GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

216 South Sixth Street
Griffin, Georgia 30224

Prepared by:
Finance Department,
Griffin-Spalding County School System

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BOARD MEMBERS
Mrs. Barbara Jo Cook
James A. "Pete" Graham
Zachery Holmes
Michael Kendall
James Westbury
CURTIS L. JONES, JR., Superintendent



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Accredited by SACS and GAC

December 1, 2011

To the Honorable Members of the Griffin-Spalding County Board of Education and Citizens of Spalding County

The Comprehensive Annual Financial Report of the Griffin-Spalding County School System (System) for the fiscal year ended June 30, 2011, is herewith submitted. The report was prepared by the Finance Department of the Griffin-Spalding County School System. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management.

This report consists of management's representations concerning the finances of the System. To provide a reasonable basis for making these representations, management of the System has established a comprehensive internal control framework that is designed to protect the assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the System's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this report is complete and reliable in all material respects.

Designed to meet the needs of a broad spectrum of readers of financial statements, this comprehensive annual financial report (CAFR) is divided into four major sections:

- Introductory section – introduces the reader to the report and includes this transmittal letter, organizational chart of the System, and the list of elected and appointed officials.
- Financial section – consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, and combining and fund statements and schedules.
- Statistical section – contains substantial financial information, but presents tables that differ from financial statements in that they present non-accounting data, cover several years, and are designed to reflect social and economic data and financial and fiscal trends as well as the fiscal capacity of the System.

- Single Audit section – contains auditor's reports on the internal control structure and compliance with applicable laws and regulations, schedule of expenditures of federal awards, and findings and questioned costs as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, "*Audits of State, Local Governments, and Nonprofit Organizations".*

Independent Audit

In accordance with state law, an annual audit of the financial records, books of account, and financial affairs of the System has been made by an independent auditor. The goal of the independent audit was to provide reasonable assurance that the financial statements of the System for the year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The auditor's opinion, as prepared by Robinson, Grimes and Company, P.C., is included within the Financial section of this report.

The independent audit of the financial statements of the System is part of a broader, federally mandated "Single Audit" process designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit section of this report.

Management's Discussion and Analysis

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial reports in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The System's MD&A can be found immediately following the report of the independent auditors.

System Profile

The System was created pursuant to an amendment to the Constitution of the State of Georgia ratified in November 1952 and acts of the General Assembly of the State of Georgia. The System resulted from the consolidation of separate city and county school districts within the borders of Spalding County, Georgia. The System is a legally separate entity enjoying all rights and privileges accorded political subdivisions of the State of Georgia. The System is fiscally independent. Policymaking and legislative authority are vested in the Board of Education consisting of five members, each elected from single member districts. Board members, elected on a non-partisan basis, serve

four-year staggered terms with no more than three board members elected every two years. The Board of Education is responsible for, among other things, developing policy, adopting the budget, levying taxes, incurring bonded debt with voter approval, and hiring all System employees.

The primary purpose of the System is to provide public education for those who reside within the boundaries of Spalding County, Georgia. During the 2010-11 school year, the System serviced eleven elementary schools (pre-kindergarten through grade five), four middle schools (grades six through eight), and three high schools (grades nine through twelve). The third high school, A.Z. Kelsey Academy, opened in August, 2007, as an alternative setting for students in need of additional academic emphasis and greater organizational structure. In addition, the System operated a center for elementary school students qualifying for services under the gifted education program. The System also operated an alternative school for middle and high school students with disciplinary issues. One elementary school, Futral Road Elementary School, is a charter school under the laws of the State of Georgia and, as such, has more control over the design of its instructional program while the Board of Education retains ultimate responsibility for the results of operations.

The System served 10,685 students as of the student enrollment count taken in October 2010, a decrease of 175 from the prior year. Total enrollment includes 443 students served in the pre-kindergarten program funded through proceeds of the State of Georgia's lottery for education program. System enrollment has remained fairly steady for the past few years. Current trends suggest that enrollment will remain constant for the foreseeable future in line with the slow, but steady, growth in county population.

System of Internal Controls

Management of the System is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting records are maintained to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls over major business functions are subject to periodic evaluation by management. Included therein are controls over data processing functions as well as the security of backup information in the event of catastrophic damage or loss to the primary records. Financial policies adopted by the Board of Education are a primary component of the internal control system and are subject to annual review in light of current conditions.

Budgetary Control

The System adopts an annual budget for its funds. This budget acts as the financial operating plan for the entire year. Revisions may be implemented during the year authorizing a larger appropriation of available resources with approval from the Board of Education. All annual appropriations lapse at year-end with the exception of those indicated as assignment of fund balance.

The System Superintendent submits an annual budget to the Board of Education in May prior to the commencement of the new fiscal year on July 1. The budget includes proposed expenditures as well as the means of financing them. Public hearings are held on the budget after which the Board of Education adopts a budget for the year by resolution. In addition, under provisions of state law, public hearings must be held if the proposed property tax millage rate exceeds the rate of the prior year, or if the rate is not rolled back sufficiently to fully offset the effects of revaluation increases on the taxable value of property in the County.

Budgetary control is maintained at the aggregate level for each budgeted fund. For fiscal year 2011, budgets were adopted for the general fund, special revenue fund, debt service fund, and capital projects fund.

Major Initiatives

The Board of Education adopted a five year strategic plan in 2010 to guide our instructional program. Five primary strategic directions form the framework of the strategic plan.

- Student Achievement
  - Increase Test Scores
  - Close Achievement Gaps
  - Increase Progression Rates
- Student and Stakeholder Engagement
  - Partner with Students
  - Partner with Parents
  - Partner with the Community
- Teacher Effectiveness
  - Be a Professional Learning Community
  - Know Technology
  - Do Standards-based Classrooms
- Reliable Organization
  - Manage Processes and Operations
  - Manage Finances and Personnel
  - Manage Perceptions
  - Maintain a Safe Learning Environment
- Learning and Growth
  - Recruit and Train the Right People
  - Learn GSCS Values and Culture
  - Grow from Evaluations

Several instructional initiatives have been implemented to support these goals. Examples include the following programs.

- Infinite Campus – student information system
- Performance Matters – data analysis software
- Odysseyware On-line Learning Program
- Read 180
- Race to the Top – one of 26 Georgia school districts participating
- School Improvement Grant – Griffin High School
- Special Entities
    - Program Challenge Elementary Gifted Center
    - Elementary Science Enrichment Center
    - A. Z. Kelsey Academy
    - Partnership with Southern Crescent Technical College
    - Partnership with University of Georgia – Griffin campus
    - Elementary After School Program
- Parent/Community Involvement
    - PTA/PTO
    - School Councils
    - Partners in Education
    - Griffin- Spalding County Education Foundation, Inc.

Cash Management

Cash temporarily idle during the year is invested in commercial bank certificates of deposits and the State of Georgia's government investment pool. At present, instruments used have a maturity of between six months and two years. Interest income is recorded in the general fund unless state statutes, bond covenants, contractual agreements, or Board policy dictate otherwise.

Interest income earned in fiscal year 2011 was significantly lower than the amount earned in the prior year. Interest rates paid by the State's government investment pool, the primary vehicle used to invest general fund reserves, gradually declined during the year from a high of 0.22% in August 2010 to 0.13% in June 2011. The general fund experienced a decline in interest income from $39,575 in fiscal year 2010 to $20,254 in fiscal year 2011 due primarily to lower levels of cash reserves exacerbated by cuts in state funding and the effects of declining interest rates. The total amount of interest and other investment income earned in governmental funds in fiscal year 2011 was $72,349 and was recorded as follows:

General Fund	$	20,254
Capital Projects Fund		24,602
Debt Service Fund		8,341
Other Funds		19,152
Total	$	72,349

Risk Management

The System is partially self-insured for workers' compensation. Unemployment compensation is handled on a cost reimbursement basis with the State of Georgia. The System participates in Georgia School Boards Association Risk Management Fund for property and liability insurance. Coverage for losses arising from certain liability and property risks to the System is provided through a group self-insurance plan. For accounting purposes this plan is considered to be a Risk Transfer Pool. Under this plan, the System is responsible for the first $5,000 of each property loss, $5,000 of each machinery breakdown loss, $1,000 of auto physical damage loss, and the first $10,000 of each liability claim. The plan assumes certain risks of the System in excess of state retentions up to certain customary coverage limits. The System is required to make a financial contribution to the plan each year in an amount determined on the basis of actuarial projections of losses. The System's insurance claims have not exceeded insurance coverage in any of the past three years.

Economic Condition and Outlook

Spalding County, Georgia, has experienced modest economic growth over the past several years with a varied manufacturing and industrial base adding to the relative stability of the area. The county government continues work developing the infrastructure for a new industrial park. As of now, no business or industry has located within the new industrial park leaving uncertain the date as to when the local property tax digest will be positively impacted. In addition, the county government completed a comprehensive review and revaluation of the entire tax digest for the first time since the 1960s. In addition to establishing full fair market value on parcels of property, insuring the completeness of the digest is a primary goal of the process. However, action in the Georgia General Assembly precludes the county from implementing the full results of the revaluation for the immediate future.

The unemployment rate in Spalding County rose to 13.6% as of September 2011, ranking as one of the highest unemployment rates of any county in Georgia. While some jobs have been created by small business and light industry, no prospects have been identified to make a significant impact to the unemployment level. However, Southern Crescent Technical College and the University of Georgia – Griffin Campus have both experienced enrollment increases along with physical plant expansions designed to improve the level of preparedness of the available workforce.

Population growth has mirrored growth in school system enrollment. While population growth has been at one of the lowest rates in the region, signs are abundant that faster paced growth may be coming soon. The System tracks the increase in the number of properties approved for residential building in the county. Currently, approximately 4,500 lots have been approved for residential units. However, one large development of approximately 3,000 residential units has been designated an "active adult community" with no school-age children to impact local enrollment. Softness in the residential construction market has altered the expected build out timeline for this community.

Homes are being built and sold at a slower rate than originally projected. Population growth has been slowed as a result.

Construction projects for new, expanded, or renovated facilities have become more numerous with the renewal of the System's Special Purpose Local Option Sales Tax in 2007. Currently, school facilities have an average age of thirty-three years. However, this includes buildings placed in service within the past year as well as others that are over eighty years old.

Long-term Financial Planning

In 2007, voters renewed the Special Purpose Local Option Sales Tax (SPLOST) for a five year period ending in June, 2012. $14,000,000 in general obligation bonds, out of a total authorization of $23,000,000, were issued in June 2007 as part of the financing plan for the capital projects discussed above. Currently, there are no plans to issue the remaining authorized bonds absent unforeseen financial conditions that may warrant their issuance. Debt service on the 2007 Series bonds is being paid from SPLOST proceeds. SPLOST receipts in excess of debt service requirements are used to fund capital projects approved as part of the SPLOST referendum. SPLOST collections decreased 2.8% in fiscal year 2011. The System continued its review of the construction project list to insure that commitments do not overreach resources.

The System continues to monitor budget related activity in the Georgia General Assembly. State revenues have declined sharply over the past year resulting in cuts to the K-12 funding formula used in Georgia. The prospect of more cuts looms for the coming year. The System is reviewing several aspects of operations to identify areas for cost reduction and improvement in efficiency including personnel allocation, employee benefits, student transportation services, and document production practices. In addition, there are several legislative proposals being considered that could have a major impact on the ability of local systems to raise revenue through property taxation. The System's long term financial planning is taking the potential impact of these proposals into consideration as programs and other instructional initiatives are developed.

Relevant Financial Policies

During fiscal year 2011, financial policies related to purchasing and procurement were important, particularly with the increase in federal funds coming to the school system. The Board of Education adopted a policy concerning the classification of fund balance consistent with the requirements of Government Accounting and Standards Board Statement 54. The financial statements for fiscal year 2011 incorporate these requirements. In addition, an annual review is conducted of financial policies to determine the need for any additions or changes.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its Comprehensive Annual Financial Report for the year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. This is the sixth consecutive year that the System has received this prestigious award. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will be submitting it to GFOA to determine its eligibility for another certificate.

The System also received the Association of School Business Officials (ASBO) International's Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended June 30, 2010.

The award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. The Certificate of Excellence is valid for a one year period. This is the sixth consecutive year the System has received this prestigious award. We believe our current report continues to conform to Certificate of Excellence program requirements, and we will be submitting it to ASBO to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express appreciation to all members of the department who assisted in the preparation of this report. We would also like to express our appreciation to the members of the Board of Education who continue to show their interest and support in conducting the financial affairs of the System in a responsible and progressive manner.

Respectfully submitted,

Curtis L. Jones, Jr., Ed.D.
Superintendent

James D. Smith, CPA
Assistant Superintendent/CFO

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Griffin-Spalding County School System, Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

This Certificate of Excellence in Financial Reporting is presented to

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
BOARD OF EDUCATION

FUNCTION AND COMPOSITION

The Griffin-Spalding County Board of Education governs all matters relating to education and operations in the Griffin-Spalding County School System, as provided by Georgia law.

The Board is responsible, through its oversight function, for maintaining a reasonable and uniform system of public schools serving students in grades pre-kindergarten through 12. With the advice of the Superintendent, the Board determines policies and prescribes rules and regulations for the management of the school system. This includes, but is not limited to, adopting system wide goals and objectives, developing a financial budget for the school year, and receiving regular reports on the progress of serving students and families through out the year.

The Board currently consists of five members elected from single member districts. The Board has independent taxing authority for the purpose of funding public education inside Spalding County, Georgia.

Regular meetings of the Board of Education are held on the first and last Tuesday of each month beginning at 6:00 p.m. in the Board meeting room of the main administration building located at 216 South Sixth Street, Griffin, Georgia. Special meetings may be called at other times by the Board Chairperson. At all meetings, a majority of the entire membership constitutes a quorum. All meetings are open to the public.

The Board elects a Chairperson and Vice-Chairperson annually from its members.

As of June 30, 2011, the members of the Board of Education and dates of expiration of their terms are as follows:

Name	Title	Term Expiration
Mr. James A. Graham	Chairperson	12/31/14
Mrs. Barbara Jo Cook	Vice-Chairperson	12/31/12
Mr. Zachery B. Holmes	Member	12/31/14
Mr. Michael Kendall	Member	12/31/14
Mr. James R. Westbury	Member	12/31/12

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
ADMINISTRATIVE STAFF
As of June 30, 2011

EXECUTIVE ADMINISTRATION

Dr. Curtis L. Jones, Jr.	Superintendent of Schools
Gail Patterson	Administrative Assistant to Superintendent

DIVISION OF TEACHING AND LEARNING

Denise Burrell	Deputy Superintendent
Ashley Crawford	Director of K-5 Instruction
Shelia Mincey	Director of 6-8 Instruction and Special Education
Laura Youmans	Director of 9-12 Instruction
Louisa Melton	Director of Pre-Kindergarten/ELL
Ashley McLemore	Director of Title I

DIVISION OF ADMINISTRATIVE SERVICES

James D. Smith	Assistant Superintendent/CFO
Bruce Ballard	Director of Facilities and Construction
Stephanie Dobbins	Director of Human Resources
Josh Griffis	Director of Administrative Technology
Ryan McLemore	Director of Accounting
Lamar Smith	Director of Pupil Transportation
Mary Ramsaier	Director of Nutrition Services
Donna Parks	Director of Pupil Services
Rod Smith	Director of Instructional Technology

SCHOOL AND COMMUNITY SERVICES

Anna Burns	Director of School and Community Services

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
ADMINISTRATIVE STAFF (continued)
As of June 30, 2011

SCHOOL PRINCIPALS

Evelyn Jones	Anne Street Elementary School
Aveory Allen	Atkinson Elementary School
Ken Bozeman	Beaverbrook Elementary School
Natalie Wood	Cowan Road Elementary School
Beth Gaff	Crescent Road Elementary School
Larry Jones	Futral Road Elementary School
Sara Jones	Jackson Road Elementary School
Ellen Lee	Jordan Hill Road Elementary School
Martha Taylor	Moore Elementary School
Stan Mangham	Orrs Elementary School
Eclan David	Carver Road Middle School
Rachelle Holloway	Cowan Road Middle School
Brenda Ford	Kennedy Road Middle School
Lindy Pruitt	Rehoboth Road Middle School
Keith Simmons	Griffin High School
Derrell Jeffcoat	Spalding High School
O. Quimby Melton, III	A.Z. Kelsey Academy
Janet Ware	Taylor Street Achievement Center

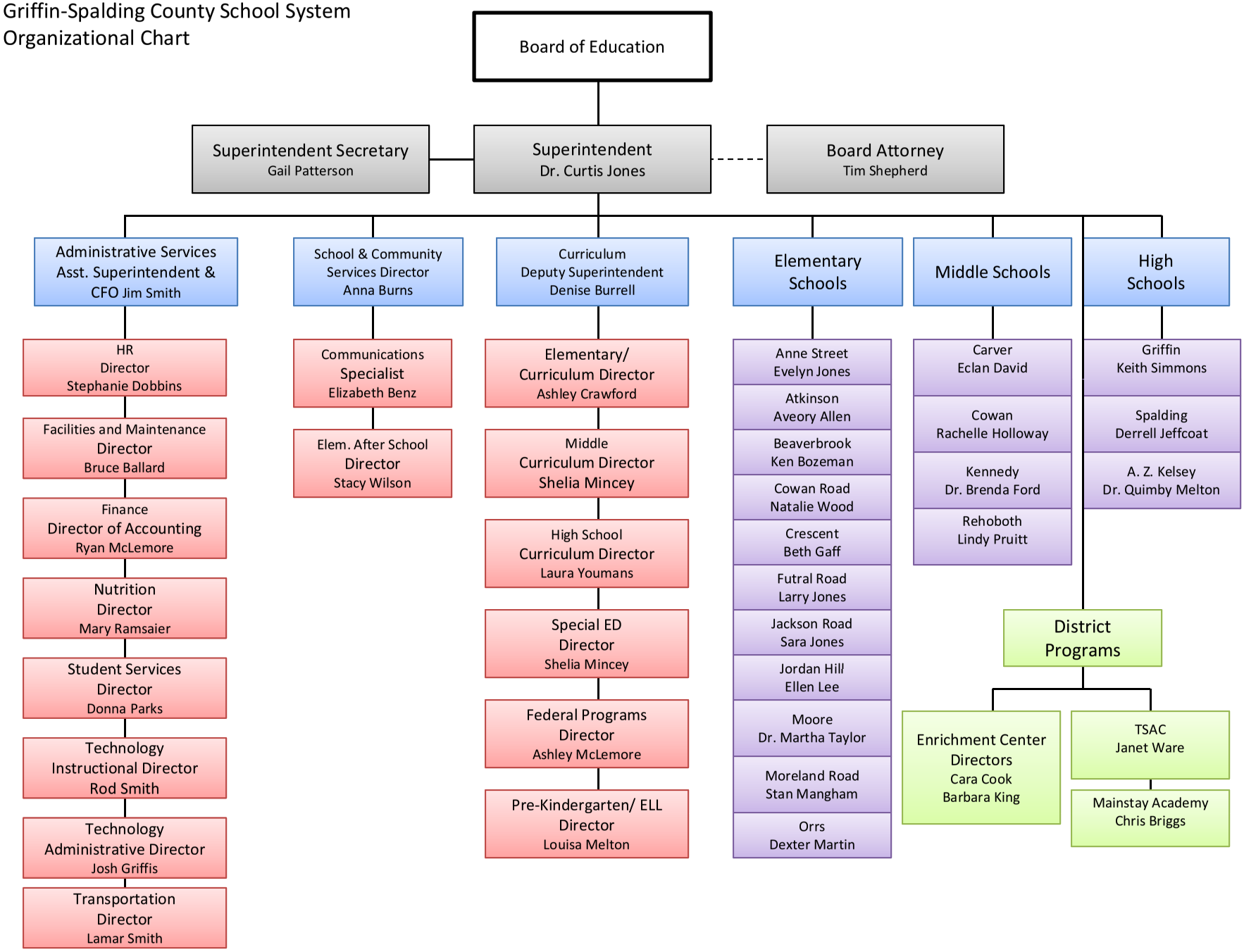
LEGAL COUNSEL

Shepherd, Johnston, and Owen, LLP	Griffin, Georgia

INDEPENDENT AUDITORS

Robinson, Grimes & Company, P.C.	Columbus, Georgia

Griffin-Spalding County School System
Organizational Chart



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

Independent Auditors' Report

The Board of Education
Griffin-Spalding County School System
Griffin, Georgia

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 Griffin-Spalding County School System as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund 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 December 1, 2011, on our consideration of the Griffin-Spalding County School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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Members of: American Institute of CPAs and related Private Companies Practice Section,
Employee Benefit Plan Audit Quality and Government Audit Quality Center • Center for Audit Quality • Georgia Society of CPAs • CPAmerica International
• **www.robinsongrimes.com**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Griffin-Spalding County School System's financial statements as a whole. The introductory section, combining nonmajor fund financial statements and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The combining nonmajor fund financial statements and other schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Robinson, Grimes & Company, P.C.

Certified Public Accountants

December 1, 2011

The discussion and analysis of Griffin-Spalding County School System's (herein referred to as the "System") financial performance provides an overall review of the System's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the System's financial performance as a whole. Readers should also review the financial statements and notes to the financial statements to enhance their understanding of the System's financial performance.

Financial Highlights

- The assets of the System exceeded its liabilities at June 30, 2011, by $156,978,362. Of this amount, $14,231,122 (unrestricted net assets) may be used to meet the System's ongoing obligations and operations as a public school district.

- Net assets increased by a total of $5,820,480 from the beginning of the year. The increase is attributable, primarily, to Special Purpose Local Option Sales Tax (SPLOST) revenue which financed investments made in capital assets during the year.

