GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012

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

November 27, 2012

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, 2012, 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, 2012, 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 2011-12 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 a center 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 10,614 students as of the student enrollment count taken in October 2011, a decrease of 71 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 2012, 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 Projects
  - 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.

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 dropped to 10.9% as of August, 2012, from 12.4% twelve months earlier. While some jobs have been created by small business and light industry, no prospects have been identified to make a more 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.

Countywide population changes mirror those experienced within the school system. Total population in Spalding County is estimated to have dropped about 0.1% over the past twelve months in line with a similar decrease in school enrollment. The major

residential development showing signs of construction activity has been designated as an "active adult community" with no school-age children to impact local enrollment. Spalding County has also experienced a sizeable number of mortgage foreclosures which ultimately affects residential values reflected on the county property tax digest.

Construction projects for expanded and renovated school facilities continue under the Special Purpose Local Option Sales Tax (SPLOST) approved by voters in 2007. The SPLOST renewal approved by voters in 2012 for a three year period allows the school system to continue work to upgrade and equip school facilities. Currently, school facilities have an average age of thirty-four years. However, this includes buildings placed in service within the past two years as well as others that are over eighty years old.

Long-term Financial Planning

SPLOST collections increased 5.6% in fiscal year 2012. In addition to funding expansion and renovation projects discussed previously, debt service on outstanding 2007 Series General Obligation bonds has been met. The final payment on remaining 2007 Series bonds is scheduled for October, 2012, with funds already accumulated in the debt service fund.

Spalding County voters approved an extension of SPLOST for a three year period ending June 30, 2015. The referendum covers a project list including facility expansion and renovation along with the purchase of new technology for classroom use. The issuance of bonds was not part of financial plans for the next three years; therefore, no bonds will be issued meaning work projects will be funded on a pay-as-you-go basis.

The System continues to monitor budget related activity in the Georgia General Assembly. State revenues have risen modestly over the past year. However, significant funding cuts continue to be passed to local school systems by the state and are expected for the foreseeable future. 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. Sustainability is becoming a key phrase when budget issues are discussed. Budget items proposed for inclusion or modification are viewed in terms of the system's ability to sustain the item into the future. Adequate, available fund reserves are key to preserving the school system's ability to operate free of short-term borrowing to fund daily operations.

Relevant Financial Policies

During fiscal year 2012, financial policies related to purchasing and procurement continued to be important, particularly with the increase in federal funds coming to the school system. In particular, the establishment of procedures surrounding the purchase of computer hardware and software while maintaining compliance with applicable federal

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, 2011. 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 seventh 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, 2011.

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 seventh 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, 2011

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



Christopher P Morrill
President

Jeffrey R. Esser
Executive Director

Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

Griffin-Spalding County School System

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

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

Brian L. Mee, SFO, RSBA
President

John D. Musso, CAE, RSBA
Executive Director

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, 2012, the members of the Board of Education and dates of expiration of their terms are as follows:

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
ADMINISTRATIVE STAFF
As of June 30, 2012

EXECUTIVE ADMINISTRATION

Dr. Curtis L. Jones, Jr.	Superintendent of Schools
Joanie Mullins	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
Pearla Hodo	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
Harlan Plagmann	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, 2012

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
Janet Ware	A. Z. Kelsey Academy / TSAC

