	23,913
Improvement of instructional services	6,200	7,500	4,746	2,754
School administration	153,800	178,900	155,865	23,035
Maintenance and operations	31,000	33,800	27,959	5,841
Total expenditures	2,607,100	2,679,800	2,377,227	302,573
Excess of revenues over (under) expenditures	(424,700)	(424,700)	(233,350)	191,350
Other financing sources (uses)				
Transfers in	424,700	424,700	233,350	(191,350)
Total other financing sources (uses)	424,700	424,700	233,350	(191,350)
Net Changes in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – Athletics

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Local and other funds	$ 313,500	$ 313,500	$ 315,551	$ 2,051
Total revenues	313,500	313,500	315,551	2,051
Expenditures				
Current				
Instruction	297,900	297,700	249,023	48,677
Support services:				
Pupil services	25,400	25,400	45,901	(20,501)
Improvement of instructional services	11,400	11,600	7,470	4,130
General administration	700	700	-	700
Maintenance and operations	15,600	15,600	9,382	6,218
Student transportation services	-	-	755	(755)
Community services	20,000	20,000	-	20,000
Total expenditures	371,000	371,000	312,531	58,469
Net Changes in fund balances	(57,500)	(57,500)	3,020	60,520
Fund balances at beginning of year	453,344	453,344	453,344	-
Fund balances at end of year	$ 395,844	$ 395,844	$ 456,364	$ 60,520

Glynn County Board of Education

Budgetary Comparison Schedule
Special Revenue Funds – School Food Service

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
State sources	$ 326,000	$ 326,000	$ 201,820	$ (124,180)
Federal sources	3,447,000	4,962,500	4,867,269	(95,231)
Charges for services	1,665,000	1,274,800	1,302,587	27,787
Local and other funds	52,000	5,000	4,651	(349)
Total revenues	5,490,000	6,568,300	6,376,327	(191,973)
Expenditures				
Current				
Maintenance and operations	67,000	9,000	8,299	701
Food service operations	5,423,000	5,782,000	5,668,418	113,582
Total expenditures	5,490,000	5,791,000	5,676,717	114,283
Net Changes in fund balances	-	777,300	699,610	(77,690)
Fund balances at beginning of year	1,385,688	1,385,688	1,385,688	-
Fund balances at end of year	$ 1,385,688	$ 2,162,988	$ 2,085,298	$ (77,690)

Glynn County Board of Education

Budgetary Comparison Schedule
Debt Service Fund

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positve
	Original	Final	Amounts	(Negative)
Revenues				
Property taxes	$ -	$ 4,100	$ 4,109	$ 9
Other	-	300	281	(19)
Total revenues	-	4,400	4,390	(10)
Expenditures				
Debt Service:				
Principal retirements	13,405,000	13,405,000	13,405,000	-
Interest and fiscal charges	996,800	996,800	996,835	(35)
Total expenditures	14,401,800	14,401,800	14,401,835	(35)
Excess of revenues over (under) expenditures	(14,401,800)	(14,397,400)	(14,397,445)	(45)
Other financing sources (uses)				
Transfers in	14,401,800	14,429,900	14,429,943	43
Total other financing sources (uses)	14,401,800	14,429,900	14,429,943	43
Net Changes in fund balances	-	32,500	32,498	(2)
Fund balances at beginning of year	1,101,569	1,101,569	1,101,569	-
Fund balances at end of year	$ 1,101,569	$ 1,134,069	$ 1,134,067	$ (2)

INTERNAL SERVICE FUNDS


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Combining Statement of Net Assets
Internal Service Funds

June 30, 2011

	Workers' Compensation Fund	Unemployment Compensation Fund	Total
ASSETS			
Current assets:			
Cash and investments	$ 2,541,298	$ 203,654	$ 2,744,952
Due from other funds	404,989	-	404,989
Total assets	2,946,287	203,654	3,149,941
LIABILITIES			
Current liabilities:			
Accounts payable and contracts payable	1,077,255	48,441	1,125,696
Due to other funds	399,500	(7,299)	392,201
Total liabilities	1,476,755	41,142	1,517,897
NET ASSETS			
Unrestricted	1,469,532	162,512	1,632,044
Total net assets	$ 1,469,532	$ 162,512	$ 1,632,044

Glynn County Board of Education

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds

For the Year Ended June 30, 2011

	Workers' Compensation Fund	Unemployment Compensation Fund	Total
Operating revenues			
Risk management fees	$ 962,763	$ -	$ 962,763
Total operating revenues	962,763	-	962,763
Operating expenses			
Risk management	969,315	273,750	1,243,065
Total operating expenses	969,315	273,750	1,243,065
Operating income (loss)	(6,552)	(273,750)	(280,302)
Nonoperating revenues			
Investment income	4,596	188	4,784
Total nonoperating revenues (expenses)	4,596	188	4,784
Net income (loss) before transfers	(1,956)	(273,562)	(275,518)
Transfers in (out)	(399,500)	399,500	-
Change in net assets	(401,456)	125,938	(275,518)
Net assets, beginning of year	1,870,988	36,574	1,907,562
Net assets, end of year	$ 1,469,532	$ 162,512	$ 1,632,044