- At June 30, 2011, the System's General Fund reported a fund balance of $10,123,027, an increase of $899,489, or 9.8 percent from the last fiscal year. Of this total, $3,125,760 has been assigned to subsequent expenditures as part of the fiscal year 2012 budget and $366,497 has been committed to the risk management function in compliance with GASB 54. Unassigned fund balance totaled $6,630,770.

- SPLOST collections in fiscal year 2011 decreased 2.8% from collections in fiscal year 2010.

- Principal and interest payments were made on the Series 2007 general obligation bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the System's basic financial statements. The basic financial statements comprise three components: 1) System-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

System-wide Financial Statements

The System-wide financial statements are designed to provide readers with a broad overview of the System's finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the System's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the System is improving or deteriorating. It is important to note that this statement consolidates the System's current financial resources (short-term) with capital assets and long-term liabilities.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The System, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the System can be divided into two categories: governmental funds and fiduciary funds

Governmental Funds

Most of the System's activities are reported in governmental funds focusing on how money flows in and out of those funds and the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the System's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds

The System is the trustee, or fiduciary, for assets that belong to others such as club and class funds and payroll withholding funds. The System is responsible for ensuring assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the system-wide and fund financial statements.

System-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of June 30, 2011, System assets exceeded liabilities by $156,978,362.

By far, the largest portion the System's net assets (77.3 percent) reflects its investment in capital assets (e.g. buildings, land, machinery and equipment, construction in progress) less any related debt used to acquire those assets that remain outstanding. The System uses the capital assets to provide services to our students, faculty, and community; consequently, these assets are not available for future spending.

The following chart details the major categories of assets, liabilities, and net assets with a comparison to the prior fiscal year.

Griffin-Spalding County School System
Net Assets – as of June 30, 2011 and 2010

	Governmental Activities	
	FY 2011	FY 2010
Current and other assets	$ 48,410,478	$ 51,513,688
Capital Assets	131,269,273	129,170,638
Total assets	179,679,751	180,684,326
Current and other liabilities	12,838,225	14,921,663
Long-term liabilities	9,863,164	14,604,781
Total liabilities	22,701,389	29,526,444
Net assets:		
Invested in capital assets, net of related debt	121,406,109	114,565,857
Restricted	21,341,131	23,054,876
Unrestricted	14,231,122	13,537,149
Total net assets	$ 156,978,362	$ 151,157,882

An additional portion of the System's total net assets represents resources that are subject to external restrictions on how they may be used (13.6 %). Comprising the majority of restricted net assets are net assets being accumulated for use in capital projects accounting for 71.4% of total restricted net assets. Second, net assets being accumulated for debt service payments on general obligation bonds represented 17.9% of total restricted net assets with all debt service sinking fund requirements for the coming year being met.

Unrestricted net assets, 9.1% of total net assets, may be used to meet ongoing obligations and operations of the System.

Changes in Net Assets from Operating Results

Net assets increased $5,820,480 from operating results in the fiscal year ended June 30, 2011, compared to an increase of 6,852,235 in the prior fiscal year. Key elements of this increase are as follows on the next page:

Griffin-Spalding County School System
Changes in Net Assets from Operating Results

	Governmental Activities	
	FY 2011	FY 2010
Revenues		
Program revenues:		
Operating grants and contributions	$ 72,127,662	$ 72,330,693
Charges for services	1,164,128	1,285,473
General revenues:		
Property taxes	26,111,674	27,434,435
Special purpose local option sales tax	8,243,365	8,479,090
Other general revenues	825,387	1,098,877
Total revenues	108,472,216	110,628,568
Expenses		
Instruction	63,217,366	65,038,443
Pupil support services	3,155,458	3,041,075
Improvement of instructional services	4,540,524	3,649,259
Educational media services	1,928,462	1,974,281
General and school administration	8,175,375	8,022,284
Business administration	330,052	421,419
Maintenance and operation of plant	8,507,364	8,999,351
Student transportation services	3,799,576	3,680,349
Central support services	1,154,965	1,167,341
Other support services	1,309,216	1,247,689
Food service operations	5,619,731	5,470,823
Community services operations	149,722	152,963
Interest on long-term debt	535,173	644,738
Unallocated depreciation	228,752	266,318
Total expenses	102,651,736	103,776,333
Increase in net assets	5,820,480	6,852,235
Net assets, beginning of year	151,157,882	144,305,647
Net assets, end of year	$ 156,978,362	$ 151,157,882

Financial Analysis of the System's Funds

General Fund Budgetary Highlights

The System's budget is prepared in accordance with Georgia law and is based on accounting for certain transactions on the modified accrual basis of accounting. The System uses site-based budgeting and the budgeting system is designed to tightly control site budgets but provide flexibility for site management.

The most significant budgeted fund is the general fund. As originally adopted, general fund revenues were projected to be $75,405,978 with appropriated expenditures totaling $75,757,508, down 2.56% from the fiscal year 2010 final amended budget. The Board appropriated $351,530 from unreserved fund balance to cover the shortfall. Of significance, initial state austerity reductions to funding formula earnings totaled $7,075,385 mitigated slightly by the allocation of $925,733 to the school district of federal stimulus funding under the American Recovery and Reinvestment Act of 2009 (ARRA). The Board of Education levied a property tax millage rate of 18.80, unchanged from the prior year, on a digest value down 1.76% from the prior year.

As fiscal year 2011 progressed, the final amended general fund budget added $1,963,000 to revenues, an increase of 2.60% from the original budget for the year. The largest component of the change was the addition of $1,982,319 in federal Education Jobs Act funds arising late in the fiscal year. Other changes included an additional state austerity reduction of $52,500 along with reductions to state funding for student transportation, the equalization grant, and the school nurse program. In another move, the State replaced the ARRA funds originally allocated to local school district with true state dollars. Other changes made during the amendment process to expected revenues included the addition of several local grants and programs arising during the year. While changes to appropriated expenditures, discussed in the following paragraph, did not equal the changes to projected revenues, the amended budget for fiscal year 2011 reflected an expected surplus of revenues over expenditures of $227,388.

The original budget for fiscal year 2011 included appropriated expenditures of $75,757,508. Several cost reduction initiatives were included in the fiscal year 2011 budget in recognition of further funding cuts from the state level and pressure on local revenue sources. The school year was shortened by two days to a total of 178 days. Time was added to each of the school days to provide the equivalent instructional time in the normal 180 day school year. Most system employees had their work schedules reduced by six days during the year. In addition, pay schedules were frozen where legally permitted. Travel reimbursement rates were lowered below the permissible federal guidelines by up to 50%. The district began using a schedule of staggered opening times for the various grade configurations in an effort to utilize existing student transportation vehicles in a more efficient manner. As a result, the number of school buses needed to transport students was reduced by one-sixth and expenditures budgeted accordingly. The budget for substitute teachers was reduced by requiring schools to cover the absences of a teacher in excess of five sick or personal leave days.

As the year progressed, an amended budget appropriating a total of $77,141,590 was approved by the Board of Education, an increase of $1,384,082 in appropriated expenditures. The primary additions to expenditure categories were $485,000 to diesel fuel as prices escalated during the year, an addition of $140,000 to the employer's cost of health insurance for classified (non-certified) staff due to a 47% increase passed down from the state, and an addition of $200,000 to cover higher than normal workers compensation expenses. In addition, expenditures related to several local grants and programs arising during the fiscal year were added to the general fund budget during the amendment process.

General Fund Operations

The general fund finished fiscal year 2011 with a fund balance of $10,123,027, an increase of $899,489, or 9.8%, from fiscal year 2010. Subsequent action by the Board of Education assigned $3,125,760 to cover subsequent period expenditures in the fiscal year 2012 budget with another $366,497 being committed to the risk management function in compliance with GASB 54 requirements. Actual revenues exceeded budget projections by $98,553 while actual expenditures were $552,410 lower than budgeted. Several important factors led to the actual results for the year.

First, state revenues were impacted by "austerity reductions" for the ninth consecutive year. Austerity reductions occur when the Georgia General Assembly fails to appropriate sufficient dollars in the state budget to fully fund the results of the State's Quality Basic Education (QBE) formula. By year end, the System experienced a total austerity reduction of $7,127,885, or 15.2% of formula earnings. Additionally, the full time equivalent (FTE) student count used in the QBE formula to determine actual dollars earned by the local system decreased from10,465 in fiscal year 2010 to 10,454 in fiscal year 2011. Most of the decrease in FTE count came in education programs earning higher per pupil funding weights, such as kindergarten. With the State teacher salary schedule remaining unchanged from fiscal year 2010 (i.e. no teacher pay raises), the result was a modest decrease in state formula earnings, before austerity reductions. The receipt of $1,982,319 in federal funds under the Education Jobs and Medicaid Assistance Act of 2010 was used to pay a portion of the year's payroll costs freeing local funds for movement to subsequent periods.

Second, local revenue sources represented 35.51% of total general fund revenues for the year, down from 36.43% in the prior year. Local revenues ended the year below budgeted projections by a total of $213,740. Collections of local ad valorem property tax fell below budget expectations for the year, the largest single piece of local revenue. Interest income on short-term investments declined due to falling interest rates and lower cash balances available for investment. The System used the State's local government investment pool, Georgia Fund I, as its primary investment vehicle. The remainder of local revenues consisted of other taxes, tuitions and a few small local grants.

At year end, total expenditures were under budget by $552,410. Expenditures for direct classroom instruction (e.g. teacher salaries and benefits, textbooks, classroom supplies, etc.) accounted for 65.32% of total general fund expenditures, unchanged from the prior fiscal year. No pay increases were given to employees during fiscal year 2011. Virtually all employees had work schedules reduced by six days during the year resulting in lower salary costs, a reduction in salary and benefits of approximately $1,800,000. Several functional areas reflected reduced expenditures compared to the prior year. The majority of the expenditure reductions came in the form of unfilled staff positions and reduced benefit costs. In addition, operating budgets of most departments and schools were reduced by 10%.

The following chart details the major components of revenues and expenditures by function for fiscal year 2011 as well as a comparison of changes compared to the previous fiscal year.

Griffin-Spalding County School System
General Fund – Revenue and Expenditure Comparison

	Amount	% of Total	Increase (Decrease) Over FY 2010
Revenues			
State	$ 47,914,514	61.62%	$ 3,791,315
Federal	2,232,918	2.87%	(3,146,141)
Local and other	27,608,225	35.51%	(765,745)
Totals	$ 77,755,657	100.00%	$ (120,571)
Expenditures			
Instruction	$ 50,219,269	65.32%	$ (528,103)
Pupil support services	1,323,470	1.73%	105,409
Instructional staff support	1,719,713	2.24%	(23,484)
Media Services	1,845,301	2.40%	(49,021)
General and school administration	7,555,194	9.83%	124,683
Business administration	330,052	0.43%	(91,367)
Maintenance and Operations	7,966,957	10.36%	(599,803)
Student Transportation	3,420,009	4.45%	208,543
Other support services	2,003,874	2.60%	150,336
Community services	149,722	0.19%	(3,241)
Debt Service	214,038	0.28%	(120,540)
Capital Outlay	129,707	0.17%	2,078
Totals	$ 76,877,306	100.00%	$ (824,510)

Capital Projects Fund Operations

The capital projects fund is used to account for school construction and the purchase of large capital assets. Renovation work continued at Jordan Hill Elementary School and Memorial Stadium while a major renovation of Griffin High School began during the year. The Griffin High School renovation has an estimated cost of approximately $19 million and completion date in fiscal year 2013. Additionally, $597,279 was spent to purchase instructional technology equipment for various schools. Proceeds from the 2007 general obligation bond issue ($14,000,000) have been fully expended leaving current capital construction costs to be paid directly from SPLOST collections. SPLOST collections in fiscal year 2011 decreased 2.8% compared to fiscal year 2010 with receipts of $8,243,365 and $8,479,090, respectively. The largest portion of fiscal year 2011 collection, 91.0%, was recorded in the capital projects fund for use on renovation projects and technology purchases while the remaining 9.0% was recorded in the debt service fund to continue accumulating assets needed for future debt service payments.

Debt Service Fund Operations

The debt service fund is used to accumulate resources for the retirement of long-term debt represented primarily by the general obligation bonds outstanding. Debt service payments totaling $5,008,156 in principal, interest and fiscal charges on the 2007 general obligation bond issue were made during the year. All debt service sinking fund requirements were met at the end of fiscal year 2011.

Capital Assets and Debt Administration

Capital Assets

The System's investment in capital assets for its governmental activities as of June 30, 2011, totaled $131,269,273, net of accumulated depreciation. The investment in capital assets includes land, buildings, vehicles, and equipment used in providing services to our students and community as well as construction in progress on several building projects.

The majority of changes to the System's capital asset accounts came from the renovation of existing buildings. Renovation work at Jordan Hill Elementary School, Memorial Stadium, and Griffin High School constituted the majority of the year's activity. Note 4 to the basic financial statements provides additional information on the System's capital assets including a detailed breakdown of the types of capital assets included in the computation of depreciation charges. As of June 30, 2011, 23.98% of the cost basis of depreciable assets had been taken as a depreciation charge since the various assets were placed in service.

A summary of capital assets follows.

Griffin-Spalding County School System
Capital Assets, Net of Accumulated Depreciation

	Governmental Activities	
	FY 2011	FY 2010
Land	$ 3,347,052	$ 3,347,052
Construction in progress	10,445,594	5,757,791
Buildings	111,629,296	113,388,460
Building Improvements	1,286,990	1,412,793
Vehicles and Equipment	4,560,341	5,264,542
Total	$ 131,269,273	$ 129,170,638

Debt Administration

At June 30, 2011, the System had $9,505,000 in outstanding general obligation bond indebtedness plus an additional $289,922 in long-term capital lease obligations. The current debt limitation for the System is $142,917,172 based on state law limiting the amount of general obligation debt a government entity may issue to ten (10) percent of the total assessed value of taxable property.

No new debt issues are planned for fiscal year 2012. The System maintains a rating of AA from Standard & Poor's for general obligation debt subject to the State intercept program.

Additional information on the System's long-term debt can be found in Note 8 to the basic financial statements.

Outlook for the Future

The System enjoys a strong financial position in light of current economic conditions affecting local revenues as well as the effect of state revenue pressures through austerity reductions to the QBE funding formula and new programmatic requirements. Austerity reductions will continue in fiscal year 2012. Current indications are that fiscal year 2011 austerity reduction may increase and reach approximately 16% of state formula earnings. Adjustments to school and staff work calendars along with other significant operational changes may be necessary. Looking out further, while state revenues have improved during fiscal year 2011 and the first part of fiscal year 2012, expectations are that austerity reductions will continue in fiscal year 2013 and beyond at some undetermined

level. However, the State is continuing a relaxation of class size requirements and is providing other waivers of rules and regulations as long as the budget crisis continues.

The assessed net value of the county property digest declined approximately 3.52% in 2011, the third consecutive year of decline. Little growth in terms of new taxable property was realized in 2011. Additionally, the full effect of new property tax exemptions for senior citizens was reflected on the tax digest in 2010. The county government completed a full revaluation of all real property during 2010, the first full revaluation attempted since the 1960s. However, changes to state law prevented the county from using the full results of the revaluation at this time, but did allow the recognition of any real property previously omitted from the digest.

The Board of Education, while adopting the fiscal year 2012 general fund operating budget, adjusted the millage rate upwards by 0.26 mills to 19.06 mills to mitigate part of the effect felt with a declining property tax digest. With the fiscal year 2012 M&O millage set at 19.06, the ability to raise additional local revenue through property taxes is limited given the constitutional limit which caps school millage rates at 20 mills. The Board of Education will continue to be careful in obligating funds for programs and uses that might be needed to cover expenses not funded through state appropriations.

As of June 30, 2011, the General Fund reflected a fund balance of $10,123,027 translating to 49 days of operation based on the fiscal year 2012 budget. Of this balance, $3,125,760 was assigned for use in the fiscal year 2012 general fund budget by the Board of Education. Through careful planning, the System has not been forced to resort to personnel layoffs or major delays in the purchase of classroom materials to maintain financial strength despite cuts in funding from the State. At this time the objective is to maintain a strong financial condition to better address any further cutbacks in State funding that could have an adverse effect on operations and financial reserves.

Of continuing concern is planning for potential residential growth county-wide. Currently there are approximately 4,500 residential lots approved by zoning officials and waiting for construction to occur. With many of these lots slated for an “active adult” community with no school age children, we expect growth in our student enrollment to remain constant for the foreseeable future in line with the slow, but steady, growth in county population.

Requests for Information

This financial report is designed to provide a general overview of Griffin-Spalding County School System’s finances for those with an interest in the System’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to James D. Smith, CPA, Assistant Superintendent/CFO, Griffin-Spalding County School System, P.O. Drawer N, Griffin, Georgia 30224. Alternatively, you may send requests to the following e-mail address: jim.smith@gscs.org.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2011

	ALL GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	$ 33,498,312
Property taxes receivable	2,780,354
Due from other governments	9,675,630
Other receivables	983,744
Note receivable	272,270
Investments	1,050,000
Inventories	51,577
Prepaid assets	52,000
Capital assets not depreciable	13,792,646
Capital assets, net of accumulated depreciation	117,476,627
Other assets, net of accumulated amortization	46,591
Total assets	179,679,751
LIABILITIES	
Accounts payable and other current liabilities	12,561,257
Unearned revenue	276,968
Long-term liabilities:	
Capitalized lease obligations - due within one year	201,084
Capitalized lease obligations - due in more than one year	88,837
Bonds payable - due within one year	4,665,000
Bonds payable - due in more than one year	4,908,243
Total liabilities	22,701,389
NET ASSETS	
Invested in capital assets, net of related debt	121,406,109
Restricted for:	
Capital projects	15,239,012
Debt service	3,832,266
Continuation of federal and other programs	1,014,726
Permanent funds- nonexpendable	1,255,127
Unrestricted	14,231,122
Total net assets	$ 156,978,362

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS: ALL GOVERNMENTAL ACTIVITIES
Primary government:				
Governmental activities:				
Instruction	$ 63,217,366	$ 377,149	$ 44,157,725	$ (18,682,492)
Pupil support services	3,155,458		2,275,850	(879,608)
Improvement of instructional services	4,540,524		3,306,102	(1,234,422)
Educational media services	1,928,462		1,334,760	(593,702)
General and school administration	8,175,375		5,855,023	(2,320,352)
Business administration	330,052		238,048	(92,004)
Maintenance and operation of plant	8,507,364		5,768,082	(2,739,282)
Student transportation services	3,799,576		2,546,577	(1,252,999)
Central support services	1,154,965		835,394	(319,571)
Other support services	1,309,216		944,262	(364,954)
Food services operation	5,619,731	786,979	4,757,853	(74,899)
Community services operations	149,722		107,986	(41,736)
Interest on long-term debt	535,173			(535,173)
Unallocated depreciation	228,752			(228,752)
Total school system	$ 102,651,736	$ 1,164,128	$ 72,127,662	(29,359,946)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				26,111,674
Special purpose local option sales tax				8,243,365
Investment earnings				72,348
Miscellaneous				731,901
Gain on sale of assets				21,138
Total general revenues				35,180,426
Change in net assets				5,820,480
Net assets, beginning				151,157,882
Net assets, ending				$ 156,978,362

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TITLE I FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	$ 10,105,055	$ 16,209,611	$ 3,832,266	$ 0	$ 3,351,380	$ 33,498,312
Receivables						
Spalding County tax commissioner	2,780,354					2,780,354
State of Georgia, Department of Revenue		712,241				712,241
State of Georgia, Department of Education	5,947,534			1,377,405	1,638,450	8,963,389
Due from other funds	2,318,254					2,318,254
Other	15,938			437,303	530,503	983,744
Investments					1,050,000	1,050,000
Inventories					51,577	51,577
Other assets					1,360	1,360
Note receivable		272,270				272,270
Prepaid items				52,000	0	52,000
Total assets	$ 21,167,135	$ 17,194,122	$ 3,832,266	$ 1,866,708	$ 6,623,270	$ 50,683,501
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 591,388	$ 1,020,832		$ 270,587	$ 230,215	$ 2,113,022
Accrued salaries and benefits	8,411,006			404,515	1,632,714	10,448,235
Deferred revenue	2,041,714	272,270		84,501	183,779	2,582,264
Due to other funds				1,062,166	1,256,088	2,318,254
Total liabilities	11,044,108	1,293,102	0	1,821,769	3,302,796	17,461,775
FUND BALANCES						
Nonspendable:						
Inventories					51,577	51,577
Prepaid assets				52,000		52,000
Permanent funds					1,255,127	1,255,127
Resticted for:						
Debt service			3,832,266			3,832,266
Capital projects		15,239,012				15,239,012
Special revenue funds					1,021,787	1,021,787
Committed to:						
Risk management	366,497					366,497
Special revenue funds					905,857	905,857
Assigned to:						
Subsequent period expenditures	3,125,760					3,125,760
Permanent funds					86,126	86,126
Capital projects		662,008				662,008
Unassigned	6,630,770			(7,061)		6,623,709
Total fund balances	10,123,027	15,901,020	3,832,266	44,939	3,320,474	33,221,726
Total liabilities and fund balances	$ 21,167,135	$ 17,194,122	$ 3,832,266	$ 1,866,708	$ 6,623,270	$ 50,683,501

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total fund balances - governmental funds		$ 33,221,726
Amounts reported for governmental activities in the statement of net assets are different because:		
Other long-term assets are not available to pay for current period expenditures:	$ 2,033,026	
Property taxes deferred in the funds	272,270	2,305,296
Note receivable deferred in the funds		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $168,334,888 and the accumulated depreciation is $37,065,615		131,269,273
Governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of net assets.		45,231
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:		
Capitalized lease obligations		(289,921)
Bonds payable		(9,505,000)
Premium on bonds issued		(68,243)
Total net assets - governmental activities		$ 156,978,362