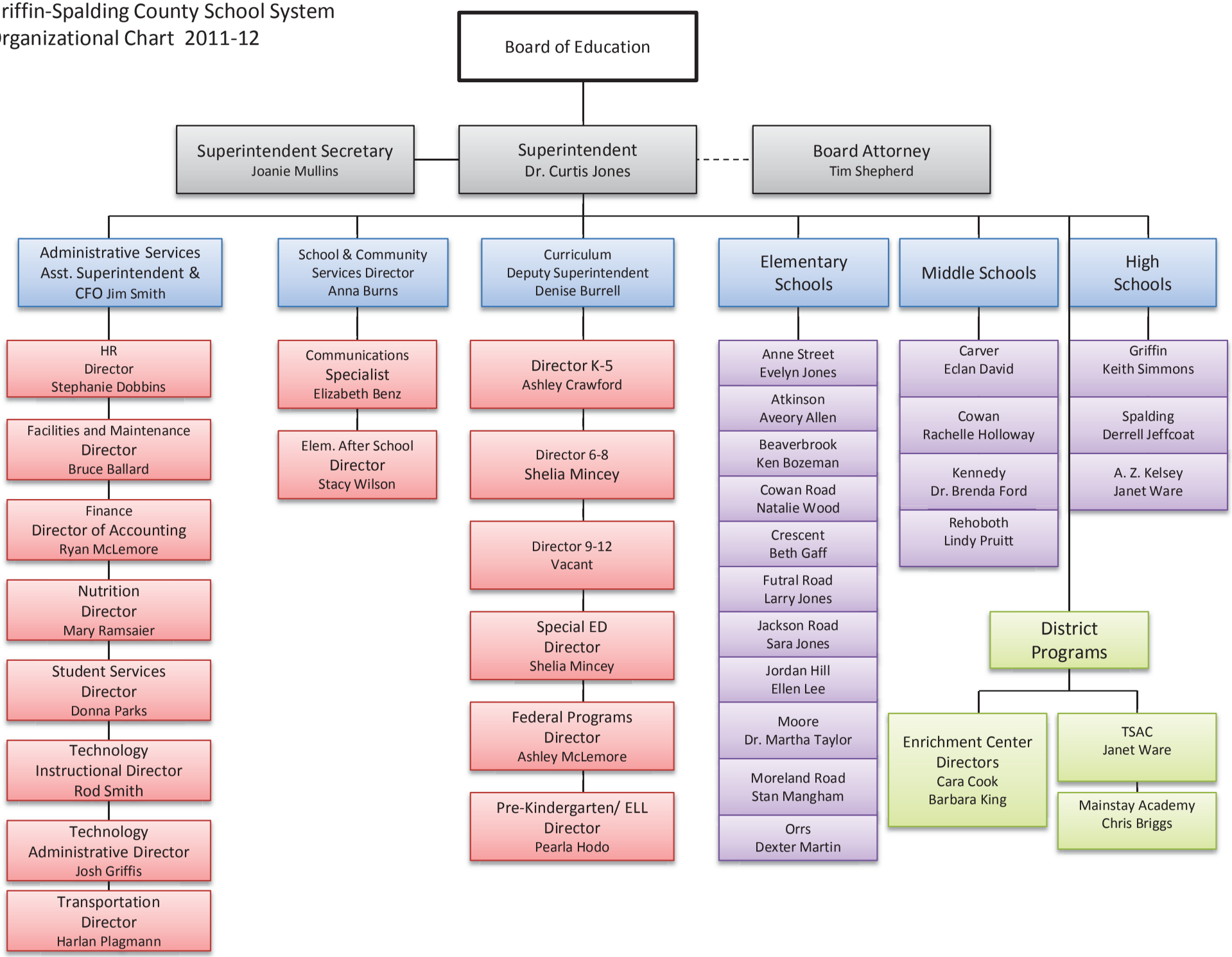
LEGAL COUNSEL

Shepherd, Johnston, and Owen, LLP	Griffin, Georgia

INDEPENDENT AUDITORS

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

Griffin-Spalding County School System
Organizational Chart 2011-12



Independent Auditor's 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, 2012, 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Griffin-Spalding County School System as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund and Title I 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 November 27, 2012 , 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 basic financial statements. The introductory section, combining nonmajor fund financial statements and other schedules, statistical section and schedule of expenditures of federal awards, required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Robinson, Grimes & Company, P.C.