Glynn County Board of Education

Combining Statement Cash Flows
Internal Service Funds

For the Year Ended June 30, 2011

	Workers' Compensation Fund	Unemployment Compensation Fund	Total
Cash flows from operating activities:			
Cash received for services and fees	$ 962,763	$ -	$ 962,763
Cash payments for supplies and insurance	(811,275)	(274,114)	(1,085,389)
Net cash provided (used) by operating activities	151,488	(274,114)	(122,626)
Cash flows from noncapital financing activities:			
Increase in interfund payables	399,500	(344,000)	55,500
Decrease in interfund receivables	617,541	389,500	1,007,041
Net cash provided (used) by noncapital financing activities	617,541	445,000	1,062,541
Cash flows from investing activities:			
Interest earned on cash and investments	4,596	188	4,784
Net cash provided (used) by investing activities	4,596	188	4,784
Net increase (decrease) in cash and cash equivalents	773,625	171,074	944,699
Cash and cash equivalents, beginning of year	1,767,673	32,580	1,800,253
Cash and cash equivalents, end of year	$ 2,541,298	$ 203,654	$ 2,744,952
Operating income (loss)	$ (6,552)	$ (273,750)	$ (280,302)
Change in liabilities:			
Increase (decrease) in accounts payable	158,040	(364)	157,676
Total adjustments	158,040	(364)	157,676
Net cash provided (used) by operating activities	$ 151,488	$ (274,114)	$ (122,626)


GLYNN
SCHOOLS
COUNTY

FIDUCIARY FUNDS


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended June 30, 2011

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Student Activity Funds				
Assets				
Cash and investments	$ 285,466	$ 881,285	$ 889,339	$ 277,412
Liabilities				
Due to student groups	$ 285,466	$ 881,285	$ 889,339	$ 277,412


GLYNN
SCHOOLS
COUNTY

SUPPLEMENTAL SCHEDULE


GLYNN
SCHOOLS
COUNTY

Glynn County Board of Education

Schedule of Approved Special Purpose Local Option Sales Tax Projects

For the Year Ended June 30, 2011

Project	Original Estimated Cost [1]	Current Estimated Cost [2]	Amount Expended in Current Year [3]	Amount Expended in Prior Years	Project Status
For the purpose of retiring previously incurred general obligation debt of the school district. Acquiring, constructing and equipping a new Sterling Middle School, Glynn Middle, and Southwest Middle Schools, and Charter Vocational Technical School. Constructing and equipping a new 9th Grade Center, athletic facilities and site improvements at Brunswick High School. Adding to, remodeling, renovating, improving, and equipping Risley Middle School, Glynn Academy 9th Grade Center, and the original Glynn Academy Building.Paving and water/sewer improvements to Glynn County Stadium. Renovation and construction of a transportation facility including necessary demolition of the Perry Building. Acquisition of real and personal property for the school system, including any necessary demolition, site improvements and renovations, technology upgrades, computers and related technology, copiers, school buses, energy management systems, heating and air conditioning systems, lighting and similar equipment. Paying capitalized interst on General Obligation Bonds.	100,425,000	80,391,798	8,112,370	67,880,077	Ongoing
Totals	$ 100,425,000	$ 80,391,798	$ 8,112,370	$ 67,880,077	
For the following capital outlay projects: (i) a new Southwest Middle School; (ii) a new Brunswick High School, including necessary demolition, renovation and upgrades to existing facilities and associated site and fieldwork; (iii) renovations and additions to Risley Early College Academy (formerly Risley Middle School); (iv) renovations and additions to Glynn Academy; (v) a new fine arts center to be known as the Coastal Community Center for the Arts; (vi) renovations to the Historic Risley Center; (vii) renovations to Altama and Burroughs-Molette Elementary Schools; (viii) a new elementary school; (ix) demolition at the former Jane Macon Middle School and Glynn Middle School; and (x) other real and personal property for the school system, including necessary demolition, site improvements, renovations, and improvement to facilities, land acquisition, technology upgrades, computers and related technology including fiber and software, telephone and communication equipment, computerized energy management systems, heating and air conditioning systems, lighting, and similar property and equipment in accordance withits facilities plans, as the same may be revised in accordance with the needs of the school district.	122,568,223	108,011,682	7,623,749	-	Ongoing
Totals	$ 122,568,223	$ 108,011,682	$ 7,623,749	$ -	

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the one percent sales and use tax for educational purposes (the "Educational Sales Tax").