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TITLE I FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property taxes	$ 25,988,596					$ 25,988,596
Sales taxes		$ 7,504,087	$ 739,278			8,243,365
Fees and charges	377,149				$ 821,577	1,198,726
State funds	47,914,514				5,327,696	53,242,210
Federal funds	2,232,918			$ 5,750,141	8,708,854	16,691,913
Earnings on investments	20,254	24,602	8,341		19,152	72,349
Miscellaneous	1,222,226				2,121,354	3,343,580
Total revenues	77,755,657	7,528,689	747,619	5,750,141	16,998,633	108,780,739
EXPENDITURES						
Current operating						
Instruction	50,219,269			2,722,702	8,282,542	61,224,513
Support services						
Pupil support services	1,323,470			375,481	1,456,507	3,155,458
Improvement of instructional services	1,719,713			2,027,221	836,964	4,583,898
Educational media services	1,845,301			690	4,649	1,850,640
General and school administration	7,555,194			259,119	506,394	8,320,707
Business administration	330,052					330,052
Maintenance and operation of plant	7,966,957			561	29,905	7,997,423
Student transportation services	3,420,009			76,729	34,082	3,530,820
Central support services	1,104,120				54,150	1,158,270
Other support services	899,754			287,418	122,044	1,309,216
School nutrition services				220	5,652,274	5,652,494
Community service operations	149,722					149,722
Debt service						
Principal retirement	192,021		4,495,000			4,687,021
Interest and fiscal charges	22,017		513,156			535,173
Capital outlay	129,707	5,293,428				5,423,135
Total expenditures	76,877,306	5,293,428	5,008,156	5,750,141	16,979,511	109,908,542
Excess (deficiency) of revenues over (under) expenditures	878,351	2,235,261	(4,260,537)	0	19,122	(1,127,803)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	21,138	60,000				81,138
Total other financing sources (uses)	21,138	60,000	0	0	0	81,138
Net change in fund balances	899,489	2,295,261	(4,260,537)	0	19,122	(1,046,665)
Fund balances, beginning	9,223,538	13,605,759	8,092,803	44,939	3,301,352	34,268,391
Fund balances, ending	$ 10,123,027	$ 15,901,020	$ 3,832,266	$ 44,939	$ 3,320,474	$ 33,221,726

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Total net change in fund balances - governmental funds		$ (1,046,665)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds 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 exceed depreciation in the period.		
Capital outlays	$ 4,920,799	
Depreciation	(2,822,164)	2,098,635
Repayment of capital lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		192,021
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		4,495,000
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned:		
Deferred property tax revenue	$ 123,078	
Note receivable	(60,000)	63,078
Governmental funds report the effect of issuance costs and bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		18,411
Change in net assets of governmental activities		$ 5,820,480

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	BUDGETED AMOUNTS		ACTUAL	VARIANCE OVER
	ORIGINAL	FINAL	AMOUNTS	(UNDER)
REVENUES				
Property taxes	$ 26,253,820	$ 26,168,820	$ 25,988,596	$ (180,224)
State funds	46,755,925	47,296,795	47,626,388	329,593
Federal funds	1,243,733	2,250,218	2,232,918	(17,300)
Other local funds	1,152,500	1,653,145	1,619,629	(33,516)
Total revenues	75,405,978	77,368,978	77,467,531	98,553
EXPENDITURES				
Current operating				
Instruction	49,937,940	50,288,745	50,013,199	(275,546)
Support services				
Pupil services	1,276,732	1,276,732	1,318,791	42,059
Improvement of instructional services	1,810,427	1,760,427	1,714,759	(45,668)
Educational media services	1,890,091	1,886,091	1,837,974	(48,117)
General and school administration	7,516,350	7,542,715	7,524,511	(18,204)
Business administration	354,599	356,599	328,376	(28,223)
Maintenance and operation of plant	8,104,825	8,014,825	7,949,152	(65,673)
Student transportation services	2,822,091	3,347,091	3,408,778	61,687
Other support services	1,580,415	2,074,327	2,000,173	(74,154)
Community service operations	10,000	140,000	149,722	9,722
Debt Service				
Principal retirement	192,021	192,021	192,021	0
Interest and fiscal charges	22,017	22,017	22,017	0
Capital outlay	240,000	240,000	129,707	(110,293)
Total expenditures	75,757,508	77,141,590	76,589,180	(552,410)
Excess (deficiency) of revenues over (under) expenditures	(351,530)	227,388	878,351	650,963
OTHER FINANCING USES				
Proceeds from sale of assets	0	0	21,138	21,138
Total other financing uses	0	0	21,138	21,138
Net change in fund balances	(351,530)	227,388	899,489	672,101
Fund balances, beginning	9,223,538	9,223,538	9,223,538	0
Fund balances, ending	$ 8,872,008	$ 9,450,926	$ 10,123,027	$ 672,101

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - TITLE I FUND
FOR THE YEAR ENDED JUNE 30, 2011

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
State funds	$ 0	$ 0	$ 0
Federal funds	7,661,799	5,750,141	(1,911,658)
Other local funds	0	0	0
Total revenues	7,661,799	5,750,141	(1,911,658)
EXPENDITURES			
Current operating			
Instruction	5,725,880	2,722,702	(3,003,178)
Support services			
Pupil services	286,288	375,481	89,193
Improvement of instructional services	996,102	2,027,221	1,031,119
Educational media services	681	690	9
General and school administration	257,166	259,119	1,953
Maintenance and operation of plant	485	561	76
Student transportation services	55,042	76,729	21,687
School nutrition services	915	220	(695)
Total expenditures	7,661,799	5,750,141	(1,911,658)
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balances, beginning	44,939	44,939	0
Fund balances, ending	$ 44,939	$ 44,939	$ 0

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
AGENCY FUNDS - SCHOOL ACTIVITY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2011

ASSETS	
Cash and cash equivalents	$ 100,253
Total assets	100,253
LIABILITIES	
Due to student and faculty groups	100,253
Total liabilities	$ 100,253

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

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Griffin-Spalding County School System (the "System") 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 financial statements of the System have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The System's combined financial statements include the accounts of all System operations. The criteria for including organizations as component units within the System's reporting entity, as set forth in Financial Reporting Standards, include whether:

- The organization is legally separate
- The Board holds the corporate powers of the organization
- The Board appoints a voting majority of the organization's board
- The Board is able to impose its own will on the organization
- The organization has the potential to impose a financial benefit/burden on the System
- There is fiscal dependency by the organization on the System

Based on the aforementioned criteria, the System has no component units.

B. System-wide and fund financial statements

The system-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Normally, governmental activities are supported by taxes and intergovernmental revenues.

NOTE 1: Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The system-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting.* The fiduciary fund financial statements are also reported using the *accrual basis of accounting*; however, fiduciary funds have *no measurement focus*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the System.

The System reports the following major governmental funds:

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

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *debt service fund* is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt.

The *Title I fund* is a special revenue fund used to account for federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of providing remedial education in the areas of reading and math.

Additionally, the School System reports the following funds:

The *special revenue funds* are used to account for federal and state funded grants. These grants are awarded to the System for the purpose of accomplishing specific educational tasks, which are defined in the grant agreements. These funds contain several locally funded programs whose expenditures are restricted to specific purposes. In addition, these funds are used to account for the school nutrition program whose revenues and expenditures are associated with the operations of the school cafeterias.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Permanent funds are used to account for assets held by the System resulting from a trust arrangement in which the System is the beneficiary which include scholarships and endowments.

The *permanent funds* apply the current financial resources measurement focus and modified accrual basis of accounting. Nonexpendable permanent funds account for assets of which the principal may not be spent.

Agency funds are used to account for assets held on behalf of outside parties.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present the results of operations nor have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These fiduciary funds are used to account for assets that the System holds on behalf of other funds of the System and are comprised primarily of amounts collected through fundraising efforts of individual school activity organizations.

Amounts reported as *program revenues* include 1) charges to customers or application for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, *general revenues* include all taxes.

When both restricted and unrestricted resources are available for use, it is the System's policy to use restricted resources first, then unrestricted resources as they are needed. As a general rule the effect of interfund activity has been eliminated from the system-wide financial statements.

D. Assets, liabilities, and net assets or equity

Cash, Cash Equivalents and Investments

The System's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments of the System are reported at fair value.

Statutes authorize the System to invest in obligations of the United States and of its agencies and instrumentalities; bonds or certificates of indebtedness of the state of Georgia and of its agencies and instrumentalities; certificates of deposit of banks insured by the F.D.I.C. to the extent that such investments are legal investments; repurchase agreements; and the Local Government Investment Pool, administered by the State of Georgia. Certificates of deposit must be collateralized to the extent they exceed $250,000.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Receivables

Property taxes were levied on November 1, 2010, based on property values assessed as of January 1, 2010, and were payable on or before January 5, 2011. Property taxes became an enforceable lien on February 5, 2011. Taxes levied in calendar year 2010 for operations were levied at 18.80 mills.

Receivables due but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the district-wide financial statements in accordance with the accrual basis.

Total property tax revenues reported for the fiscal year amounted to $26.1 million, including $2.8 million reported as taxes receivable of which $2 million is reflected as deferred revenue in the general fund.

The State of Georgia, Department of Revenue receivable represents Special Local Option Sales Tax (SPLOST) revenues earned in the prior year but received within 60 days after year-end from the State Department of Revenue. Amounts due from the State of Georgia, Department of Education reflect QBE allotments related to the State's reimbursement amount for its portion of general fund salaries and benefits, which totaled $5.8 million at June 30, 2011.

Other receivables consist of amounts due to the System from other grants, tuition, or other revenue sources. The System anticipates collection of all receivables within one year.

Inventories

Inventories consist of donated food commodities and purchased foods used in the preparation of meals. All are stated at cost using the first-in, first out method. Purchased foods are recorded as expenditures at the time of purchase. Donated food commodities are reported at their federally assigned value and are recorded as revenues and expenditures at the time the items are received. The inventories reported on the balance sheet are reported as nonspendable fund balance.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the district-wide financial statements. Capital assets are defined by the System as assets with an initial cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Land and construction in progress are not depreciated. Depreciation of all other capital assets is charged as an expense against their operations in the Statement of Activities. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Permanent buildings	40-80
Portable buildings	10
Building improvements	20
Vehicles	5 - 10
Office equipment	3 - 10
Computer equipment	3 - 10

Accrued Salaries and Benefits

Accrued salaries and benefits relate primarily to salaries of employees paid over a twelve-month period for contract services of ten months. The twelve-month pay period begins September 1 and ends August 31. Salaries payable in July and August along with the employee benefits relating to those salaries are accrued as of the end of the fiscal year.

Compensated Absences

It is the System's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the System does not have a policy to pay any amounts when employees separate from service with the System. Vacation pay is awarded on a fiscal year basis, with no provisions for carryover of unused days. Accordingly, as of June 30, there is no liability for accrued vacation pay.

Long-term Obligations

In the system-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the life of the related debt.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

Beginning with fiscal year 2011, the System implemented GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly definite fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance- amounts that are not in a spendable form or are required to be maintained intact;
- Restricted fund balance- amounts constrained to a specific purposes by their providers (such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation);
- Committed fund balance- amounts constrained to specific purposes by the System itself, using its highest level of decisions-making authority (Board of Education); to be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint;
- Assigned fund balance- amounts the System intends to use for a specific purpose; intent can be expressed by the Board of Education or by a designee to whom the Board of Education delegates authority;
- Unassigned fund balance- amounts that are available for any legal purpose.

The Board establishes (and modifies or rescinds) fund balance commitments through adoptions and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes). When multiple categories of fund balance are available for expenditure, the System will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

E. Budgetary Information

General Budget Policies

The System has a legally authorized appropriated budget which is formally approved by the Board at the aggregate level for each budgeted fund. Budgets are prepared to provide a basis for funding operations. There is no legal prohibition regarding over expenditure of the aggregate budget as long as there is an adequate available fund balance. The budget process begins when the System's administration prepares a tentative aggregated budget for the Board's approval. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality. At the next regular meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final school budget. This final budget is then submitted, in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167, to the Georgia Department of Education. From time to time, the budget is amended by Board approval at the fund level.

The System prepares its budgets on the modified accrual basis, which is the same basis it presents its fund financial statements. In addition, certain on-behalf payments for retirement benefits are not included in the general fund budget. The actual results on page 19 have, accordingly, been restated for comparative purposes. The System legally adopts budgets for its general fund, special revenue (excluding “other funds”), capital projects and debt service funds.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources recorded in order to reserve that portion of the applicable appropriation, is utilized by the System. Encumbrances outstanding at year-end are reported as assignments of fund balance since they do not constitute actual expenditures or liabilities. They are reappropriated in the subsequent fiscal year since appropriations lapse at year-end.

NOTE 2: Deposits and Investments

The System maintains a cash and investment pool that is available for use by all governmental funds. Each fund type's portion of this pool is included in "Cash and cash equivalents". In addition, deposits are separately held by several of the System's funds.

The System has not adopted a formal investment policy. Most of the System's cash is invested in the State of Georgia Government Pool. Other investments consist of securities backed by Federal Government agencies and one-day repurchase agreements with local banks. The following pages will disclose deposit and investment risks that could affect the System's ability to provide services and meet its obligations as they become due.

Custodial Credit Risk – Deposits

The System's cash and cash equivalents are summarized below. All deposits are carried at cost plus accrued interest.

Depository Accounts	Bank Balance	Book Balance
Insured	$ 500,000	$ 500,000
Collateralized		
Collateral held by pledging bank's trust department in the System's name	15,841,507	13,473,191
Local government investment pool	20,575,121	20,575,121
Total Deposits	36,916,628	34,548,312
Less: Investments shown below	(1,050,000)	(1,050,000)
Net cash and cash equivalents	$ 35,866,628	$ 33,498,312

The System's investment in the local government investment pool is comprised of Georgia Fund 1 and another local investment pool, which has not been categorized as to risk level because it is a pool managed by another government. Georgia Fund 1, which was created by the Official Code of Georgia Annotated (OCGA) 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAA rated market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the Securities and Exchange Commission as an investment company.

NOTE 2: Deposits and Investments (Continued)

The pool's primary objectives are safety of capital, investment income liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. The Georgia State Department of Audits is the regulatory oversight agency of Georgia Fund 1.

Credit Risk, Concentration of Credit Risk, and Interest Rate Risk – Investments
The System follows state law for its choices of investments. The System has few investments and chooses to disclose its investments by specifically identifying each. As of June 30, 2011, the System's investments were as follows:

Investment	Maturities	Fair Value	%
First National Bank - Certificate of Deposit	7 months	$ 30,000	2.86%
First National Bank - Certificate of Deposit	7 months	500,000	47.62%
First National Bank - Certificate of Deposit	8 months	20,000	1.90%
United Bank - Certificate of Deposit	15 months	500,000	47.62%
Total		$ 1,050,000	100.00%

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The System has no investment policy that would further limit its investment choices.

Interest Rate Risk - the System does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk - the System is not limited on the amount that may be invested in any one issuer.

NOTE 3: Note Receivable

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period; therefore, the note receivable has been recorded as deferred revenue for the year ended June 30, 2011.

The note receivable, which bears zero percent annual interest and annual principal payments of $60,000 through the year 2012, with a balance payment of $212,270 due January 13, 2013, represents the balance on the 2010 sale of Varsity Road land.

NOTE 4: Capital Assets

Governmental capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 3,347,052	$ 0	$ 0	$ 0	$ 3,347,052
Construction in progress	5,757,791	4,687,803	0	0	10,445,594
Total capital assets, not being depreciated	9,104,843	4,687,803	0	0	13,792,646
Capital assets, being depreciated:					
Buildings	135,125,385	0	0	0	135,125,385
Building improvements	5,286,668	70,996	0	0	5,357,664
Vehicles and equipment	13,897,193	162,000	0	0	14,059,193
Total capital assets, being depreciated	154,309,246	232,996	0	0	154,542,242
Less accumulated depreciation for:					
Buildings	(21,736,925)	(1,759,164)	0	0	(23,496,089)
Building improvements	(3,873,875)	(196,799)	0	0	(4,070,674)
Vehicles and equipment	(8,632,651)	(866,201)	0	0	(9,498,852)
Total accumulated depreciation	(34,243,451)	(2,822,164)	0	0	(37,065,615)
Total capital assets, being depreciated, net	120,065,795	(2,589,168)	0	0	117,476,627
Capital assets, net	$ 129,170,638	$ 2,098,635	$ 0	$ 0	$ 131,269,273

NOTE 4: Capital Assets (Continued)

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

Instruction	$ 1,419,987
Improvement of instructional services	13,390
Media services	77,822
General and school administration	74,011
Maintenance and operations	452,988
Transporation	268,756
Central support services	10,848
School nutrition	275,610
Unallocated depreciation	228,752
Total depreciation expense	$ 2,822,164

NOTE 5: Interfund Receivables and Payables

Interfund receivable and payable balances are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 2,318,254

The general fund was due $250,000 from the school nutrition fund for indirect costs. In addition, the general fund was due $2,068,254 from other special revenue funds to be repaid upon receipt of grant revenues.

NOTE 6: Non-Monetary Transactions and On-Behalf Payments

The System received from the United States Department of Agriculture through the Georgia Department of Education approximately $204,834 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenues and expenditures in the Other Governmental Funds.

The Georgia Department of Education paid $196,084 to the State Health Benefit Plan, $22,793 to the Teachers Retirement System and $69,249 to the Public School Employee Retirement System on behalf of the System for the fiscal year ending June 30, 2011. These on-behalf payments were for health insurance and retirement contributions and were reported in the General Fund as both revenues and expenditures.

NOTE 7: Capital Leases

The System has entered into various lease agreements as lessee for buses and other capital items. Assets acquired under these capital lease agreements have a historical cost and accumulated amortization of $1,800,700 and $833,101, respectively. These lease agreements qualify as capital leases and have been recorded at the present value of the future minimum lease payments.

The changes in capital leases during the year ended June 30, 2011, were as follows:

Balance Beginning	Additions	Reductions	Balance Ending	Due within 1 year
$ 481,943	$ 0	$ (192,021)	$ 289,922	$ 201,084

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 are as follows:

Years ending June 30,	
2012	$ 214,038
2013	94,837
Total minimum lease payments	308,875
Less: amount representing interest	(18,953)
Present value of minimum lease payments	$ 289,922

NOTE 8: Long-Term Debt

Bonds Payable

In June 2007, the System issued $14,000,000 in general obligation bonds with interest rates ranging from 3.625% - 5.00%. Interest is payable semi-annually beginning October 2007 and principal is due annually beginning in 2010 with final payment due in 2012. The bonds were issued to finance various planned construction activities for the System.

A summary of changes in bonds payable for the year ended June 30, 2011 follows:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011	Due within one year
2007 General Obligation	$ 14,000,000	$ 0	$ (4,495,000)	$ 9,505,000	$ 4,665,000
Unamortized bond premium	122,838	0	(54,595)	68,243	0
Total	$ 14,122,838	$ 0	$ (4,549,595)	$ 9,573,243	$ 4,665,000

The annual debt service requirements to maturity are as follows:

Years Ending June 30,	2007 General Obligation Principal	Interest
2012	$ 4,665,000	$ 321,082
2013	4,840,000	114,100
Total	$ 9,505,000	$ 435,182

NOTE 9: Special Purpose Local Option Sales Tax (SPLOST)

On March 20, 2007, the voters of Spalding County authorized the SPLOST to be reimposed effective July 1, 2007. The reimposed sales tax was authorized for a maximum period of time not to exceed five years for the purpose of raising not more than $57,000,000. The funds generated by the sales tax will be used to retire the general obligations bonds issued June 26, 2007 as well as fund new construction projects.

The status of the SPLOST project is as follows:

	2007 SPLOST
Anticipated proceeds, as originally projected	$ 57,000,000
Amount not yet collected	(23,298,975)
Amount collected through June 30, 2011	$ 33,701,025
Amounts expended to date	$ 21,381,117

NOTE 10: Risk Management

The System is exposed to various risks of loss related to torts: theft of loss, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The System has established a limited risk management program for Workers' Compensation. Estimated claims are budgeted by management based on known claims and prior experience. An excess coverage insurance policy covers aggregate claims in excess of $500,000 up to $1,000,000.

Claims and associated expenses incurred during the fiscal years 2011, 2010 and 2009 are shown below. Outstanding year end liabilities are considered to be immaterial.

Year	Balance July 1, 2010	Current Year Claims Accrued	Current Year Claims Paid	Unpaid Balance June 30, 2011
2011	$ 0	$ 507,078	$ (507,078)	$ 0
2010	$ 0	$ 301,596	$ (301,596)	$ 0
2009	$ 0	$ 452,948	$ (452,948)	$ 0

NOTE 10: Risk Management (Continued)

The System participates in Georgia School Boards Association Risk Management Fund for property and liability insurance. Coverage for losses arising from certain liability and property risks to the System is provided through a group self-insurance plan. For accounting purposes this plan is considered to be a Risk Transfer Pool. Under this plan, the System is responsible for the first $5,000 of each property loss, $5,000 of each machinery breakdown loss, $1,000 of auto physical damage loss, and the first $10,000 of each liability claim. The plan assumes certain risks of the System in excess of state retentions up to certain customary coverage limits. The System is required to make a financial contribution to the plan each year in an amount determined on the basis of actuarial projections of losses.

Settled claims have not exceeded insurance coverage in any of the past three years.

NOTE 11: Contingencies and Commitments

The System is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine System operations. It is the opinion of management and legal counsel that the System has adequate legal defenses or insurance coverage and these actions will not materially affect the System's results of operations or financial position.