Certified Public Accountants

November 27, 2012

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, 2012. 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, 2012, by $164,617,602. Of this amount, $12,848,616 (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 $7,639,240 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, 2012, the System's General Fund reported a fund balance of $8,631,770, a decrease of $1,491,257, or 14.7 percent from the last fiscal year. Of this total, $409,223 has been committed to the risk management function in compliance with GASB 54. Unassigned fund balance totaled $8,222,547.

- SPLOST collections in fiscal year 2012 increased 5.6% from collections in fiscal year 2011.

- 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, 2012, System assets exceeded liabilities by $164,617,602.

By far, the largest portion the System's net assets (79.0 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, 2012 and 2011

	Governmental Activities	
	FY 2012	FY 2011
Current and other assets	$ 48,240,190	$ 48,410,478
Capital Assets	135,053,662	131,269,273
Total assets	183,293,852	179,679,751
Current and other liabilities	13,733,763	12,838,225
Long-term liabilities	4,942,487	9,863,164
Total liabilities	18,676,250	22,701,389
Net assets:		
Invested in capital assets, net of related debt	130,111,176	121,406,109
Restricted	21,657,810	21,341,131
Unrestricted	12,848,616	14,231,122
Total net assets	$ 164,617,602	$ 156,978,362

An additional portion of the System's total net assets represents resources that are subject to external restrictions on how they may be used (13.1 %). Comprising the majority of restricted net assets are net assets being accumulated for use in capital projects accounting for 67.0% of total restricted net assets. Second, net assets being accumulated for debt service payments on general obligation bonds represented 22.8% of total restricted net assets with all debt service sinking fund requirements for the coming year being met.

Unrestricted net assets, 7.9% 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 $7,639,240 from operating results in the fiscal year ended June 30, 2012, compared to an increase of $5,820,480 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 2012	FY 2011
Revenues		
Program revenues:		
Operating grants and contributions	$ 69,263,558	$ 72,127,662
Capital grants and contributions	3,093,618	0
Charges for services	1,083,720	1,164,128
General revenues:		
Property taxes	26,660,363	26,111,674
Special purpose local option sales tax	8,706,803	8,243,365
Other general revenues	665,326	825,387
Total revenues	109,473,388	108,472,216
Expenses		
Instruction	62,865,938	63,217,366
Pupil support services	2,650,382	3,155,458
Improvement of instructional services	4,875,165	4,540,524
Educational media services	1,752,187	1,928,462
General and school administration	8,250,954	8,175,375
Business administration	335,644	330,052
Maintenance and operation of plant	8,235,705	8,507,364
Student transportation services	4,040,572	3,799,576
Central support services	1,173,057	1,154,965
Other support services	1,011,001	1,309,216
Food service operations	5,940,725	5,619,731
Community services operations	132,624	149,722
Interest on long-term debt	337,402	535,173
Unallocated depreciation	232,792	228,752
Total expenses	101,834,148	102,651,736
Increase in net assets	7,639,240	5,820,480
Net assets, beginning of year	156,978,362	151,157,882
Net assets, end of year	$ 164,617,602	$ 156,978,362

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 $72,498,317 with appropriated expenditures totaling $75,274,077, down 2.43% from the fiscal year 2011 final amended budget. The Board appropriated $2,775,760 from unreserved fund balance to cover the shortfall. Of significance, initial state austerity reductions to funding formula earnings totaled $7,404,300. No federal stimulus funds under the American Recovery and Reinvestment Act of 2009 (ARRA) were available to mitigate the impact of state funding reductions. The Board of Education levied a property tax millage rate of 19.06, up from 18.80 in the prior year, on a digest value down 3.52% from the prior year.

As fiscal year 2012 progressed, the final amended general fund budget added $1,664,004 to revenues, an increase of 2.30% from the original budget for the year. The largest component of the change was the addition of $733,929 in state Quality Basic Education (QBE) formula earnings primarily due to student counts shifting from lower earning programs into higher earning programs. Other changes included an additional state allocation of $381,450 for school bus purchases. During the amendment process, expected revenues were also increased to include 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 2012 reflected an expected deficit of expenditures exceeding revenues by $2,257,730.