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

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


GLYNN
SCHOOLS
COUNTY

COMPLIANCE AND INTERNAL CONTROL REPORTS


GLYNN
SCHOOLS
COUNTY

KARP, RONNING & TINDOL
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Members of the Board of
Education for Glynn County, Georgia

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Glynn County Board of Education, as of and for the year ended June 30, 2011, which collectively comprise the Glynn County Board of Education's basic financial statements and have issued our report thereon dated March 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Glynn County Board of Education is responsible for establishing and maintaining effective internal control of financial reporting. In planning and performing our audit, we considered the Glynn County Board of Education's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Glynn County Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Glynn County Board of Education's internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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This report is intended solely for the information and use of management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Karp, Ronning & Tindol, P.C.

Karp, Ronning & Tindol, P.C.

Savannah, Georgia
March 29, 2012

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

To the Members of the Board of
Education for Glynn County, Georgia

Compliance

We have audited the Glynn County Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Glynn County Board of Education's major federal programs for the year ended June 30, 2011. The Glynn County Board of Education's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Glynn County Board of Education's management. Our responsibility is to express an opinion on the Glynn County Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Glynn County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Glynn County Board of Education's compliance with those requirements.

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

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Internal Control Over Compliance

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

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

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

This report is intended solely for the information and use of management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Karp, Ronning & Tindol, P.C.

Karp, Ronning & Tindol, P.C.

Savannah, Georgia
March 29, 2012

Glynn County Board of Education

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2011

Grant Title	CFDA Number	Grantor's Number	Federal Expenditures	
U.S. Department of Agriculture				
Pass-Through Georgia Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	556	$ 1,415,459	
National School Lunch Program	10.555	556	3,873,200	(1)
Total Child Nutrition Cluster			5,288,659	
Total U.S. Department of Agriculture			5,288,659	
U.S. Department of Defense				
Direct Program				
Department of the Navy ROTC Program	n/a	n/a	90,103	
U.S. Department of Education				
Direct Program				
Readiness and Emergency Management for Schools	84.184	n/a	145,063	
Impact Aid	84.041	n/a	17,732	
Pass-Through Georgia Department of Education				
Special Education Cluster:				
Special Education - Grants to States	84.027	553	2,132,046	
Special Education - Preschool Grants	84.173	553	57,216	
ARRA - Grants to States	84.391	553	1,361,362	
ARRA - Preschool Grants	84.392	553	31,751	
Total Special Education Cluster			3,582,375	
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	84.010	551	4,837,908	
ARRA - Title I Grants to Local Educational Agencies	84.389	551	1,345,699	
Total Title I, Part A Cluster			6,183,607	
Other Programs:				
Migrant Education - State Grant Program	84.011	628	37,712	
Career and Technical Education - Basic Grants to States	84.048	562	118,844	
Education for Homeless Children and Youth	84.196	573	53,259	
Twenty-First Century Community Learning Centers	84.287	634	387,191	
Education Technology State Grants	84.318	631	67,312	
English Language Acquisition Grants	84.365	632	84,454	
Improving Teacher Quality State Grants	84.367	630	609,007	
Education Jobs Fund	84.410	n/a	2,496,689	
Total U.S. Department of Education			13,783,245	
National Science Foundation				
Pass-Through Georgia Institute of Technology				
Partnership for Reform in Science and Mathematics Subgrant	47.076	n/a	30,000	
U.S. Department of Transportation				
Pass-Through Governor's Office of Highway Safety				
Students Against Destructive Decisions Grant	20.601	n/a	1,425	
Total Federal Financial Assistance			$ 19,193,432	

(1) Includes the Federally assigned value of donated commodities for the Food Donation Program in the amount of $421,390. Commodities valued in the amount of $421,390 were received during the current fiscal year and were not recorded in the School District's financial statements.

Glynn County Board of Education

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2011

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Glynn County Board of Education and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Glynn County Board of Education

Schedule of Findings and Questioned Costs and Status of Prior Year Audit Findings

For the Year Ended June 30, 2011

I. SCHEDULE OF FINDINGS AND QUESTIONED COSTS

A. Summary of Auditors Results

Financial Statements

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the Glynn County Board of Education.

2. Internal control over financial reporting:
   - a Material weakness(es) identified? _____ yes __X__ no
   - b Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes __X__ none reported

3. Noncompliance material to financial statements noted? _____ yes __X__ no

Federal Awards

4. Internal control over major programs:
   - a Material weakness(es) identified? _____ yes __X__ no
   - b Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes __X__ none reported

5. The auditors' report expresses an unqualified opinion for all major programs.

6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ yes __X__ no

7. The programs tested as major programs include:

Name of Federal Program	CFDA Number
Special Education Cluster	84.027, 84.173, 84.391 & 84.392
Title I, Part A Cluster	84.010 & 84.389
Readiness and Emergency Management for Schools	84.184
Education Jobs Fund	84.410

8. The threshold for distinguishing Type A and B programs was $575,803.

9. The Board of Education was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None reported.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None reported.

II. STATUS OF PRIOR YEAR AUDIT FINDINGS

No findings were reported relative to Major Federal Award Programs for the year ended June 30, 2010.