At June 30, 2011, the System's future construction commitments consist of additions to Griffin High School, Cowan Road Elementary, and Jordan Hill Elementary in the amounts of approximately $9,839,014, $193,227 and $165,682, respectively.

NOTE 12: Retirement Plans

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

TRS PLAN DESCRIPTION
Substantially all teachers, administrative and clerical personnel employed by local school systems are covered by the Teachers Retirement System of Georgia (TRS), which is a cost-sharing multiple-employer public employee retirement system (PERS). TRS provides service retirement, disability retirement and survivor's benefits for its members. 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. A member is eligible for service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service and attainment of age 55, at a reduced benefit.

NOTE 12: Retirement Plans (Continued)

Retirement benefits paid to members are equal to 2% of the average of the member's two consecutive highest paid years of service multiplied by the number of years of creditable service up to 40 years. The normal retirement pension is payable monthly for life. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary on the member's death.

Retirement benefits also include death and disability benefits. A disabled member or surviving spouse is entitled to receive annually an amount equal to the member's service retirement benefit or disability retirement, whichever is greater. The death benefit is the amount that would be payable to the member's beneficiary had the member retired on the date of death on either a service retirement allowance or a disability retirement allowance, whichever is larger. The benefit is based on the member's creditable service (minimum of 10 years of service) and compensation up to the time of disability or death.

Members become fully vested after ten years of service. If a member terminates with less than ten years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest.

TRS CONTRIBUTIONS REQUIRED AND MADE
Employees of the System who are covered by TRS are required to contribute 5.53% of their gross earnings. The System makes monthly employer contributions at rates adopted by the TRS Board of Trustees as advised by their independent actuary. For fiscal year 2011 that rate for employer contributions was 10.28% of its gross payroll from July through June.

Total contributions made during fiscal years 2011, 2010 and 2009 are as follows:

	Total Contributions	Contributions Made By The System	Employer Percentage Contributed	Contributions Made By Employees
2011	$8,584,790	$5,574,002 (or 10.23% of covered salaries)	100%	$3,010,788 (or 5.53% of covered salaries)
2010	$8,308,498	$5,389,806 (or 9.74% of covered salaries)	100%	$2,918,692 (or 5.25% of covered salaries)
2009	$8,126,522	$5,271,466 (or 9.28% of covered salaries)	100%	$2,855,056 (or 5% of covered salaries)

NOTE 12: Retirement Plans (Continued)

PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA (PSERS)

PSERS PLAN DESCRIPTION

Substantially all bus drivers, maintenance, custodial, and lunchroom personnel employed by local school systems are covered by the Public School Employees Retirement System of Georgia (PSERS), which is a cost-sharing multiple-employer PSERS. All employer contributions are made by the State of Georgia.

PSERS provides service retirement, disability retirement and survivor's benefits for its members. A member is eligible for normal service retirement after 10 years of service and attainment of age 65. A member applying for service retirement with 10 years of service and retiring between the ages of 60 and 65 receives a reduced benefit. Monthly retirement benefits paid to members are equal to $14.75 per month multiplied by the number of years of creditable service. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary on the member's death.

Retirement provisions include death and disability benefits. Disability benefits are the same as if the employee had retired at age 65 as long as the employee has 15 or more years of creditable service. Death benefits are dependent upon the number of years of service. If there are less than ten years of service, a lump sum refund of the employee's contributions and interest are made to the beneficiary. If there are more than ten years of service, the beneficiary shall receive for life half of what the employee would have received upon retirement.

Members become fully vested after ten years of service. If a member terminates with less than ten years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest.

PSERS CONTRIBUTIONS REQUIRED AND MADE

Covered employees are required by State statute to contribute $4.00 per month for the nine-month school year. Unlike TRS, the System makes no contribution to PSERS. The State of Georgia is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS' Board of Trustees.

NOTE 12: Retirement Plans (Continued)

Total contributions made to PSERS by the employees during fiscal years 2011, 2010 and 2009 are as follows:

2011	$12,096
2010	$12,684
2009	$13,112

Ten-year historical trend information is presented in each plan's annual financial statement. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. This information may be obtained by contacting TRS and PSERS directly at Two Northside 75, Suite 400, Atlanta, Georgia 30318 or on the internet at www.trsga.com and www.ersga.org.

NOTE 13: Post Employment Benefits

GEORGIA RETIREE HEALTH BENEFIT FUND

PLAN DESCRIPTION

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

NOTE 13: Post Employment Benefits (Continued)

FUNDING POLICY

The contribution requirements of plan members and participating employers are established and may be amended by the Board of Community Health. Contributions of plan members or beneficiaries receiving benefits vary based on plan elections, 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 required by statute to contribute in accordance with the employer contribution rate established by the Board of Community Health. This contribution rate is established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements. The employer contribution rates for the combined active and retiree plans varied during the fiscal year ended June 30, 2011 as follows:

Teachers	21.955%- 1.429% of state-based salaries
Non-Certificated Employees	$162.72 - $246.20 per month

The School System's contribution to the State Health Benefit Plan for the fiscal year ended June 30, 2011, was $9,006,525, which equaled the required contribution.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Description

Special revenue funds are used to account for revenues received from other governmental agencies or locally generated revenues that are legally restricted to expenditures for specified purposes.

Other Special Revenue Funds:

Title VIB: This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of providing special education programs for handicapped students.

Perkins CTAE: This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of developing career, technical, vocation, and academic skills of students.

Title IIA & Title IID: This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of improving teacher and principal quality and ensuring that all teachers are highly qualified.

Race to the Top: This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of closing achievement gaps, improving high school graduation rates and ensuring student preparation for success in college careers.

Title III (LEP & Immigrant): This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of improving the education of limited English proficient (LEP) and immigrant students by helping them learn English and meet student academic achievement standards.

Title IV (Drug Free Schools): This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose supporting programs that prevent the illegal use of alcohol, tobacco, and drugs.

Other Special Revenue Funds: (Continued)

School Activity Accounts: Consistent with the philosophy of financial independence of the schools, this fund was established to provide accounting for the accounts maintained at the school level.

Mainstay Psycho Ed: This fund was established to provide accounting of state and federal grant funds flowing through the Georgia Network for Educational and Therapeutic Support (GNETS), State of Georgia, for the purpose of providing specialized educational treatment for emotionally disturbed students.

Pre-K: This fund was established to provide accounting of state lottery funds flowing through the Georgia Department of Early Care and Learning, for the purpose of providing early care and education programs for pre-kindergarten students.

Nursing Grant: This fund was established to provide accounting of funds donated by the Hospital Authority, a local foundation, for the purpose of providing nurses in each school.

Other Funds: This fund was established to provide accounting for certain special programs that are typically one-time monies awarded for distinct program objectives.

School Food Service: This fund was established to provide accounting of the System's School Food Service operations.

PERMANENT FUNDS

Description

The permanent funds are used to account for assets held by the System resulting from a trust arrangement in which the System is the beneficiary which include scholarships and endowments.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	SPECIAL REVENUE FUNDS				
	OTHER SPECIAL REVENUE FUNDS	SCHOOL NUTRITION PROGRAM	TOTAL SPECIAL REVENUE FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$ 1,341,254	$ 1,609,936	$ 2,951,190	$ 400,190	$ 3,351,380
Receivables					
State of Georgia, Department of Education	1,637,309	1,141	1,638,450	0	1,638,450
Other	462,736	56,347	519,083	11,420	530,503
Investments	0	0	0	1,050,000	1,050,000
Inventories	0	51,577	51,577	0	51,577
Other assets	0	0	0	1,360	1,360
Prepaid items	0	0	0	0	0
Total assets	$ 3,441,299	$ 1,719,001	$ 5,160,300	$ 1,462,970	$ 6,623,270
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 85,999	$ 22,499	$ 108,498	$ 121,717	$ 230,215
Accrued salaries and benefits	1,286,310	346,404	1,632,714	0	1,632,714
Deferred revenue	144,987	38,792	183,779	0	183,779
Due to other funds	1,006,088	250,000	1,256,088	0	1,256,088
Total liabilities	2,523,384	657,695	3,181,079	121,717	3,302,796
FUND BALANCES					
Nonspendable:					
Inventories	0	51,577	51,577	0	51,577
Prepaid assets	0	0	0	0	0
Permanent funds	0	0	0	1,255,127	1,255,127
Restricted for:					
Special revenue funds	12,058	1,009,729	1,021,787	0	1,021,787
Committed to:					
Special revenue funds	905,857	0	905,857	0	905,857
Assigned to:					
Permanent funds	0	0	0	86,126	86,126
Total fund balances	917,915	1,061,306	1,979,221	1,341,253	3,320,474
Total liabilities and fund balances	$ 3,441,299	$ 1,719,001	$ 5,160,300	$ 1,462,970	$ 6,623,270

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	SPECIAL REVENUE FUNDS				
	OTHER SPECIAL REVENUE FUNDS	SCHOOL NUTRITION PROGRAM	TOTAL SPECIAL REVENUE FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES					
Fees and charges	$ 32,000	$ 789,577	$ 821,577	$ 0	$ 821,577
State funds	5,160,331	167,365	5,327,696	0	5,327,696
Federal funds	4,120,808	4,588,046	8,708,854	0	8,708,854
Earnings on investments	1,032	572	1,604	17,548	19,152
Miscellaneous	2,076,197	2,442	2,078,639	42,715	2,121,354
Total revenues	11,390,368	5,548,002	16,938,370	60,263	16,998,633
EXPENDITURES					
Current operating					
Instruction	8,280,047	0	8,280,047	2,495	8,282,542
Support services					
Pupil support services	1,456,507	0	1,456,507	0	1,456,507
Improvement of instructional services	831,826	5,138	836,964	0	836,964
Educational media services	4,649	0	4,649	0	4,649
General and school administration	485,765	0	485,765	20,629	506,394
Maintenance and operation of plant	29,905	0	29,905	0	29,905
Student transportation services	34,082	0	34,082	0	34,082
Central support services	46,200	0	46,200	7,950	54,150
Other support services	77,794	0	77,794	44,250	122,044
School nutrition services	42,194	5,610,080	5,652,274	0	5,652,274
Total expenditures	11,288,969	5,615,218	16,904,187	75,324	16,979,511
Excess (deficiency) of revenues over (under) expenditures	101,399	(67,216)	34,183	(15,061)	19,122
OTHER FINANCING SOURCES					
Transfers in	0	0	0	0	0
Operating transfers out	0	0	0	0	0
Total other financing sources	0	0	0	0	0
Net change in fund balances	101,399	(67,216)	34,183	(15,061)	19,122
Fund balances, beginning	816,516	1,128,522	1,945,038	1,356,314	3,301,352
Fund balances, ending	$ 917,915	$ 1,061,306	$ 1,979,221	$ 1,341,253	$ 3,320,474

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2011

	TITLE VI-B (IDEA)	PERKINS CTAE	TITLE II A & TITLE II D	RACE TO THE TOP	TITLE III (LEP & IMMIGRANT)	TITLE IV (DRUG FREE SCHOOLS)
ASSETS						
Cash and cash equivalents	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Receivables						
State of Georgia, Department of Education	592,891	4,605	21,385	115,545	1,657	2,497
Due from other funds	0	0	0	0	0	0
Other	4,612	0	286,457	0	0	0
Prepaid items	0	0	0	0	0	0
Total assets	$ 597,503	$ 4,605	$ 307,842	$ 115,545	$ 1,657	$ 2,497
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 36,124	$ 2,002	$ 9,386	$ 0	$ 0	$ 0
Accrued salaries and benefits	289,693	0	49,264	0	0	0
Deferred revenue	18,585	0	0	0	0	0
Due to other funds	253,067	2,603	249,192	115,545	1,657	2,497
Total liabilities	597,469	4,605	307,842	115,545	1,657	2,497
FUND BALANCES						
Nonspendable:						
Prepaid assets	0	0	0	0	0	0
Restricted for:						
Special revenue funds	34	0	0	0	0	0
Committed to:						
Special revenue funds						
Total fund balances	34	0	0	0	0	0
Total liabilities and fund balances	$ 597,503	$ 4,605	$ 307,842	$ 115,545	$ 1,657	$ 2,497

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2011

	SCHOOL ACTIVITY ACCOUNTS	MAINSTAY PSYCHO ED	PRE-K	NURSING GRANT	OTHER FUNDS	TOTAL OTHER SPECIAL REVENUE FUNDS
ASSETS						
Cash and cash equivalents	$ 507,580	$ 0	$ 303,323	$ 0	530,351	$ 1,341,254
Receivables						
State of Georgia, Department of Education	0	892,878	0	0	5,851	1,637,309
Due from other funds	0	0	0	0	0	0
Other	0	0	0	166,667	5,000	462,736
Prepaid items	0	0	0	0	0	0
Total assets	$ 507,580	$ 892,878	$ 303,323	$ 166,667	$ 541,202	$ 3,441,299
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 0	$ 31,244	$ 294	$ 0	6,949	$ 85,999
Accrued salaries and benefits	0	546,562	291,106	95,222	14,463	1,286,310
Deferred revenue	0	0	3,600	1,289	121,513	144,987
Due to other funds	0	311,371	0	70,156	0	1,006,088
Total liabilities	0	889,177	295,000	166,667	142,925	2,523,384
FUND BALANCES						
Nonspendable:						
Prepaid assets	0	0	0	0	0	0
Restricted for:						
Special revenue funds	0	3,701	8,323	0	0	12,058
Committed to:						
Special revenue funds	507,580				398,277	905,857
Total fund balances	507,580	3,701	8,323	0	398,277	917,915
Total liabilities and fund balances	$ 507,580	$ 892,878	$ 303,323	$ 166,667	$ 541,202	$ 3,441,299

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

	TITLE VI-B (IDEA)	PERKINS CTAE	TITLE II A & TITLE II D	RACE TO THE TOP	TITLE III (LEP & IMMIGRANT)	TITLE IV (DRUG FREE SCHOOLS)	TITLE V INNOVATIVE PROGRAMS
REVENUES							
Fees and charges	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
State funds	0	0	0	0	0	0	0
Federal funds	2,571,769	138,255	916,740	115,546	17,321	3,217	0
Earnings on investments	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
Total revenues	2,571,769	138,255	916,740	115,546	17,321	3,217	0
EXPENDITURES							
Current operating							
Instruction	2,052,699	99,609	354,163	0	4,782	1,997	0
Support services							
Pupil support services	436,086	0	0	0	12,153	500	0
Improvement of instructional services	51,819	38,646	546,852	1,077	386	0	0
Educational media services	0	0	0	0	0	0	0
General and school administration	0	0	15,725	68,269	0	0	0
Maintenance and operation of plant	0	0	0	0	0	0	0
Student transportation services	31,165	0	0	0	0	720	0
Central support services	0	0	0	46,200	0	0	0
Other support services	0	0	0	0	0	0	0
School nutrition services	0	0	0	0	0	0	0
Total expenditures	2,571,769	138,255	916,740	115,546	17,321	3,217	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	0	0
OTHER FINANCING SOURCES							
Transfers in	0	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0	0
Total other financing sources	0	0	0	0	0	0	0
Net change in fund balances	0	0	0	0	0	0	0
Fund balances, beginning	34	0	0	0	0	0	0
Fund balances, ending	$ 34	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	SCHOOL ACTIVITY ACCOUNTS	MAINSTAY PSYCHO ED	PRE-K	NURSING GRANT	OTHER FUNDS	TOTAL OTHER SPECIAL REVENUE FUNDS
REVENUES						
Fees and charges	$ 0	$ 0	$ 0	$ 0	$ 32,000	$ 32,000
State funds	0	3,259,060	1,901,271	0	0	5,160,331
Federal funds	0	305,543	950	0	51,467	4,120,808
Earnings on investments	1,032	0	0	0	0	1,032
Miscellaneous	1,605,730	0	0	329,168	141,299	2,076,197
Total revenues	1,606,762	3,564,603	1,902,221	329,168	224,766	11,390,368
EXPENDITURES						
Current operating						
Instruction	1,513,046	2,382,284	1,767,962	0	103,505	8,280,047
Support services						
Pupil support services	0	675,949	1,574	329,168	1,077	1,456,507
Improvement of instructional services	0	179,215	1,889	0	11,942	831,826
Educational media services	0	0	0	0	4,649	4,649
General and school administration	0	319,820	63,924	0	18,027	485,765
Maintenance and operation of plant	0	7,335	0	0	22,570	29,905
Student transportation services	0	0	1,517	0	680	34,082
Central support services	0	0	0	0	0	46,200
Other support services	0	0	65,355	0	12,439	77,794
School nutrition services	0	0	0	0	42,194	42,194
Total expenditures	1,513,046	3,564,603	1,902,221	329,168	217,083	11,288,969
Excess (deficiency) of revenues over (under) expenditures	93,716	0	0	0	7,683	101,399
OTHER FINANCING SOURCES						
Transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Total other financing sources	0	0	0	0	0	0
Net change in fund balances	93,716	0	0	0	7,683	101,399
Fund balances, beginning	413,864	3,701	8,323	0	390,594	816,516
Fund balances, ending	$ 507,580	$ 3,701	$ 8,323	$ 0	$ 398,277	$ 917,915

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2011

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Sales taxes	$ 7,800,398	$ 7,504,087	$ (296,311)
Earnings on Investments	0	24,602	24,602
Total revenues	7,800,398	7,528,689	(271,709)
EXPENDITURES			
Direct Instruction	750,000	0	(750,000)
Capital outlay	11,364,700	5,293,428	(6,071,272)
Total expenditures	12,114,700	5,293,428	(6,821,272)
Excess (deficiency) of revenues over (under) expenditures	(4,314,302)	2,235,261	6,549,563
OTHER FINANCING SOURCES			
Proceeds from sale of assets	0	60,000	60,000
Total other financing uses	0	60,000	60,000
Net change in fund balances	(4,314,302)	2,295,261	6,609,563
Fund balances, beginning	13,605,759	13,605,759	0
Fund balances, ending	$ 9,291,457	$ 15,901,020	$ 6,609,563

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Sales taxes	$ 644,283	$ 739,278	$ 94,995
Other local funds	150,000	8,341	(141,659)
Total revenues	794,283	747,619	(46,664)
EXPENDITURES			
Debt Service			
Principal Retirement	4,495,000	4,495,000	0
Interest and Fiscal Charges	566,150	513,156	(52,994)
Net change in fund balances	(4,266,867)	(4,260,537)	6,330
Fund balances, beginning	8,092,803	8,092,803	0
Fund balances, ending	$ 3,825,936	$ 3,832,266	$ 6,330

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SCHOOL NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2011

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
State funds	$ 157,361	$ 167,365	$ 10,004
Federal funds	4,703,308	4,588,046	(115,262)
Other local funds	866,549	792,591	(73,958)
Total revenues	5,727,218	5,548,002	(179,216)
EXPENDITURES			
Current operating			
Improvement of instructional services	0	5,138	5,138
School nutrition services	5,909,218	5,610,080	(299,138)
Net change in fund balances	(182,000)	(67,216)	114,784
Fund balances, beginning	1,128,522	1,128,522	0
Fund balances, ending	$ 946,522	$ 1,061,306	$ 114,784

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

	TITLE VI-B (IDEA)			PERKINS CTAE		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
State funds	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Federal funds	2,996,532	2,571,769	(424,763)	144,684	138,255	(6,429)
Other local funds	0	0	0	0	0	0
Total revenues	2,996,532	2,571,769	(424,763)	144,684	138,255	(6,429)
EXPENDITURES						
Current operating						
Instruction	2,278,898	2,052,699	(226,199)	92,535	99,609	7,074
Support services						
Pupil services	437,005	436,086	(919)		0	0
Improvement of instructional services	191,566	51,819	(139,747)	52,149	38,646	(13,503)
Educational media services	0	0	0	0	0	0
General and school administration	3,000	0	(3,000)	0	0	0
Business administration	0	0	0	0	0	0
Maintenance and operation of plant	0	0	0	0	0	0
Student transportation services	86,063	31,165	(54,898)	0	0	0
Central support services	0	0	0	0	0	0
Other support services	0	0	0	0	0	0
School nutrition services	0	0	0	0	0	0
Total expenditures	2,996,532	2,571,769	(424,763)	144,684	138,255	(6,429)
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	0
Fund balances, beginning	34	34	0	0	0	0
Fund balances, ending	$ 34	$ 34	$ 0	$ 0	$ 0	$ 0

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

	TITLE IIA & TITLE IID			RACE TO THE TOP		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
State funds	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Federal funds	993,019	916,740	(76,279)	216,069	115,546	(100,523)
Other local funds	0	0	0	0	0	0
Total revenues	993,019	916,740	(76,279)	216,069	115,546	(100,523)
EXPENDITURES						
Current operating						
Instruction	387,953	354,163	(33,790)	70,293	0	(70,293)
Support services						
Pupil services	0	0	0	0	0	0
Improvement of instructional services	605,066	546,852	(58,214)	29,507	1,077	(28,430)
Educational media services	0	0	0	0	0	0
General and school administration	0	15,725	15,725	68,269	68,269	0
Business administration	0	0	0	0	0	0
Maintenance and operation of plant	0	0	0	0	0	0
Student transportation services	0	0	0	0	0	0
Central support services	0	0	0	0	46,200	46,200
Other support services	0	0	0	48,000	0	(48,000)
School nutrition services	0	0	0	0	0	0
Total expenditures	993,019	916,740	(76,279)	216,069	115,546	(100,523)
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	0
Fund balances, beginning	0	0	0	0	0	0
Fund balances, ending	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