The original budget for fiscal year 2012 included appropriated expenditures of $75,274,077. Several cost reduction initiatives were included in the fiscal year 2012 budget in recognition of further funding cuts from the state level and pressure on local revenue sources. The school year was shortened by one day to a total of 179 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 continued 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 remained constant. The System included no new school bus purchases as part of the original FY2012 budget.

As the year progressed, an amended budget appropriating a total of $76,420,051 was approved by the Board of Education, an increase of $1,145,974 in appropriated expenditures. The primary additions to expenditure categories were $100,000 to diesel fuel as prices escalated during the year, an addition of $100,000 to the employer's cost of health insurance for classified (non-certified) staff due to 20.3% increase passed down from the state, and an addition of $381,450 to purchase school buses under a state reimbursement program. 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 2012 with a fund balance of $8,631,770, a decrease of $1,491,257, or 14.7%, from fiscal year 2011. $409,223 of the fund balance was committed to the risk management function in compliance with GASB 54 requirements. Actual revenues fell below budget projections by $192,230 while actual expenditures were $808,717 lower than budgeted. Several important factors led to the actual results for the year.

First, state revenues were impacted by "austerity reductions" for the tenth 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 $7,434,532, 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 from10,454 in fiscal year 2011 to 10,211 in fiscal year 2012. With the State teacher salary schedule remaining unchanged from fiscal year 2011 (i.e. no teacher pay raises), the result was a decrease in state formula earnings, before austerity reductions.

Second, local revenue sources represented 37.34% of total general fund revenues for the year, up from 35.51% in the prior year. Local revenues ended the year slightly above budgeted projections by $10,802. Collections of local ad valorem property tax, the largest single piece of local revenue exceeded budget expectations for the year due to a stronger collection of delinquent taxes. 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 $808,717. Expenditures for direct classroom instruction (e.g. teacher salaries and benefits, textbooks, classroom supplies, etc.) accounted for 65.16% of total general fund expenditures, down slightly from the prior fiscal year. No pay increases were given to employees during fiscal year 2012. Virtually all employees had work schedules reduced by six days during the year resulting

in a reduction to salary and benefit costs 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.

The following chart details the major components of revenues and expenditures by function for fiscal year 2012 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 2011
Revenues			
State	$ 46,155,540	62.26%	$ (1,758,974)
Federal	300,250	0.41%	(1,932,668)
Local and other	27,673,947	37.34%	65,722
Totals	$ 74,129,737	100.00%	$ (3,625,920)
Expenditures			
Instruction	$ 49,373,663	65.16%	$ (845,606)
Pupil support services	1,323,090	1.75%	(380)
Instructional staff support	1,432,357	1.89%	(287,356)
Media Services	1,656,079	2.19%	(189,222)
General and school administration	7,563,984	9.98%	8,790
Business administration	335,644	0.44%	5.592
Maintenance and Operations	7,726,705	10.20%	(240,252)
Student Transportation	4,092,737	5.40%	672,728
Other support services	1,882,665	2.48%	(121,209)
Community services	132,624	0.18%	(17,098)
Debt Service	214,038	0.28%	0
Capital Outlay	37,394	0.05%	(92,313)
Totals	$ 75,770,980	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, Cowan Road Elementary School, Spalding High School, and Griffin High School. The Griffin High School renovation has a total estimated cost of approximately $19 million

and completion date in fiscal year 2014. Additionally, $549,304 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 2012 increased 5.6% compared to fiscal year 2011 with receipts of $8,706,803 and $8,243,365, respectively. The largest portion of fiscal year 2012 collection, 70.9%, was recorded in the debt service fund to continue accumulating assets needed for future debt service payments while the remaining 29.1% was recorded in the capital projects fund for use on renovation projects and technology purchases.