	TITLE III (LEP & IMMIGRANT)			TITLE IV (DRUG FREE SCHOOLS)		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
State funds	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Federal funds	23,159	17,321	(5,838)	3,217	3,217	0
Other local funds	0	0	0	0	0	0
Total revenues	23,159	17,321	(5,838)	3,217	3,217	0
EXPENDITURES						
Current operating						
Instruction	6,550	4,782	(1,768)	2,441	1,997	(444)
Support services						
Pupil services	16,209	12,153	(4,056)	0	500	500
Improvement of instructional services	400	386	(14)	0	0	0
Educational media services	0	0	0	0	0	0
General and school administration	0	0	0	0	0	0
Business administration	0	0	0	0	0	0
Maintenance and operation of plant	0	0	0	0	0	0
Student transportation services	0	0	0	776	720	(56)
Central support services	0	0	0	0	0	0
Other support services	0	0	0	0	0	0
School nutrition services	0	0	0	0	0	0
Total expenditures	23,159	17,321	(5,838)	3,217	3,217	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	0
Fund balances, beginning	0	0	0	0	0	0
Fund balances, ending	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

	SCHOOL ACTIVITY ACCOUNTS			MAINSTAY PSYCHO ED		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
State funds	$ 0	$ 0	$ 0	$ 3,259,060	$ 3,259,060	$ 0
Federal funds	0	0	0	558,279	305,543	(252,736)
Other local funds	2,000,000	1,606,762	(393,238)	16,000	0	(16,000)
Total revenues	2,000,000	1,606,762	(393,238)	3,833,339	3,564,603	(268,736)
EXPENDITURES						
Current operating						
Instruction	2,000,000	1,513,046	(486,954)	2,685,764	2,382,284	(303,480)
Support services						
Pupil services	0	0	0	698,112	675,949	(22,163)
Improvement of instructional services	0	0	0	184,575	179,215	(5,360)
Educational media services	0	0	0	0	0	0
General and school administration	0	0	0	328,888	319,820	(9,068)
Business administration	0	0	0	0	0	0
Maintenance and operation of plant	0	0	0	30,000	7,335	(22,665)
Student transportation services	0	0	0	0	0	0
Central support services	0	0	0	0	0	0
Other support services	0	0	0	0	0	0
School nutrition services	0	0	0	0	0	0
Total expenditures	2,000,000	1,513,046	(486,954)	3,927,339	3,564,603	(362,736)
Excess (deficiency) of revenues over (under) expenditures	0	93,716	93,716	(94,000)	0	94,000
Fund balances, beginning	413,864	413,864	0	3,701	3,701	0
Fund balances, ending	$ 413,864	$ 507,580	$ 93,716	$ (90,299)	$ 3,701	$ 94,000

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	PRE-K			NURSING GRANT		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
State funds	$ 1,899,533	$ 1,901,271	$ 1,738	$ 0	$ 0	$ 0
Federal funds	0	950	950	0	0	0
Other local funds	0	0	0	260,000	329,168	69,168
Total revenues	1,899,533	1,902,221	2,688	260,000	329,168	69,168
EXPENDITURES						
Current operating						
Instruction	1,899,533	1,767,962	(131,571)	0	0	0
Support services						
Pupil services	0	1,574	1,574	260,000	329,168	69,168
Improvement of instructional services	0	1,889	1,889	0	0	0
Educational media services	0	0	0	0	0	0
General and school administration	0	63,924	63,924	0	0	0
Business administration	0	0	0	0	0	0
Maintenance and operation of plant	0	0	0	0	0	0
Student transportation services	0	1,517	1,517	0	0	0
Central support services	0	0	0	0	0	0
Other support services	0	65,355	65,355	0	0	0
School nutrition services	0	0	0	0	0	0
Community service operations	0	0	0	0	0	0
Total expenditures	1,899,533	1,902,221	2,688	260,000	329,168	69,168
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	0
Fund balances, beginning	8,323	8,323	0	0	0	0
Fund balances, ending	$ 8,323	$ 8,323	$ 0	$ 0	$ 0	$ 0

See Independent Auditors' Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
AGENCY FUNDS - SCHOOL ACTIVITY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS				
Cash and cash equivalents	$ 84,842	$ 328,371	$ 312,960	$ 100,253
Total assets	$ 84,842	$ 328,371	$ 312,960	$ 100,253
LIABILITIES				
Due to student and faculty groups	$ 84,842	$ 328,371	$ 312,960	$ 100,253
Total liabilities	$ 84,842	$ 328,371	$ 312,960	$ 100,253

GRIFFIN-SPALDING COUNTY BOARD OF EDUCATION
GRIFFIN, GEORGIA
SCHEDULE OF ALLOTMENTS AND EXPENDITURES - BY PROGRAM
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2011

	ALLOTMENTS FROM DEPARTMENT OF EDUCATION	DIRECT INSTRUCTIONAL EXPENDITURES AMOUNT REPORTED TO DEPARTMENT OF EDUCATION		
	AMOUNT	SALARIES	OPERATIONS	TOTAL
GENERAL AND CAREER EDUCATION PROGRAMS				
Kindergarten	$ 3,934,469	$ 4,168,021	$ 52,297	$ 4,220,318
Kindergarten EIP	1,039,647	396,835	2,789	399,624
Grades 1 – 3	8,964,460	9,163,945	120,442	9,284,387
Grades 1 – 3 EIP	1,834,415	820,976	6,622	827,598
Sub-Total - K-3	15,772,991	14,549,777	182,151	14,731,927
Grades 4 - 5	4,110,042	5,690,378	70,482	5,760,860
Grades 4 - 5 EIP	1,392,385	301,273	6,234	307,507
Middle School (6 - 8)	6,824,626	6,469,291	118,236	6,587,527
Grades 9 - 12	6,023,330	6,934,511	145,164	7,079,675
Vocational Education Laboratories	1,177,138	772,322	118,890	891,212
Total General and Career Education Programs	35,300,512	34,717,552	641,157	35,358,708
SPECIAL EDUCATION PROGRAMS				
Regular Programs				
Category I	449,332		10,036	10,036
Category II	908,069	968,092	7,657	975,749
Category III	3,405,869	4,180,932	28,634	4,209,566
Category IV	1,009,318	253,004	9,688	262,692
Category V	483,903		10,302	10,302
Sub-Total – Regular	6,256,491	5,402,028	66,317	5,468,345
Category VI (Gifted)	1,564,635	631,459	27,994	659,453
Total Special Education Programs	7,821,126	6,033,487	94,311	6,127,798
REMEDIAL EDUCATION PROGRAM	1,032,311	246,070	1,303	247,373
ALTERNATIVE EDUCATION PROGRAMS	518,955	378,080	8,579	386,659
ENGLISH FOR SPEAKERS OF OTHER LANGUAGES	172,971	94,237		94,237
SPECIAL EDUCATION ITINERANT	5,886	0	0	0
SPECIAL EDUCATION SUPPLEMENTAL SPEECH	21,821	0	0	0
Direct Instruction Total	44,873,582	41,469,426	745,350	42,214,775
TWENTY DAYS ADDITIONAL INSTRUCTION	394,432	149,477	4,157	153,634
Twenty Days Additional Instruction Total	394,432	149,477	4,157	153,634
MEDIA CENTER PROGRAMS	1,285,670	1,717,647	120,327	1,837,974
Media Center Total	1,285,670	1,717,647	120,327	1,837,974
PROFESSIONAL DEVELOPMENT PROGRAMS	244,892	0	121,481	121,481
Professional Development Total	244,892	0	121,481	121,481
MID-TERM HOLD HARMLESS	277,736	0	0	0
Mid-Term Hold Harmless Total	277,736	0	0	0
Grand Total	$ 47,076,312	$ 43,336,550	$ 991,315	$ 44,327,864

See Independent Auditors' Report.

STATISTICAL SECTION

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

Contents

	Page
Financial Trends	62
These schedules contain trend information to help the reader understand how the System's financial performance and well-being have changed over time.	
Revenue Capacity	68
These schedules contain information to help the reader assess the System's most significant local revenue source, the property tax.	
Debt Capacity	76
These schedules present information to help the reader assess the affordability of the System's current levels of outstanding debt and the System's ability to issue additional debt in the future.	
Demographic and Economic Information	81
These schedules offer demographic and economic indicators to help the reader understand the environment within which the System's financial activities take place.	
Operating Information	87
These schedules contain service and infrastructure data to help the reader understand how the information in the System's financial report relates to the services the System provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Griffin-Spalding County School System
Comparative Statement of Net Assets, Last Nine Fiscal Years

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assets:									
Cash and cash equivalents	$26,325,079	$32,825,653	$29,939,764	$29,783,929	$31,737,875	$32,840,302	$37,161,880	$40,383,138	$33,498,312
Property taxes receivable	303,049	264,554	253,164	611,822	516,847	438,372	2,127,120	2,150,347	2,780,354
Due from other governments	6,857,969	6,318,230	7,030,653	7,681,176	8,270,564	9,064,167	6,866,538	6,856,779	9,675,630
Other receivables	147,957	398,318	121,659	220,345	148,211	362,433	203,080	593,176	983,744
Note receivable								332,270	272,270
Investments	12,248,070	10,107,015	6,750,589	1,130,000	15,152,151	9,518,481	1,050,000	1,050,000	1,050,000
Inventories	85,670	127,536	115,319	123,419	107,369	65,052	88,389	65,202	51,577
Prepaid assets									52,000
Capital assets not depreciable	5,357,856	9,693,775	12,781,695	17,238,316	16,491,980	11,269,135	23,453,521	9,104,843	13,792,646
Capital assets, net of accumulated depreciation	79,634,930	77,810,739	77,020,335	82,696,494	93,863,856	105,258,172	102,974,193	120,065,795	117,476,627
Other assets (net of accumulated amortization)	101,186	79,503	109,956	37,498	205,786	155,148	118,961	82,776	46,591
Total assets	131,061,766	137,625,323	134,123,134	139,522,999	166,494,639	168,971,262	174,043,682	180,684,326	179,679,751
Liabilities:									
Accounts payable and other current liabilities	10,616,018	10,922,867	12,584,051	13,773,866	13,967,372	14,081,769	14,495,698	14,655,769	12,561,257
Deferred revenue	33,107	133,057	132,041	144,006	142,021	401,983	284,447	265,894	276,968
Long-term liabilities:									
Capitalized lease obligations - due within one year	517,471	389,654	270,628	257,681	176,469	233,311	298,515	192,021	201,084
Capitalized lease obligations - due in more than one year	724,880	430,864	362,455	535,371	358,902	550,247	481,942	289,922	88,837
Bond Premium					286,623	232,028	177,433	122,838	68,243
Bonds payable - due within one year	3,475,000	4,820,000	5,265,000	5,680,000	6,005,000			4,495,000	4,665,000
Bonds payable - due in more then one year	29,750,000	24,930,000	11,685,000	6,005,000	14,000,000	14,000,000	14,000,000	9,505,000	4,840,000
Total liabilities	45,116,476	41,626,442	30,299,175	26,395,924	34,936,387	29,499,338	29,738,035	29,526,444	22,701,389
Net Assets:									
Invested in capital assets, net of related debt	69,533,071	73,734,934	85,447,310	90,449,417	104,268,507	109,607,847	111,587,425	114,565,857	121,406,109
Restricted for:									
Capital projects	515,048	1,145,423	1,496,830	847,587	869,081	7,037,643	10,415,093	13,605,759	15,239,012
Debt service	7,551,538	11,078,940	5,927,359	9,367,080	12,146,215	9,079,722	8,679,188	8,092,803	3,832,266
Other purposes	2,227,318	2,193,903	1,859,162	1,909,836	2,040,762	1,496,779	1,520,779	1,356,314	2,269,853
Unrestricted	6,118,315	7,845,681	9,093,298	10,553,155	12,233,687	12,249,933	12,103,162	13,537,149	14,231,122
Total net assets	$85,945,290	$95,998,881	$103,823,959	$113,127,075	$131,558,252	$139,471,924	$144,305,647	$151,157,882	$156,978,362

Note: The System began to report accrual information when it implemented GASB Statement 34 in FY 2003.

Griffin-Spalding County School System
Net Assets by Component, Last Nine Fiscal Years

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
Current and other assets	$46,068,980	$50,120,809	$44,321,104	$39,588,189	$56,138,803	$52,443,955	$47,615,968	$51,513,688	$48,410,478
Capital assets	84,992,786	87,504,514	89,802,030	99,934,810	110,355,836	116,527,307	126,427,714	129,170,638	131,269,273
Total assets	131,061,766	137,625,323	134,123,134	139,522,999	166,494,639	168,971,262	174,043,682	180,684,326	179,679,751
Current and other liabilities	10,649,125	11,055,924	12,716,092	13,917,872	14,109,393	14,483,752	14,780,145	14,921,663	12,838,225
Long-term liabilities outstanding	34,467,351	30,570,518	17,583,083	12,478,052	20,826,994	15,015,586	14,957,890	14,604,781	9,863,164
Total liabilities	45,116,476	41,626,442	30,299,175	26,395,924	34,936,387	29,499,338	29,738,035	29,526,444	22,701,389
Net assets:									
Invested in capital assets, net of related debt	69,533,071	73,734,934	85,447,310	90,449,417	104,268,507	109,607,847	111,587,425	114,565,857	121,406,109
Restricted	10,293,904	14,418,266	9,283,351	12,124,503	15,056,058	17,614,144	20,615,060	23,054,876	21,341,131
Unrestricted	6,118,315	7,845,681	9,093,298	10,553,155	12,233,687	12,249,933	12,103,162	13,537,149	14,231,122
Total governmental activities net assets	$85,945,290	$95,998,881	$103,823,959	$113,127,075	$131,558,252	$139,471,924	$144,305,647	$151,157,882	$156,978,362

Note: The System began to report accrual information when it implemented GASB Statement 34 in FY 2003.

Griffin-Spalding County School System
Changes in Net Assets, Last Nine Fiscal Years

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
Instruction	$53,916,831	$53,746,838	$57,086,694	$61,429,085	$65,253,840	$66,961,194	$65,503,742	$65,038,443	$63,217,366
Pupil support services	2,176,465	1,998,883	2,226,000	2,649,631	2,535,688	2,850,621	3,010,602	3,041,075	3,155,458
Improvement of instructional services	2,697,647	3,131,906	3,163,754	3,873,778	3,993,270	4,035,198	3,928,254	3,649,259	4,540,524
Educational media services	1,719,880	1,756,477	1,872,780	1,887,315	2,060,554	2,056,494	1,960,650	1,974,281	1,928,462
General and school administration	6,417,949	6,031,724	6,318,858	6,880,586	7,566,244	8,409,899	8,524,664	8,022,284	8,175,375
Business administration	312,312	350,075	405,392	436,328	448,203	455,536	470,007	421,419	330,052
Maintenance and plant operations	7,202,188	6,627,836	7,146,007	7,706,961	8,013,536	8,517,290	8,622,179	8,999,351	8,507,364
Student transportation services	3,009,785	3,041,137	3,026,230	2,713,375	3,423,768	3,269,753	3,775,162	3,680,349	3,799,576
Central support services	1,151,255	1,189,587	1,201,547	1,241,578	1,346,868	1,713,408	1,336,515	1,167,341	1,154,965
Other support services	638,150	752,479	1,001,223	970,095	1,194,036	903,268	1,318,394	1,247,689	1,309,216
Food service operations	4,759,877	4,836,607	5,034,110	5,074,743	5,359,583	5,464,577	5,621,521	5,470,823	5,619,731
Community services operations	111,418	127,768	124,642	138,354	137,175	147,285	161,947	152,963	149,722
Interest on long-term debt	2,435,135	1,218,512	955,154	565,396	401,996	668,075	644,019	644,738	535,173
Unallocated depreciation and other expenses	433,856	852,389	479,986	1,530,280	985,141	1,788,753	301,107	266,318	228,752
Total governmental activities expenses	86,982,748	85,662,218	90,042,377	97,097,505	102,719,902	107,241,351	105,178,763	103,776,333	102,651,736
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction	497,688	613,943	543,700	626,630	577,487	531,783	503,645	391,364	377,149
Food service operations	1,307,399	1,281,164	1,326,664	1,270,449	1,173,971	1,102,205	952,409	894,109	786,979
Operating grants and contributions	57,225,077	57,040,076	61,572,748	67,792,353	73,216,823	74,066,266	70,672,931	72,330,693	72,127,662
Capital grants and contributions	190,909	2,643,354	21,212	293,706	8,842,505	982,501	0	0	0
Total governmental activities program revenues	59,221,073	61,578,537	63,464,324	69,983,138	83,810,786	76,682,755	72,128,985	73,616,166	73,291,790
Net (Expense) Revenue									
Governmental activities	(27,761,675)	(24,083,681)	(26,578,053)	(27,114,367)	(18,909,116)	(30,558,596)	(33,049,778)	(30,160,167)	(29,359,946)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes:									
Property taxes, levied for general purposes	23,322,339	25,040,595	24,774,532	25,556,558	26,364,301	26,890,762	27,063,701	27,434,435	26,111,674
Special Purpose Local Option Sales Taxes	7,539,464	8,176,672	8,491,952	9,222,616	9,101,483	9,447,388	7,910,893	8,479,090	8,243,365
Investment earnings	968,258	381,413	777,321	1,460,331	1,706,358	1,861,304	520,363	117,706	72,348
Gain on sale of fixed assets	209,519							613,986	21,138
Miscellaneous	377,337	538,592	359,326	177,978	168,151	272,814	820,844	367,185	731,901
Total general revenues and other changes in net assets - governmental activities	32,416,917	34,137,272	34,403,131	36,417,483	37,340,293	38,472,268	36,315,801	37,012,402	35,180,426
Change in Net Assets	$4,655,242	$10,053,591	$7,825,078	$9,303,116	$18,431,177	$7,913,672	$3,266,023	$6,852,235	$5,820,480

Note: The System began to report accrual information when it implemented GASB Statement 34 in FY 2003.

Griffin-Spalding County School System
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved						$559,813				
Unreserved	$5,898,964	$6,442,396	$6,936,571	$8,042,919	$9,431,328	$10,870,654	$10,668,058	$8,992,617	$9,223,538	$10,123,027
Total general fund	$5,898,964	$6,442,396	$6,936,571	$8,042,919	$9,431,328	$11,430,467	$10,668,058	$8,992,617	$9,223,538	$10,123,027
All Other Governmental Funds[1]										
Reserved	$44,654,873	$29,301,541	$31,219,205	$22,453,894	$15,081,024	$29,031,485	$25,556,483	$20,615,060	$23,120,078	$21,451,769
Unreserved, reported in:										
Special revenue funds	261,372	533,800	448,414	1,050,379	1,121,827	1,363,033	1,581,875	1,539,589	1,924,775	1,646,930
Capital projects funds										
Debt service funds										
Total all other governmental funds	$44,916,245	$29,835,341	$31,667,619	$23,504,273	$16,202,851	$30,394,518	$27,138,358	$22,154,649	$25,044,853	$23,098,699

[1] Due to GASB Statement 54, fund balances are now reported into five categories: nonspendable, restricted, committed, assigned, and unassigned. For the purposes of this chart, "Reserved" will include nonspendable and restricted and "Unreserved" will include committed, assigned, and unassigned. A new chart with the FY11 GASB 54 fund balance descriptions will be included on the next page.

Griffin-Spalding County School System
Fund Balances, GASB 54
Latest Fiscal Year

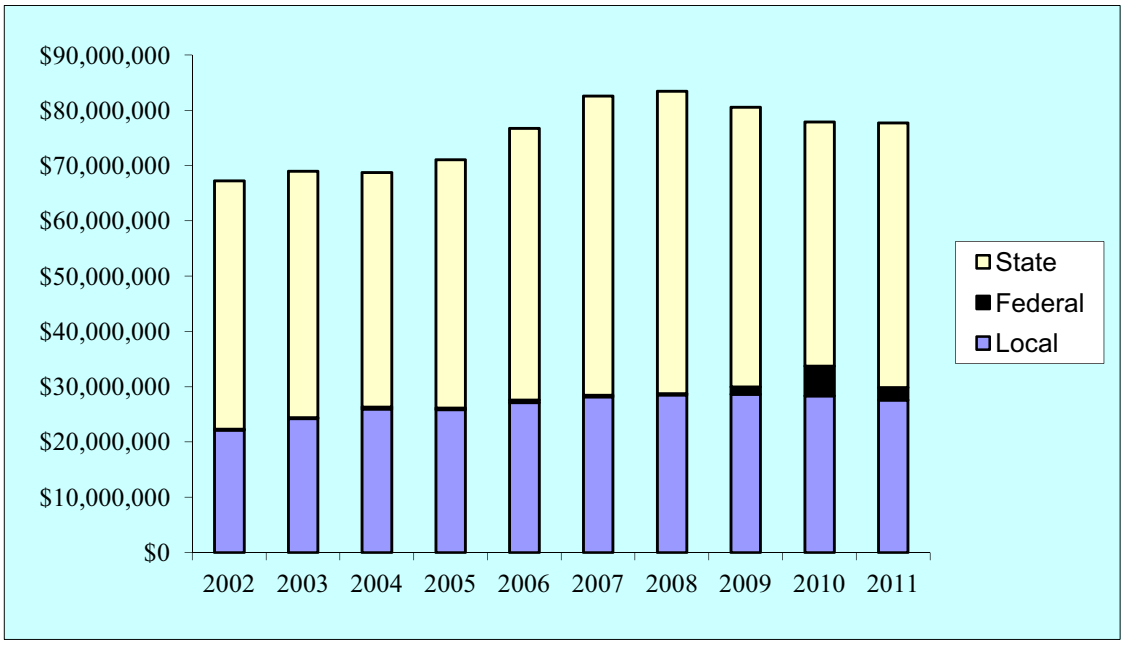
	2011 [1]
General Fund	
Committed to:	
Risk Management	366,497
Assigned to:	
Susequent period expenditures	3,125,760
Unassigned	6,630,770
Total general fund	$10,123,027
All Other Governmental Funds	
Nonspendable	1,358,704
Restricted for:	
Debt service	3,832,266
Capital projects	15,239,012
Special revenue funds	1,021,787
Committed to:	
Special revenue funds	905,857
Assigned to:	
Permanent funds	86,126
Capital projects	662,008
Unassigned	(7,061)
Total all other governmental funds	$23,098,699

[1] FY11 is the first year of GASB 54 implementation.

Griffin-Spalding County School System
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
State Funds	$49,351,447	$48,116,355	$49,274,785	$49,174,851	$54,226,164	$68,229,616	$61,403,329	$56,051,777	$49,449,766	$53,242,210
Federal Funds	8,106,002	8,713,397	9,863,775	10,361,161	11,720,805	11,525,217	11,468,651	12,387,424	20,640,398	16,691,913
Local and Other Funds	33,338,777	34,430,901	36,567,729	38,134,873	40,453,651	41,390,774	42,283,043	40,002,330	40,015,559	38,846,616
Total Revenues	90,796,226	91,260,653	95,706,289	97,670,885	106,400,620	121,145,607	115,155,023	108,441,531	110,105,723	108,780,739
Expenditures										
Current operating										
Instruction	51,492,171	52,970,347	52,895,490	56,206,364	60,454,077	64,194,862	65,827,975	63,930,654	63,487,687	61,224,513
Support Services										
Pupil Services	2,032,369	2,176,465	1,998,883	2,226,000	2,649,631	2,535,688	2,850,621	3,010,605	3,041,075	3,155,458
Improvement of Instructional Services	2,553,190	2,697,866	3,132,324	3,180,953	3,868,496	3,988,732	4,056,132	3,918,482	3,641,134	4,583,898
Educational Media Services	1,802,594	1,668,904	1,705,216	1,818,599	1,829,886	1,997,469	1,987,827	1,889,175	1,899,632	1,850,640
General and School Administration	6,086,711	6,371,734	5,985,509	6,276,213	6,834,487	7,517,259	8,354,596	8,466,181	8,159,136	8,320,707
Business Administration	335,997	312,312	344,283	393,917	424,745	442,411	455,536	470,007	421,419	330,052
Maintenance and Operations of Plant	6,971,925	7,147,175	6,559,467	7,139,743	7,647,568	7,968,967	8,402,192	8,340,576	8,575,642	7,997,423
Student Transportation Services	3,125,300	3,182,176	3,174,904	2,618,276	2,869,103	3,444,101	3,401,255	3,358,858	3,352,294	3,530,820
Central Support Services	1,109,364	1,152,427	1,262,706	1,203,346	1,240,705	1,375,379	1,696,278	1,318,323	1,146,642	1,158,270
Other Support Services	521,686	616,247	728,059	980,158	970,095	1,194,036	903,268	1,318,393	1,247,689	1,309,216
Food Services Operations	4,575,224	4,591,849	4,670,745	4,871,933	4,909,600	5,197,001	5,278,862	5,434,491	5,554,164	5,652,494
Community Services Operations	119,801	111,418	127,768	124,642	138,354	137,175	147,285	161,947	152,963	149,722
Other Operations of Non-Instructional Services										
Debt Service										
Principal Retirement	770,000	28,185,000	3,475,000	13,210,501	5,655,533	5,937,681	6,300,671	296,560	298,515	4,687,021
Interest and Fiscal Charges	2,119,742	2,431,521	1,218,512	955,154	565,396	401,996	668,075	644,019	644,738	535,173
Capital Outlay	3,059,890	5,415,882	4,920,200	4,175,845	12,806,457	12,914,140	9,386,875	12,835,870	5,643,587	5,423,135
Total Expenditures	86,675,964	119,031,323	92,199,066	105,381,644	112,864,133	119,246,897	119,717,448	115,394,141	107,266,317	109,908,542
Excess (Deficiency) of Revenues over (under) expenditures	4,120,262	(27,770,670)	3,507,223	(7,710,759)	(6,463,513)	1,898,710	(4,562,425)	(6,952,610)	2,839,406	(1,127,803)
Other Financing Sources (Uses)										
Sale of Bonds	14,186,371	9,000,000				14,000,000				
Premium on issuance of bonds						286,623				
Capital Leases	662,938	504,457	149,967		550,500		543,856	293,460		
Proceeds from sale of assets		536,289	108,720	272,571		5,473			281,719	81,138
Operating Transfers In	1,957,502	2,078,896	300,257	415,215	702,478	1,014,676	6,369,874	4,144	25,210	
Operating Transfers Out	(2,082,501)	(2,078,896)	(300,257)	(415,215)	(702,478)	(1,014,676)	(6,369,874)	(4,144)	(25,210)	
Total Other Financing Sources (Uses)	14,724,310	10,040,746	258,687	272,571	550,500	14,292,096	543,856	293,460	281,719	81,138
Net change in fund balance	$18,844,572	($17,729,924)	$3,765,910	($7,438,188)	($5,913,013)	$16,190,806	($4,018,569)	($6,659,150)	$3,121,125	($1,046,665)
Debt service as a percentage of noncapital expenditures	3.46%	26.95%	5.38%	14.00%	6.22%	5.96%	6.32%	0.92%	0.93%	5.00%

Griffin-Spalding County School System
Revenues by Source, Last Ten Fiscal Years
General Fund



Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
2002	22,172,270	44,902,407	165,152	67,239,829
2003	24,214,287	44,570,632	202,064	68,986,983
2004	25,968,856	42,458,083	329,016	68,755,955
2005	25,879,240	44,915,927	287,973	71,083,140
2006	27,118,925	49,148,707	468,614	76,736,246
2007	28,196,293	54,101,688	297,488	82,595,469
2008	28,496,743	54,736,244	243,312	83,476,299
2009	28,645,732	50,576,790	1,342,194	80,564,716
2010	28,373,970	44,123,199	5,379,059	77,876,228
2011	27,608,225	47,914,514	2,232,918	77,755,657

Griffin-Spalding County School System
Percentage Change in Revenues by Source, Last Ten Fiscal Years
General Fund

Total Dollars

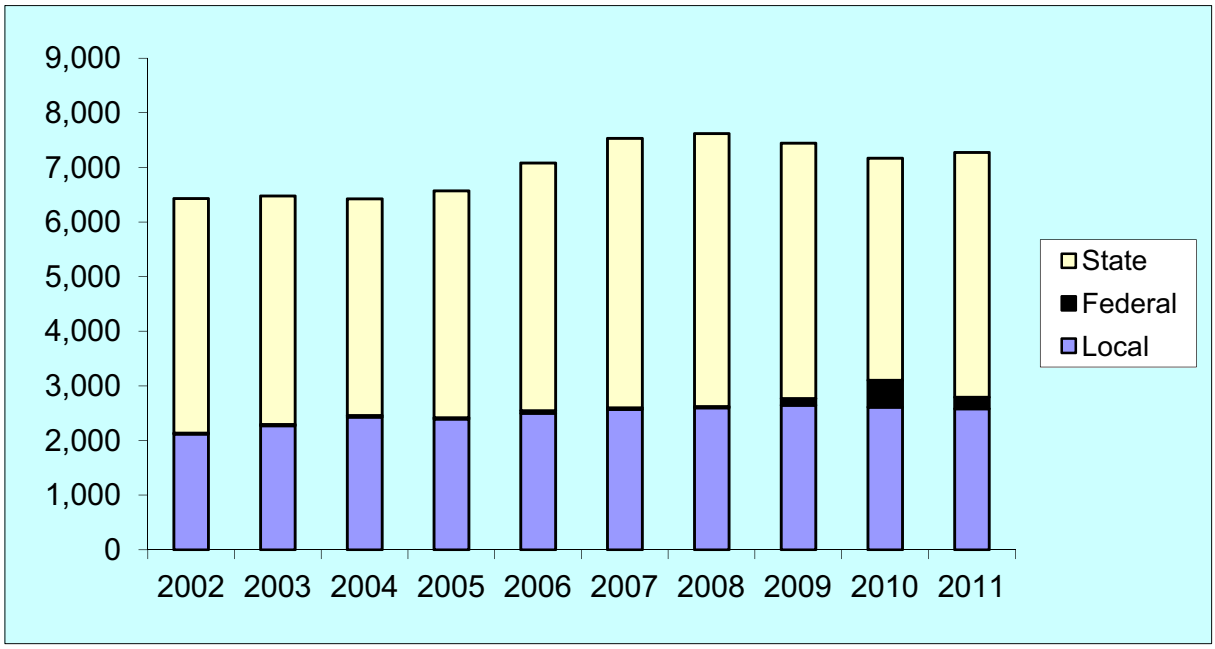
Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
2002	22,172,270	44,902,407	165,152	67,239,829
2003	24,214,287	44,570,632	202,064	68,986,983
2004	25,968,856	42,458,083	329,016	68,755,955
2005	25,879,240	44,915,927	287,973	71,083,140
2006	27,118,925	49,148,707	468,614	76,736,246
2007	28,196,293	54,101,688	297,488	82,595,469
2008	28,496,763	54,736,244	243,312	83,476,319
2009	28,645,732	50,576,790	1,342,194	80,564,716
2010	28,373,970	44,123,199	5,379,059	77,876,228
2011	27,608,225	47,914,514	2,232,918	77,755,657
Percentage Change [1]	**24.5%**	**6.7%**	**1252.0%**	**15.6%**

Percentage of Dollars

Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
2002	32.97%	66.78%	0.25%	100.0%
2003	35.10%	64.61%	0.29%	100.0%
2004	37.77%	61.75%	0.48%	100.0%
2005	36.40%	63.19%	0.41%	100.0%
2006	35.34%	64.05%	0.61%	100.0%
2007	34.14%	65.50%	0.36%	100.0%
2008	34.14%	65.57%	0.29%	100.0%
2009	35.55%	62.78%	1.67%	100.0%
2010	36.43%	56.66%	6.91%	100.0%
2011	35.51%	61.62%	2.87%	100.0%

[1]Percentage change computed by using the following formula:
(2011 revenue/2002 revenue)-1 = percentage change

Griffin-Spalding County School System
Per Pupil Revenues by Source, Last Ten Fiscal Years
General Fund



Year Ended June 30	Total Revenues	Student Enrollment [1]	Per Pupil Local & Other Funds	Per Pupil State Funds	Per Pupil Federal Funds	Per Pupil Total Revenues [2]
2002	67,239,829	10,458	2,120	4,294	16	6,430
2003	68,986,983	10,648	2,274	4,186	19	6,479
2004	68,755,955	10,693	2,429	3,970	31	6,430
2005	71,083,140	10,813	2,394	4,153	27	6,574
2006	76,736,246	10,833	2,503	4,538	43	7,084
2007	82,595,469	10,967	2,571	4,933	27	7,531
2008	83,476,319	10,953	2,602	4,997	22	7,621
2009	80,564,716	10,823	2,647	4,673	124	7,444
2010	77,876,228	10,860	2,612	4,063	496	7,171
2011	77,755,657	10,685	2,584	4,484	209	7,277
Percentage Change [3]	15.6%	2.2%	21.9%	4.4%	1199.3%	13.2%

[1] Student enrollment figures are taken from fall enrollment (October 1) reports.

[2] Revenues restated on a per pupil basis by using the following formula:
Revenue/current enrollment = per pupil revenue

[3] Percentage change computed by using the following formula:
(2011 revenue/2002 revenue)-1 = percentage change

Griffin-Spalding County School System
Assessed Value and Actual Value of Taxable Property,
Last Ten Calendar Years

Set forth below is information concerning the assessed (40% of fair market value) and estimated actual (fair market) value of taxable property within the District for the last ten years.

		Assessed Values									
Calendar Year	Millage Rate	Real & Personal Property	Public Utilities	Motor Vehicles	Mobile Homes	Gross Tax Digest	Bond Exemptions	General Obligation Bonds Tax Digest[1]	Maintenance & Operation Exemptions	Maintenance & Operation Tax Digest[2]	Estimated Actual Value
2002	18.55	1,269,996,842	34,978,753	130,888,810	4,800,502	1,440,664,907	108,283,697	1,332,381,210	155,089,883	1,285,575,024	3,601,662,268
2003	18.95	1,286,685,951	30,236,753	130,014,890	2,849,988	1,449,787,582	101,257,146	1,348,530,436	150,357,716	1,299,429,866	3,624,468,955
2004	18.90	1,317,688,511	30,259,036	126,439,230	2,638,235	1,477,025,012	112,557,304	1,364,467,708	163,098,749	1,313,926,263	3,692,562,530
2005	18.85	1,394,393,295	27,673,443	121,472,640	2,467,090	1,546,006,468	145,630,674	1,400,375,794	196,850,642	1,349,155,826	3,865,016,170
2006	18.82	1,423,109,722	29,564,396	116,185,470	2,282,951	1,571,142,539	123,840,983	1,447,301,556	174,886,694	1,396,255,845	3,927,856,348
2007	18.81	1,505,681,286	30,847,807	125,665,010	2,286,459	1,664,480,562	157,845,895	1,506,634,667	211,020,027	1,453,460,535	4,161,201,405
2008	18.80	1,536,597,246	28,045,755	128,525,790	2,165,173	1,695,333,964	149,990,795	1,545,343,169	203,265,241	1,492,068,723	4,238,334,910
2009	18.80	1,535,803,959	30,632,259	133,827,370	2,091,994	1,702,355,582	157,180,465	1,545,175,117	213,342,187	1,331,832,930	4,255,888,955
2010	18.80	1,502,897,892	26,487,026	115,267,630	1,945,727	1,646,598,275	122,376,559	1,524,221,716	216,690,191	1,307,531,525	4,116,495,688
2011	19.06	1,511,231,094	31,294,800	113,708,450	1,831,893	1,658,066,237	147,310,052	1,510,756,185	246,727,800	1,264,028,385	4,145,165,593

[1]Total assessed value, after deducting exemptions, for purposes of levying tax for the System's general obligation bonds.

[2]Total assessed value, after deducting exemptions, for purposes of levying tax for the support and maintenance of the System's school system.

Source: State of Georgia Department of Revenue, Property Tax Division

Griffin-Spalding County School System
Millage Rates of the District
Last Ten Calendar Years

Set forth below is information concerting the rate of levy of property taxes per $1,000 of assessed value, or millage rates, of the School System and all overlapping governments for the last ten calendar years.

	School System										
Calendar Year	Support and Maintenance	Legal Limit	Debt Service	Total	Spalding County [1]	Fire District	State of Georgia	County-wide Total	City of Griffin	City of Orchard Hill	City of Sunny-Side
2002	18.55	20.00	0	18.55	11.91	3.09	0.25	33.80	0	0	0
2003	18.95	20.00	0	18.95	13.53	3.09	0.25	35.82	0	0	0
2004	18.90	20.00	0	18.90	13.46	3.07	0.25	35.68	8.85	5.00	4.36
2005	18.85	20.00	0	18.85	13.41	3.05	0.25	35.56	8.65	4.99	4.36
2006	18.82	20.00	0	18.82	13.39	3.04	0.25	35.50	8.63	4.95	4.36
2007	18.81	20.00	0	18.81	13.89	3.04	0.25	35.99	8.60	4.95	4.36
2008	18.80	20.00	0	18.80	13.88	3.03	0.25	35.96	8.60	4.95	4.36
2009	18.80	20.00	0	18.80	14.88	3.23	0.25	37.16	8.60	4.95	4.36
2010	18.80	20.00	0	18.80	14.81	4.17	0.25	38.03	8.64	4.95	4.29
2011	19.06	20.00	0	19.06	15.01	4.17	0.25	38.49	8.64	4.95	4.29

[1] Represents the millage rate for the unincoporated areas of Spalding County. The millage rate for the incorporated areas of Spalding County for calendar year 2011 was 15.01.

Source: Spalding County Tax Commissioner

Griffin-Spalding County School System
Principal Property Tax Payers,
Current Year and Ten Years Ago

	2011 [1]			2001		
	Taxes Levied	Rank	Percentage of Total Tax Levy [2]	Taxes Levied	Rank	Percentage of Total Tax Levy [3]
Caterpillar Inc.	$423,686	1	1.54%	$274,215	3	1.32%
Tenet Healthcare Corp.	271,785	2	0.99%	186,667	5	0.90%
Wal-Mart Stores, Inc.	164,570	3	0.60%			
North Spalding Development Co.	160,281	4	0.58%			
Pulte Home Corporation	153,972	5	0.56%			
AEP Industries, Inc.	136,652	6	0.50%	179,046	6	0.86%
Norcom	127,039	7	0.46%			
Central GA EMC	124,141	8	0.45%			
Halpern Industries	119,654	9	0.44%			
Nacom Corporation	115,961	10	0.42%	1,001,702	1	4.82%
Springs Industries, Inc. [4]				600,225	2	2.89%
Cooper-Standard Automotive [5]				195,586	4	0.94%
Bandag, Inc.				130,682	7	0.63%
Union Camp				119,726	8	0.58%
Halpern Industries				82,375	9	0.40%
Walden Pointe				80,539	10	0.39%
Totals	$1,797,741		6.54%	$2,850,763		13.73%

[1] Represents calendar year 2010 assessed values before bond and maintenance and operation exemptions

[2] Calendar year 2010 total tax levy was $27,501,268

[3] Calendar year 2000 total tax levy was $20,782,658

[4] Springs Industries acquired Dundee Mills, which is the taxpayer name in FY2000.

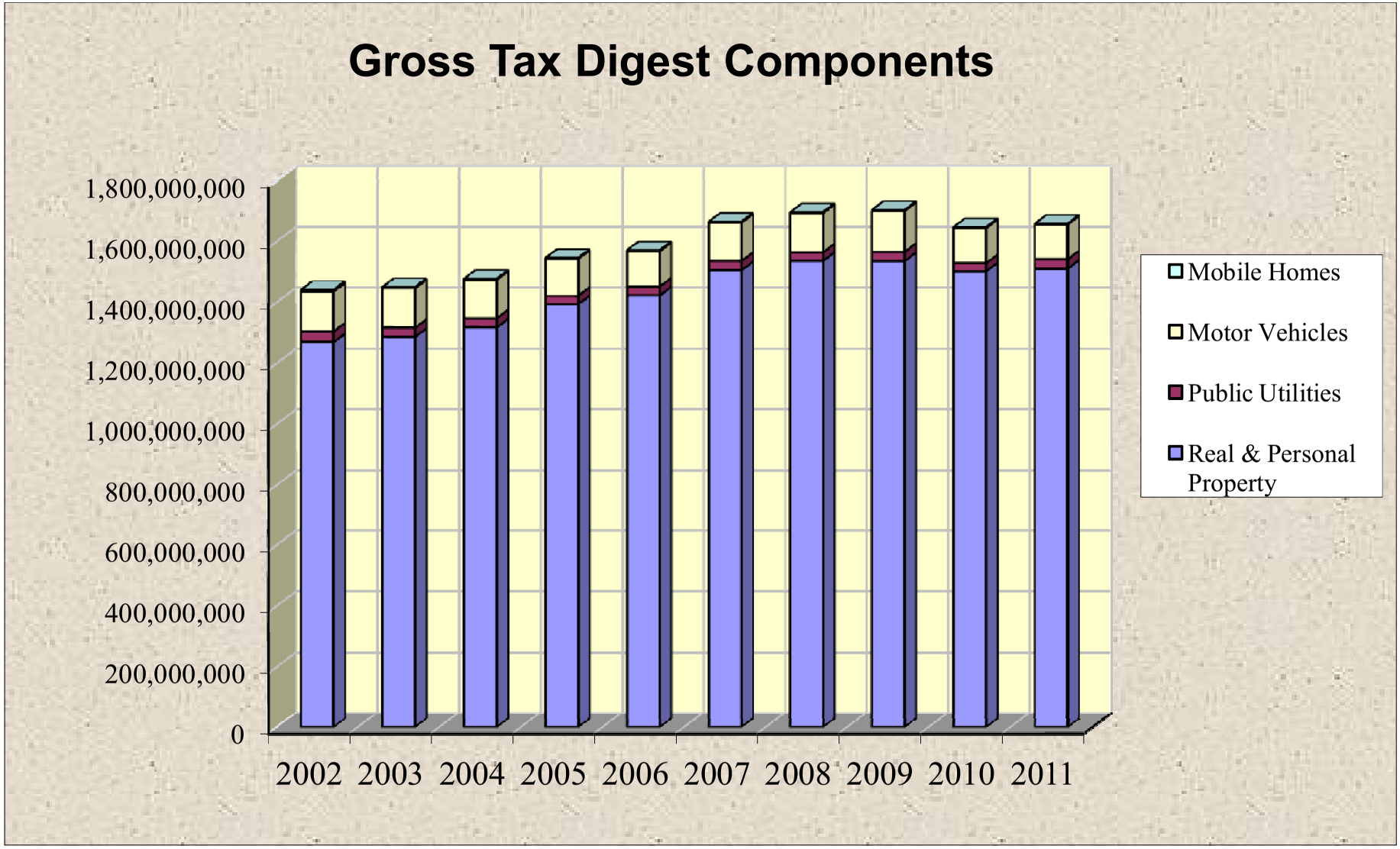
[5] Cooper-Standard Automotive acquired '5' Rubber, which is the taxpayer name in FY2000.

Source: Spalding County Tax Commissioner

Griffin-Spalding County School System
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	20,852,436	19,593,467	93.96%	1,255,826	20,849,293	99.98%
2003	23,384,832	22,125,863	94.62%	1,222,733	23,348,596	99.85%
2004	24,244,147	23,193,827	95.67%	1,023,266	24,217,093	99.89%
2005	24,833,206	23,982,191	96.57%	831,975	24,814,166	99.92%
2006	25,431,587	24,493,881	96.31%	903,700	25,397,581	99.87%
2007	26,277,535	25,627,196	97.53%	565,261	26,192,457	99.68%
2008	27,339,592	26,202,872	95.84%	992,293	27,195,165	99.47%
2009	28,050,892	26,195,291	93.38%	1,601,136	27,796,427	99.09%
2010	27,993,452	25,873,304	92.43%	1,406,063	27,279,367	97.45%
2011	27,501,268	25,073,703	91.17%	0	25,073,703	91.17%

Source: Spalding County Tax Commissioner


Gross Tax Digest Components
1,800,000,000
1,600,000,000
1,400,000,000
1,200,000,000
1,000,000,000
800,000,000
600,000,000
400,000,000
200,000,000
0
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
Mobile Homes
Motor Vehicles
Public Utilities
Real & Personal Property

Griffin-Spalding County School System
Ratio of Annual Debt Service to Total
Governmental Fund Expenditures
Last Ten Fiscal Years

Year Ended June 30	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service to Governmental Fund Expenditures
2002	770,000	2,119,742	2,889,742	86,675,964	3.33%
2003	28,185,000	2,431,521	30,616,521	119,031,323	25.72%
2004	3,475,000	1,218,512	4,693,512	92,199,066	5.09%
2005	13,210,501	955,154	14,165,655	105,381,644	13.44%
2006	5,655,533	565,396	6,220,929	112,864,133	5.51%
2007	5,937,681	401,996	6,339,677	119,246,897	5.32%
2008	6,300,671	668,075	6,968,746	119,717,448	5.82%
2009	296,560	644,019	940,579	115,394,141	0.82%
2010	298,515	644,738	943,253	107,266,317	0.88%
2011	4,687,021	535,173	5,222,194	109,908,542	4.75%

Griffin-Spalding County School System
Ratio of Net Bonded Debt to Estimated Actual Value
and General Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year Ended June 30	Estimated Population[1]	Estimated Actual Value	General Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2002	59,001	3,070,562,680	52,410,000	29,126,600	23,283,400	0.76%	394.63
2003	59,868	3,601,662,268	33,225,000	7,551,538	25,673,462	0.71%	428.83
2004	60,369	3,624,468,955	29,750,000	11,078,940	18,671,060	0.52%	309.28
2005	60,744	3,692,562,530	16,950,000	5,927,359	11,022,641	0.30%	181.46
2006	61,278	3,865,016,170	11,685,000	9,367,080	2,317,920	0.06%	37.83
2007	62,232	3,927,856,348	20,005,000	12,146,215	7,858,785	0.20%	126.28
2008	63,056	4,238,334,910	14,000,000	9,079,722	4,920,278	0.12%	78.03
2009	64,089	4,238,334,910	14,000,000	8,679,188	5,320,812	0.13%	83.02
2010	64,708	4,255,888,955	14,000,000	8,092,803	5,907,197	0.14%	91.29
2011	64,073	4,116,495,688	9,505,000	3,832,266	5,672,734	0.14%	88.54

[1] *Source: Bureau of Economic Analysis (Revised) and US Census Bureau*

Griffin-Spalding County School System
Outstanding Debt, By Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities		Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
	General Obligation Bonds	Capital Lease Obligations			
2002	52,410,000	1,348,387	53,758,387	3.77%	911.14
2003	33,225,000	1,242,351	34,467,351	2.36%	575.72
2004	29,750,000	820,518	30,570,518	2.07%	506.39
2005	16,950,000	633,083	17,583,083	1.13%	289.46
2006	11,685,000	793,052	12,478,052	0.77%	203.63
2007	20,005,000	535,371	20,540,371	1.22%	330.06
2008	14,000,000	783,558	14,783,558	0.84%	234.45
2009	14,000,000	780,457	14,780,457	0.82%	230.62
2010	14,000,000	481,943	14,481,943	0.81%	223.80
2011	9,505,000	289,922	9,794,922	0.54%	152.87

Note: Details regarding the System's outstanding debt can be found in the notes to the financial statements.

[1]See the Schedule of Demographic and Economic Statistics for personal income and population data. The Bureau of Economic Analysis revised estimates for years 2000-2009 in April 2010.

Griffin-Spalding County School System
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

Governmental Unit	
Debt repaid with property taxes:	
Spalding County:	
General obligation bonds	$12,600,000
Certificates of participation	6,237,305
Capital leases	3,118,073
City of Griffin:	
Capital leases	4,212,000
Sub-total, overlapping debt	$26,167,378
Direct:	
Griffin-Spalding County School System:	
General obligation bonds	$9,505,000
Capital leases	289,922
Sub-total, direct debt	$9,794,922
Total, overlapping and direct debt	$35,962,300

Percentage of Overlapping Debt Applicable to the School District is 100%

Notes:
In addition to the System's debt obligations, property owners in the System are responsible for certain debt obligations of other taxing entities in the proportion to which the jurisdiction of the System overlaps such entities. Set forth below is the estimated overlapping general obligation debt and estimated overlapping property tax supported or guaranteed revenue debt of the System as of June 30, 2011. Although the System has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others.

Source: Spalding County, GA and City of Griffin, GA

Griffin-Spalding County School System
Legal Debt Margin
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Value of Taxable Property	$1,136,396,666	$1,332,381,210	$1,348,530,436	$1,364,467,708	$1,400,375,794	$1,447,301,556	$1,506,634,667	$1,545,343,169	$1,545,175,117	$1,524,221,716
Debt Limit (10% of Assessed Value)	$113,639,667	$133,238,121	$134,853,044	$136,446,771	$140,037,579	$144,730,156	$150,663,467	$154,534,317	$154,517,512	$152,422,172
Amount of Debt Applicable To Debt Limit	52,410,000	33,225,000	29,750,000	16,950,000	11,685,000	20,005,000	14,000,000	14,000,000	14,000,000	9,505,000
Legal Debt Margin	$61,229,667	$100,013,121	$105,103,044	$119,496,771	$128,352,579	$124,725,156	$136,663,467	$140,534,317	$140,517,512	$142,917,172
Legal Debt Margin/ Limit Ratio	53.88%	75.06%	77.94%	87.58%	91.66%	86.18%	90.71%	90.94%	90.94%	93.76%

Notes:
The Constitution of the State of Georgia provides that the System may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of the System voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the System may not incur long-term obligations payable out of general property taxes in excess of 10 percent of the assessed vaule of all taxable property within the System.

Source: Spalding County Tax Commissioner

Griffin-Spalding County School System
Demographics - Population
Latest Census Data

Population	Spalding County
Population, 2010	64,073
Population, percent change, 2000 to 2010	9.7%
Population, 2000	58,417
Population, percent change, 1990 to 2000	7.3%
Persons under 5 years old, percent, 2010	7.2%
Persons under 18 years old, percent, 2010	25.3%
Persons 65 years old and over, percent, 2010	13.3%
Female persons, percent, 2010	51.5%
White persons, percent, 2010 (a)	62.7%
Black or African American persons, percent, 2010 (a)	32.8%
American Indian and Alaska Native persons, percent, 2010 (a)	0.3%
Asian persons, percent, 2010 (a)	0.9%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z
Persons reporting two or more races, percent, 2010	1.6%
White persons, not of Hispanic/Latino origin, percent, 2010	60.8%
Persons of Hispanic or Latino origin, percent, 2010 (b)	3.8%
Living in same house 1 year & over, 2005-2009	80.1%
Foreign born persons, percent, 2005-2009	2.8%
Language other than English spoken at home, pct age 5+, 20005-2009	3.8%
High school graduates, percent of persons age 25+, 2005-2009	74.6%
Bachelor's degree or higher, pct of persons age 25+, 2005-2009	13.5%
Veterans, 2005-2009	5,018
Mean travel time to work (minutes), workers age 16+, 2005-2009	28.4

Griffin-Spalding County School System
Demographics - Housing, Business & Industry, and Geography
Latest Census Data (Continued)

Housing

Housing units, 2010	26,777
Homeownership rate, 2005-2009	63.7%
Housing units in multi-unit structures, percent, 2005-2009	15.6%
Median value of owner-occupied housing units, 2005-2009	$123,700
Households, 2005-2009	22,917
Persons per household, 2005-2009	2.72
Median household income, 2009	$40,231
Persons below poverty, percent, 2009	20.4%

Business & Industry

Unemployment rate, September 2011	13.6%
Private nonfarm establishments, 2009	1,186
Private nonfarm employment, 2009	16,997
Private nonfarm employment, percent change 2000-2009	-11.9%
Nonemployer establishments, 2009	4,305
Manufacturers shipments, 2007 ($1000)	2,285,175
Retail sales, 2007 ($1000)	661,569
Retail sales per capita, 2007	$10,492
Women-owned firms, percent of total, 2007	36.9%
Building permits, 2010	118
Federal spending, 2009 ($1000)	443,220

Geography

Land area, 2010 (square miles)	196.47
Persons per square mile, 2010	326.1
FIPS Code	255
Metropolitan or Micropolitan Statistical Area	Atlanta, GA Metro Area

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

Z: Value greater than zero but less than half unit of measure shown

Source: US Census Bureau State & County QuickFacts
Source: Griffin-Spalding Chamber of Commerce
Source: Bureau of Labor Statistics

Griffin-Spalding County School System
Demographics - Income Statistics
Latest Three Years

Income	2007	2008	2009
Personal income ($000)	$1,768,050	$1,825,038	$1,804,727
Net earnings	1,119,480	1,101,186	1,039,135
Personal current transfer receipts	381,185	434,757	489,899
Income maintenance	53,884	62,473	75,173
Unemployment insurance compensation	4,823	9,893	28,798
Retirement and other	322,478	362,391	385,928
Dividends, interest, and rent	267,385	289,095	275,693
Population (persons)	63,056	64,089	64,708
Per capita personal income	28,039	28,477	27,890
Per capita net earnings	17,754	17,182	16,059
Per capita personal current transfer receipts	6,045	6,784	7,571
Per capita income maintenance	855	975	1,162
Per capita unemployment insurance benefits	76	154	445
Per capita retirement and other	5,114	5,654	5,964
Per capita dividends, interest, and rent	4,240	4,511	4,261
Earnings by place of work ($000)	1,116,515	1,120,876	1,049,451
Wage and salary disbursements	803,288	801,986	742,931
Supplements to wages and salaries	183,415	189,707	186,908
Employer contributions for employee pension and insurance funds	129,516	135,549	136,050
Employer contributions for government social insurance	53,899	54,158	50,858
Proprietors' income	129,812	129,183	119,712
Nonfarm proprietors' income	131,022	129,894	120,922
Farm proprietors' income	-1,210	-711	-1,210
Total full-time and part-time employment	32,186	31,152	29,565
Wage and salary jobs	25,287	24,271	22,731
Number of proprietors	6,899	6,881	6,834
Number of nonfarm proprietors	6,594	6,580	6,537
Number of farm proprietors	305	301	297
Average earnings per job (dollars)	34,689	35,981	35,496
Average wage and salary disbursements	31,767	33,043	32,679
Average nonfarm proprietors' income	19,870	19,741	18,498

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce - Table CA30
The Bureau of Economic Analysis revised estimates for years 2000-2009 in April 2010. The amounts reflected in this table are the revised numbers.

Griffin-Spalding County School System
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population[1]	Personal Income[1]	Per Capita Personal Income[1]	School Enrollment[2]	Unemployment Rate[3]
2002	59,001	1,426,847	24,183	10,458	6.80%
2003	59,868	1,461,196	24,407	10,648	7.80%
2004	60,369	1,479,624	24,510	10,693	6.50%
2005	60,744	1,554,560	25,592	10,813	8.20%
2006	61,278	1,619,312	26,426	10,833	6.80%
2007	62,232	1,687,243	27,112	10,967	6.30%
2008	63,056	1,768,050	28,039	10,953	5.40%
2009	64,089	1,825,038	28,477	10,823	15.30%
2010	64,708	1,804,727	27,890	10,860	14.80%
2011	64,073	N/A	N/A	10,685	13.60%

Data Sources:

(1) Bureau of Economic Analysis: Regional Economic Accounts and U.S. Census Bureau - June 2010 Revision

(2) Spalding County Board of Education

(3) U.S. Bureau of Labor Statistics

Griffin-Spalding County School System
Principal Employers
Current Year and Five Years Ago

		2011			2006 [1]		
Employer	Industry	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Griffin-Spalding County School System[2]	Education	1,512	1	7.22 %	1,650	1	5.86 %
Caterpillar, Inc.	Automotive generators	900	2	4.30			
Spalding Regional Medical Center	Healthcare	900	3	4.30	900	2	3.20
Spalding County	Government	536	4	2.56	469	6	1.67
City of Griffin	Government	478	5	2.28	480	5	1.71
University of Georgia Griffin Campus	Agricultural research	405	8	1.93	250	9	0.89
1888 Mills/Southern Terry	Terry cloth towels	375	6	1.79	350	8	1.24
Southern Crescent Technical College	Education	360	7	1.72	365	7	1.30
Norcom	School supplies	280	9	1.34			
AEP Industries, Inc.	Packaging film	250	10	1.19	240	10	0.85
NACOM Corporation	Automotive electronics				850	3	3.02
Springs Industries	Finished cotton goods				850	4	3.02
		5,996		28.63 %	6,404		22.76 %

[1] Years 2000-2005 not available, used closest data available

[2] Employee count for the school system represents latest (October 2010) number. FY11 employee count is 1576.

Source: Griffin-Spalding Development Authority

Griffin-Spalding County School System
Employees of the District
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Classroom Teachers	736	719	725	748	792	806	804	806	749	749
Media Specialists,Counselors Psychologists, and Social Worker	47	44	45	47	50	52	53	54	52	50
Administrators and Supervisors [1]	37	57	65	65	66	64	65	66	64	64
Central Office Administrators, Supervisors, and Clerical	49	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Professional/Technical Support	N/A	38	40	41	42	42	51	51	51	51
Paraprofessionals, Clerical, Other	251	293	293	291	301	317	321	321	316	310
Maintenance, Transportation, Custodians, and School Food Service	326	387	395	399	372	373	385	387	376	352
	1,446	1,538	1,563	1,591	1,623	1,654	1,679	1,685	1,608	1,576

[1] Administrators and Supervisors refers to principals and assistant principals until 2001, when central office administrators and supervisors are collapsed into that line.

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
General Fund Operating Statistics, Pupil/Teacher Ratio
Last Ten Fiscal Years

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Student Attendance Percentage
2002	66,318,932	10,458	6,341	1.91%	736	14.21	95.53
2003	68,282,476	10,648	6,413	1.12%	719	14.81	95.52
2004	67,002,478	10,693	6,266	(2.29%)	725	14.75	94.56
2005	69,822,204	10,813	6,457	3.05%	748	14.46	94.64
2006	74,885,981	10,833	6,913	7.05%	792	13.68	94.86
2007	80,861,258	10,967	7,373	6.66%	806	13.61	94.82
2008	84,233,224	10,953	7,690	4.30%	804	13.62	95.05
2009	82,236,013	10,823	7,598	(1.20%)	806	13.43	95.40
2010	77,701,816	10,860	7,155	(5.84%)	749	14.50	95.50
2011	76,877,306	10,685	7,195	(5.84%)	749	14.27	96.38

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Anne Street Elementary (1948)										
Square Feet	40,113	40,113	40,113	40,113	40,113	40,113	40,113	40,113	40,113	40,113
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	406	391	378	409	413	452	426	445	442	428
Percentage of Capacity used	90.2%	86.9%	84.0%	90.9%	91.8%	100.4%	94.7%	98.9%	98.2%	95.1%
Atkinson Elementary (1964)										
Square Feet	53,936	53,936	53,936	53,936	53,936	53,936	53,936	53,936	53,936	53,936
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	433	402	384	400	411	476	445	455	446	459
Percentage of Capacity used	96.2%	89.3%	85.3%	88.9%	91.3%	105.8%	98.9%	101.1%	99.1%	102.0%
Beaverbrook Elementary (1964)										
Square Feet	55,222	55,222	55,222	55,222	55,222	55,222	55,222	55,222	55,222	55,222
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	602	624	608	649	500	502	463	457	458	466
Percentage of Capacity used	133.8%	138.7%	135.1%	144.2%	111.1%	111.6%	102.9%	101.6%	101.8%	103.6%
Cowan Road Elementary (1991)										
Square Feet	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986
Capacity (students)	650	650	650	650	650	650	650	650	650	650
Enrollment	666	673	652	695	630	656	698	672	663	663
Percentage of Capacity used	102.5%	103.5%	100.3%	106.9%	96.9%	100.9%	107.4%	103.4%	102.0%	102.0%
Crescent Elementary (1955)										
Square Feet	48,696	48,696	48,696	48,696	48,696	48,696	48,696	48,696	48,696	48,696
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	464	534	524	505	431	421	421	412	404	424
Percentage of Capacity used	103.1%	118.7%	116.4%	112.2%	95.8%	93.6%	93.6%	91.6%	89.8%	94.2%

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Futral Road Elementary (1998)										
Square Feet	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	564	574	526	574	566	634	696	672	708	695
Percentage of Capacity used	107.4%	109.3%	100.2%	109.3%	107.8%	120.8%	132.6%	128.0%	134.9%	132.4%
Jackson Road Elementary (1970)										
Square Feet	58,729	58,729	58,729	58,729	58,729	58,729	58,729	58,729	58,729	58,729
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	462	446	466	446	460	476	525	500	507	474
Percentage of Capacity used	102.7%	99.1%	103.6%	99.1%	102.2%	105.8%	116.7%	111.1%	112.7%	105.3%
Jordan Hill Elementary (1994)										
Square Feet	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986
Capacity (students)	650	650	650	650	650	650	650	650	650	650
Enrollment	548	550	531	527	542	437	437	443	480	446
Percentage of Capacity used	84.3%	84.6%	81.7%	81.1%	83.4%	67.2%	67.2%	68.2%	73.8%	68.6%
Moore Elementary (1950)										
Square Feet	47,190	47,190	47,190	47,190	47,190	47,190	47,190	47,190	47,190	47,190
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	439	448	446	390	366	364	395	368	395	363
Percentage of Capacity used	97.6%	99.6%	99.1%	86.7%	81.3%	80.9%	87.8%	81.8%	87.8%	80.7%
Moreland Road Elementary (2006)										
Square Feet	-	-	-	-	67,852	67,852	67,852	67,852	67,852	67,852
Capacity (students)	-	-	-	-	550	550	550	550	550	550
Enrollment	-	-	-	-	460	496	561	567	537	558
Percentage of Capacity used					83.6%	90.2%	102.0%	103.1%	97.6%	101.5%

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Orrs Elementary (1962)										
Square Feet	63,117	63,117	63,117	63,117	63,117	63,117	63,117	63,117	63,117	63,117
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	694	701	706	682	586	610	622	615	638	637
Percentage of Capacity used	102.8%	103.9%	104.6%	101.0%	86.8%	90.4%	92.1%	91.1%	94.5%	94.4%
Cowan Road Middle School (2000)										
Square Feet	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500
Capacity (students)	685	685	685	685	685	685	685	685	685	685
Enrollment	740	762	759	735	738	689	612	611	564	568
Percentage of Capacity used	108.0%	111.2%	110.8%	107.3%	107.7%	100.6%	89.3%	89.2%	82.3%	82.9%
Flynt Street Middle School (1925)										
Square Feet	95,972	95,972	95,972	95,972	95,972	95,972	-	-	-	-
Capacity (students)	650	650	650	650	650	650	-	-	-	-
Enrollment	559	567	603	597	543	458	-	-	-	-
Percentage of Capacity used	86.0%	87.2%	92.8%	91.8%	83.5%	70.5%				
Carver Road Middle School (2007)										
Square Feet	-	-	-	-	-	-	104,024	104,024	104,024	104,024
Capacity (students)	-	-	-	-	-	-	725	725	725	725
Enrollment	-	-	-	-	-	-	450	480	492	475
Percentage of Capacity used							62.1%	66.2%	67.9%	65.5%
A.Z. Kelsey Middle School (1955)										
Square Feet	71,403	71,403	71,403	71,403	71,403	-	-	-	-	-
Capacity (students)	625	625	625	625	625	-	-	-	-	-
Enrollment	509	452	429	392	416	-	-	-	-	-
Percentage of Capacity used	81.4%	72.3%	68.6%	62.7%	66.6%					

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Kennedy Road Middle School (2006)										
Square Feet	-	-	-	-	-	104,024	104,024	104,024	104,024	104,024
Capacity (students)	-	-	-	-	-	725	725	725	725	725
Enrollment	-	-	-	-	-	565	558	595	564	564
Percentage of Capacity used						77.9%	77.0%	82.1%	77.8%	77.8%
Taylor Street Middle School (1949)										
Square Feet	111,884	111,884	111,884	111,884	111,884	111,884	111,884	111,884	-	-
Capacity (students)	805	805	805	805	805	805	805	805	-	-
Enrollment	818	866	874	848	762	693	609	579	-	-
Percentage of Capacity used	101.6%	107.6%	108.6%	105.3%	94.7%	86.1%	75.7%	71.9%		
Rehoboth Road Middle School (2009)										
Square Feet	-	-	-	-	-	-	-	-	104,024	104,024
Capacity (students)	-	-	-	-	-	-	-	-	725	725
Enrollment	-	-	-	-	-	-	-	-	638	703
Percentage of Capacity used									88.0%	97.0%
A.Z. Kelsey Academy (2007)										
Square Feet	-	-	-	-	-	-	71,403	71,403	71,403	71,403
Capacity (students)	-	-	-	-	-	-	625	625	625	625
Enrollment	-	-	-	-	-	-	72	82	112	104
Percentage of Capacity used							11.5%	13.1%	17.9%	16.6%
Griffin High School (1986)										
Square Feet	310,989	310,989	310,989	310,989	310,989	310,989	310,989	310,989	310,989	310,989
Capacity (students)	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Enrollment	1,628	1,463	1,564	1,668	1,662	1,705	1,596	1,526	1,437	1,372
Percentage of Capacity used	83.5%	75.0%	80.2%	85.5%	85.2%	87.4%	81.8%	78.3%	73.7%	70.4%

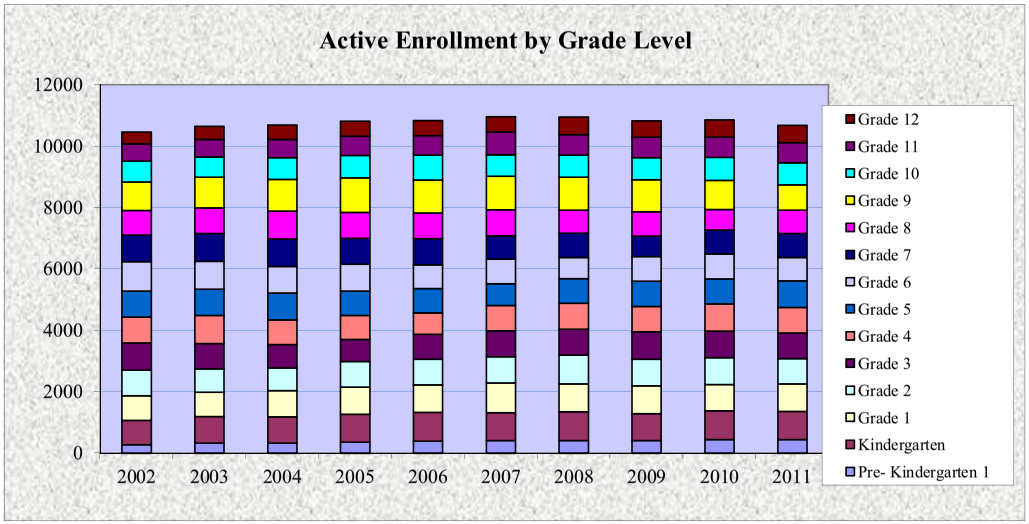
Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Spalding High School (2000)										
Square Feet	155,000	155,000	175,000	175,000	175,000	175,000	175,000	175,000	205,904	205,904
Capacity (students)	1,000	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,600	1,600
Enrollment	926	1,195	1,243	1,296	1,347	1,333	1,367	1,344	1,375	1,286
Percentage of Capacity used	92.6%	103.9%	108.1%	112.7%	117.1%	115.9%	118.9%	116.9%	85.9%	80.4%
Central Administration Complex (1970)										
Square Feet	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051
Central Warehouse (2003)										
Square Feet	47,400	47,400	47,400	47,400	47,400	47,400	47,400	47,400	47,400	47,400
Transportation Garage/Warehouse (1964)										
Square Feet	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600
Other Special Purpose Instructional Facilities										
Square Feet	80,729	80,729	80,729	80,729	80,729	80,729	80,729	80,729	80,729	80,729

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
Enrollment Statistics
Last Ten Fiscal Years



Fiscal Year	Pre-Kindergarten [1]	Kindergarten	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total	Spec. Ed. [2]
2002	280	784	803	839	881	849	842	961	862	803	935	676	560	383	10,458	1,486
2003	329	860	796	762	826	915	855	910	907	830	998	666	564	430	10,648	1,553
2004	325	856	854	743	757	812	874	857	898	910	1,036	701	595	475	10,693	1,547
2005	359	911	886	829	718	784	790	878	845	849	1,124	725	630	485	10,813	1,629
2006	386	939	904	826	814	703	793	772	850	837	1,073	810	636	490	10,833	1,542
2007	406	912	974	852	841	831	708	794	767	844	1,090	704	739	505	10,967	1,540
2008	410	943	904	933	847	851	801	690	786	753	1,071	726	664	574	10,953	1,425
2009	406	879	904	867	901	822	827	796	668	801	1,039	714	667	532	10,823	1,227
2010	441	940	856	873	871	878	819	810	783	665	956	748	652	568	10,860	1,126
2011	443	920	894	823	839	834	860	765	783	762	823	711	656	572	10,685	1,052

[1] Griffin-Spalding County School System established the Pre-Kindergarten in FY1998 using proceeds from the state lottery.

[2] The System includes Special Education students in the appropriate grade level. The "Spec. Ed" column reflects the total number of Special Education sutdents by year for comparative purposes only.

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
Expenditures by Function, Last Ten Fiscal Years
General Fund

	Fiscal Year										Percentage
	2002 [1]	2003	2004	2005	2006	2007	2008	2009	2010	2011	Change [2]
Instruction	$44,814,017	$45,986,576	$45,266,374	$47,155,871	$50,685,740	$54,388,787	$55,932,032	$54,254,887	$50,747,372	$50,219,269	12.1%
Pupil Services	906,657	947,533	945,892	1,064,334	914,777	1,041,854	1,350,856	1,396,454	1,218,061	1,323,470	46.0%
Improvement of Instructional Services	1,392,373	1,486,446	1,616,052	1,507,186	1,748,744	1,677,996	1,899,284	2,296,995	1,743,197	1,719,713	23.5%
Educational Media Services	1,729,506	1,623,127	1,672,571	1,794,138	1,806,250	1,988,019	1,985,864	1,888,718	1,894,322	1,845,301	6.7%
General and School Administration	5,604,907	5,910,168	5,540,106	5,842,840	6,305,318	6,944,711	7,731,609	7,715,544	7,430,511	7,555,194	34.8%
Business Administration	335,997	312,312	344,283	389,917	424,745	442,411	455,536	456,337	421,419	330,052	-1.8%
Maintenance and Operations of Plant	6,884,463	7,088,259	6,482,580	7,094,242	7,610,256	7,929,293	8,370,016	8,311,817	8,566,760	7,966,957	15.7%
Student Transportation Services	3,107,955	3,160,882	2,499,144	2,537,090	2,776,339	3,317,560	3,283,421	3,241,466	3,211,466	3,420,009	10.0%
Central Support Services	1,109,025	1,152,427	1,216,431	1,166,246	1,232,775	1,352,029	1,623,060	1,262,604	1,137,619	1,104,120	-0.4%
Other Support Services	310,943	318,814	343,116	368,949	361,187	810,808	599,275	908,779	715,919	899,754	189.4%
Food Service Operations	3,288	1,964	2,117	0	0	0	0	0	0	0	-100.0%
Community Services Operations	119,801	111,418	127,768	124,642	138,354	137,175	147,285	161,947	152,963	149,722	25.0%
Capital Outlay	0	182,550	299,880	316,796	461,836	536,880	535,074	5,886	127,629	129,707	100.0%
Debt Service [3]	0	0	646,164	459,953	419,660	293,735	319,912	334,579	334,578	214,038	100.0%
	$66,318,932	$68,282,476	$67,002,478	$69,822,204	$74,885,981	$80,861,258	$84,233,224	$82,236,013	$77,701,816	$76,877,306	15.9%

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	67.6%	67.3%	67.6%	67.5%	67.7%	67.3%	66.4%	66.0%	65.3%	65.3%
Pupil Services	1.4%	1.4%	1.4%	1.5%	1.2%	1.3%	1.6%	1.7%	1.6%	1.7%
Improvement of Instructional Services	2.1%	2.2%	2.4%	2.2%	2.3%	2.1%	2.3%	2.8%	2.2%	2.2%
Educational Media Services	2.6%	2.4%	2.5%	2.6%	2.4%	2.5%	2.4%	2.3%	2.4%	2.4%
General and School Administration	8.5%	8.7%	8.3%	8.4%	8.4%	8.6%	9.2%	9.4%	9.6%	9.8%
Business Administration	0.5%	0.5%	0.5%	0.6%	0.6%	0.5%	0.5%	0.6%	0.5%	0.4%
Maintenance and Operations of Plant	10.4%	10.4%	9.7%	10.2%	10.2%	9.8%	9.9%	10.1%	11.0%	10.4%
Student Transportation Services	4.7%	4.6%	3.7%	3.6%	3.7%	4.1%	3.9%	3.9%	4.1%	4.4%
Central Support Services	1.7%	1.7%	1.8%	1.7%	1.6%	1.7%	1.9%	1.5%	1.5%	1.4%
Other Support Services	0.5%	0.5%	0.5%	0.5%	0.5%	1.0%	0.7%	1.1%	0.9%	1.2%
Food Service Operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Community Services Operations	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital Outlay	0.0%	0.3%	0.4%	0.5%	0.6%	0.7%	0.6%	0.0%	0.2%	0.2%
Debt Service	0.0%	0.0%	1.0%	0.7%	0.6%	0.4%	0.4%	0.4%	0.4%	0.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

[1] In FY2002, Food Service Operations became self-supporting within the School Nutrition Program special revenue fund.

[2] Percentage change computed by using the following formula:
(2011 expenditure/2002 expenditure)-1 = percentage change

[3] Prior to FY2004, debt service was included in the function related to the expenditure

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
Per Pupil Expenditures by Function, Last Ten Fiscal Years
General Fund

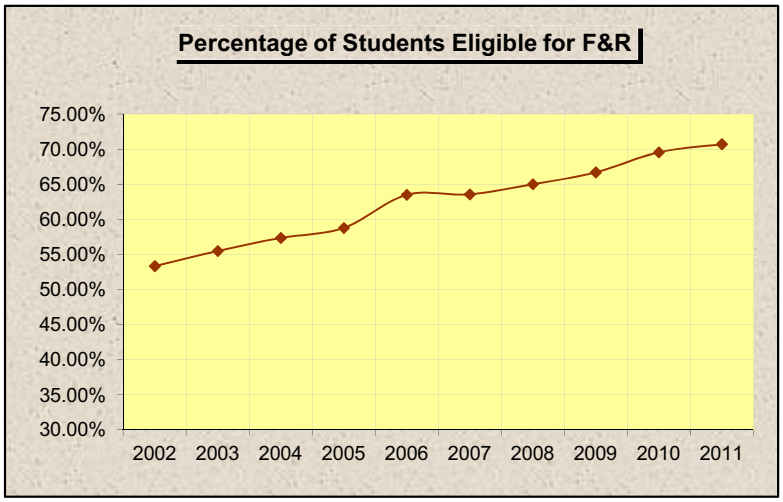
	Fiscal Year										Percentage
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Change [1]
Instruction	$4,286	$4,318	$4,233	$4,360	$4,679	$4,959	$5,107	$5,013	$4,674	$4,701	9.7%
Pupil Services	87	89	88	98	84	95	123	129	112	124	42.9%
Improvement of Instructional Services	133	140	151	139	161	153	173	212	161	161	20.9%
Educational Media Services	165	152	156	166	167	181	181	175	174	173	4.4%
General and School Administration	536	555	518	540	582	633	706	713	684	707	31.9%
Business Administration	32	29	32	36	39	40	42	42	39	31	-3.9%
Maintenance and Operations of Plant	658	666	606	656	703	723	764	768	789	746	13.3%
Student Transportation Services	297	297	234	235	256	303	300	299	296	320	7.7%
Central Support Services	106	108	114	108	114	123	148	117	105	103	-2.6%
Other Support Services	30	30	32	34	33	74	55	84	66	84	183.2%
Food Service Operations	0	0	0	0	0	0	0	0	0	0	-100.0%
Community Services Operations	11	10	12	12	13	13	13	15	14	14	22.3%
Capital Outlay	0	17	28	29	43	49	49	1	12	12	100.0%
Debt Service	0	0	0	43	39	27	29	31	31	20	
Total Expenditures [2]	$6,342	$6,412	$6,265	$6,455	$6,913	$7,373	$7,690	$7,598	$7,156	$7,196	13.5%
Student Enrollment [3]	10,458	10,648	10,693	10,813	10,833	10,967	10,953	10,823	10,860	10,685	2.2%

[1]Percentage change computed by using the following formula:
(2011 revenue/2002 revenue)-1 = percentage change

[2]Expenditures restated on a per pupil basis by using the following formula:
Revenue/current enrollment = per pupil revenue

[3]Student enrollment figures are taken from fall enrollment (October 1) reports.

Griffin-Spalding County School System
Free and Reduced Lunch
Last Ten Fiscal Years



	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Lunch Meals Served										
Free	739,538	765,380	802,872	816,635	899,088	943,268	946,445	958,939	1,027,745	1,046,085
Reduced	125,734	132,576	137,403	141,938	123,020	133,834	138,010	147,242	125,258	96,503
Paid	488,810	449,736	449,462	431,408	429,198	419,568	405,947	353,113	315,738	296,584
Total	1,354,082	1,347,692	1,389,737	1,389,981	1,451,306	1,496,670	1,490,402	1,459,294	1,468,741	1,439,172
Breakfast Meals Served										
Free	400,898	424,126	460,272	446,257	500,982	532,152	553,078	571,647	623,310	621,661
Reduced	42,675	48,489	49,534	55,594	45,473	51,548	55,343	60,345	48,705	42,375
Paid	82,699	89,299	89,999	70,486	72,745	77,416	83,821	76,021	74,907	65,660
Total	526,272	561,914	599,805	572,337	619,200	661,116	692,242	708,013	746,922	729,696
Adult & Non-reimbursable										
Paid - Breakfast	5,244	6,939	6,235	9,001	10,641	7,992	7,825	8,866	7,247	5,804
Paid - Lunch	61,865	62,449	59,366	62,009	62,470	57,109	54,432	49,569	39,590	36,228
Other - Breakfast	6,314	12,752	14,575	12,909	14,989	15,366	16,646	19,179	16,965	21,200
Other - Lunch	17,181	31,033	36,066	37,248	41,577	39,419	38,465	41,791	38,435	49,010
Total	90,604	113,173	116,242	121,167	129,677	119,886	117,368	119,405	102,237	112,242
Total Meals Served										
Free	1,140,436	1,189,506	1,263,144	1,262,892	1,400,070	1,475,420	1,499,523	1,530,586	1,651,055	1,667,746
Reduced	168,409	181,065	186,937	197,532	168,493	185,382	193,353	207,587	173,963	138,878
Paid	638,618	608,423	605,062	572,904	575,054	562,085	552,025	487,569	437,482	404,276
Other	23,495	43,785	50,641	50,157	56,566	54,785	55,111	60,970	55,400	70,210
Total	1,970,958	2,022,779	2,105,784	2,083,485	2,200,183	2,277,672	2,300,012	2,286,712	2,317,900	2,281,110
% Eligible for Free and Reduced	53.35%	55.51%	57.36%	58.80%	63.51%	63.58%	65.02%	66.72%	69.57%	70.73%

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
Insurance Coverage

Insurance coverage of the System is summarized below.

Type	Amount in Force
Property	$302,270,841
Boiler & Machinery	25,000,000
Fidelity Bond	100,000
Superintendent Bond	100,000

	Limits of Liability	
Type	Each Occurance	Aggregate
General Liability	$1,000,000	$2,000,000
School Board Errors and Omissions	1,000,000	1,000,000
Automobile Liability	1,000,000	1,000,000
Excess Workers' Compensation	Statutory	Statutory

Notes:
The System is partially self-insured for workers compensation claims through a self-insurance program that is periodically reviewed for actuarial soundess by an actuary. Refer to Note 10 and MD&A of the System's financial statements for a discussion of the System's risk management program. The System requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in construction related to the System's facilities.

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

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Education
Griffin-Spalding County School System
Griffin, Georgia

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Griffin-Spalding County School System (the "System"), as of and for the year ended June 30, 2011, which collectively comprise the Griffin-Spalding County School System's basic financial statements and have issued our report thereon dated December 1, 2011. 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

In planning and performing our audit, we considered the System's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the System'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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System'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 test disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the System in a separate letter dated December 1, 2011.

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

Robinson, Grimes & Company, P.C.

Certified Public Accountants

December 1, 2011

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

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

The Board of Education
Griffin-Spalding County School System
Griffin, Georgia

Compliance

We have audited the Griffin-Spalding County School System's (the "System") 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 System's major federal programs for the year ended June 30, 2011. The System'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 System's management. Our responsibility is to express an opinion on the System'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 System'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 System's compliance with those requirements.

In our opinion the Griffin-Spalding County School System 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

The management of the System is responsible for establishing and maintaining effective 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 System'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 System'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, the Board, others within the organization, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Grimes & Company, P.C.

Certified Public Accountants

December 1, 2011

GRIFFIN-SPALDING COUNTY BOARD OF EDUCATION
GRIFFIN, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FUNDING AGENCY PROGRAM/GRANT	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES IN PERIOD
Agriculture, U. S. Department of		
Child Nutrition Cluster		
Pass-Through From Georgia Department of Education		
Food Services		
School Breakfast Program	10.553	$ 1,168,191
National School Lunch Program		
Cash Assistance	10.555	3,179,681
Noncash Assistance	10.550	275,665
After School Snacks	10.555	35,340
Total Child Nutrition Cluster		4,658,877
Other Programs		
Pass-Through From Georgia Department of Education		
Fresh Fruit and Vegetable Program	10.582	51,467
Total U.S. Department of Agriculture		4,710,344
Education, U. S. Department of		
Title I, Part A Cluster		
Pass-Through From Georgia Department of Education		
Grants to Local Educational Agencies		
Flowthrough Regular	84.010	3,977,798
Regular ARRA	84.389	878,700
School Improvement	84.010	182,485
Distinguished Schools	84.010	28,779
Total Title I, Part A Cluster		5,067,762
School Improvement Grants Cluster		
Pass-Through From Georgia Department of Education		
ARRA - School Improvement Grants	84.388	682,380
Total School Improvement Grants Cluster		682,380
Special Education Cluster		
Pass-Through From Georgia Department of Education		
Individuals with Disabilities Education Act		
Flowthrough Regular	84.027	2,024,016
Flowthrough ARRA	84.391	521,363
Special Projects	84.027	305,543
Preschool Regular	84.173	19,627
Preschool ARRA	84.392	6,762
Total Special Education Cluster		2,877,311
Education Technology State Grants Cluster		
Pass-Through From Georgia Department of Education		
ARRA - Education Technology State Grants	84.386	154,944
Education Technology State Grants	84.318	3,229
Total Education Technology State Grants Cluster		158,173
Other Programs		
Pass-Through From Georgia Department of Education		
Education Jobs Fund	84.410	1,982,319
Career and Technical Education- Basic Grants to States	84.048	138,255
Improving Teacher Quality State Grants	84.367	758,566
English Language Acquisition Grants	84.365	17,321
Race to the Top (ARRA)	84.395	115,546
Safe and Drug-Free Schools and Communities- State Grants	84.186	3,217
Total U. S. Department of Education		11,800,850
OTHER FEDERAL ASSISTANCE		
Health and Human Services, U. S. Department of		
Child Care and Development Block Grant Cluster		
Pass-Through from Bright from the Start		
ARRA - Child Care and Development Block Grant	93.713	950
Defense, U. S. Department of		
Direct		
Department of the Army		
R.O.T.C. Program	N/A	250,599
Total Federal Financial Assistance		$ 16,762,743

See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal Awards.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies

Basis of Accounting - The schedule of expenditures of federal awards has been prepared utilizing the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. Expenditures are recognized when the liability is incurred.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SUMMARY OF AUDITORS' RESULTS

1. An unqualified opinion, dated December 1, 2011, was issued on the financial statements for the year ended June 30, 2011.

2. The "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" dated December 1, 2011 disclosed no significant deficiencies for the year ended June 30, 2011.

3. The "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" dated December 1, 2011 disclosed no instances of noncompliance for the year ended June 30, 2011.

4. The "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," dated December 1, 2011, disclosed no significant deficiencies or material weaknesses in internal control over major programs for the year ended June 30, 2011.

5. An unqualified opinion, dated December 1, 2011, was issued on the System's compliance with its major federal programs in the "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," for the year ended June 30, 2011.

6. No audit findings were disclosed as required under OMB Circular A-133 paragraph .510(a) for the year ended June 30, 2011.

7. The major programs for Griffin-Spalding County School System for the year ended June 30, 2011 were:

    Title I, Part A Cluster
        2011 Regular, CFDA No. 84.010
        Regular ARRA, CFDA No. 84.389
        School Improvement, CFDA No. 84.010
        Distinguished Schools, CFDA No. 84.010

SUMMARY OF AUDITORS' RESULTS (Continued)

School Improvement Grants Cluster
School Improvement Grants- ARRA, CFDA No. 84.388

Special Education Cluster
2011 Regular, CFDA No. 84.027
Flowthrough ARRA, CFDA No. 84.391
Special Project, CFDA No. 84.027
Preschool Program- Regular, CFDA No. 84.173
Preschool Program- ARRA, CFDA No. 84.392

Education Technology State Grants Cluster
Education Technology State Grants, CFDA No. 84.318
Education Technology State Grants- ARRA, CFDA No. 84.386

Education Jobs Fund, CFDA No. 84.410

Title IIA
Improving Teacher Quality, CFDA No. 84.367

8. The dollar threshold used to distinguish between Type A and Type B programs was $502,882, as described in paragraph .520(b) of OMB Circular A-133.

9. Under OMB Circular A-133, paragraph .530, Griffin-Spalding County School System did qualify as a low-risk auditee for the year ended June 30, 2011.

FINDINGS RELATING TO THE FINANCIAL STATEMENTS

The "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" dated December 1, 2011, disclosed no findings required to be reported in accordance with GAGAS for the year ended June 30, 2011.

FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARD PROGRAMS

The "Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133" dated December 1, 2011, disclosed no findings or questioned costs for Federal awards as defined in paragraph .510 (a) of OMB Circular A-133, for the year ended June 30, 2011.