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 $4,989,488 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 2012.

Title I Fund Operations

The Title I fund accounts for federal resources used to operate programs for economically disadvantaged and academically at-risk students. With free and reduced price lunches available to 73.44% of the System's students, fourteen of the eighteen schools qualified for funding under the basic Title I programs totaling $4,543,390. Additionally, Griffin High School expended $2,154,516 in federal school improvement grant funds to establish the career academy concept within the school and provide related professional development opportunities for teachers. Another $80,757 was expended by the System and two schools under the Distinguished Schools program.

Capital Assets and Debt Administration

Capital Assets

The System's investment in capital assets for its governmental activities as of June 30, 2012, totaled $135,053,662, 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, Cowan Road Elementary School, Spalding High School, 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, 2012, 23.95% 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 2012	FY 2011
Land	$ 3,347,052	$ 3,347,052
Construction in progress	7,519,655	10,445,594
Buildings	110,012,627	111,629,296
Building Improvements	9,098,358	1,286,990
Vehicles and Equipment	5,075,970	4,560,341
Total	$ 135,053,662	$ 131,269,273

Debt Administration

At June 30, 2012, the System had $4,840,000 in outstanding general obligation bond indebtedness plus an additional $88,838 in long-term capital lease obligations. The current debt limitation for the System is $146,235,619 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 2013. 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 9 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 2013. Current indications are that fiscal year 2013 austerity reductions may increase and reach approximately 17% 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 improved during fiscal year 2012 and the first part of fiscal year 2013, expectations are that austerity reductions will continue in fiscal year 2014 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 3.94% in 2012, the fourth consecutive year of decline. Little growth in terms of new taxable property was realized in 2012. 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 until 2012. Even with the revaluation, overall property values declined.

The Board of Education, while adopting the fiscal year 2013 general fund operating budget, adjusted the millage rate upwards by 0.41 mills to 19.47 mills to mitigate part of the effect felt with a declining property tax digest. With the fiscal year 2013 M&O millage set at 19.47, 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, 2012, the General Fund reflected a fund balance of $8,631,770 translating to 43 days of operation based on the fiscal year 2013 budget. Of this balance, $409,223 was committed for risk management purposes 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 stagnant residential growth county-wide. The residential growth that is occurring is within an "active adult" community with no school age children. Therefore, we expect student enrollment to remain constant for the foreseeable future in line with slow 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, 2012

	ALL GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	$ 32,831,774
Property taxes receivable	2,564,245
Due from other governments	11,195,238
Other receivables	250,087
Note receivable	212,270
Investments	1,050,000
Inventories	126,169
Capital assets not depreciable	10,866,707
Capital assets, net of accumulated depreciation	124,186,955
Other assets, net of accumulated amortization	10,407
Total assets	183,293,852
LIABILITIES	
Accounts payable and other current liabilities	13,557,279
Unearned revenue	176,484
Long-term liabilities:	
Capitalized lease obligations - due within one year	88,838
Bonds payable - due within one year	4,853,649
Total liabilities	18,676,250
NET ASSETS	
Invested in capital assets, net of related debt	130,111,176
Restricted for:	
Capital projects	14,516,860
Debt service	4,954,100
Continuation of federal and other programs	978,601
Permanent funds- nonexpendable	1,208,249
Unrestricted	12,848,616
Total net assets	$ 164,617,602

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, 2012

Functions/Programs	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS: ALL GOVERNMENTAL ACTIVITIES
Primary government:					
Governmental activities:					
Instruction	$ 62,865,938	$ 334,172	$ 42,124,880	$ 3,093,618	$ (17,313,268)
Pupil support services	2,650,382		1,828,789		(821,593)
Improvement of instructional services	4,875,165		3,366,096		(1,509,069)
Educational media services	1,752,187		1,153,684		(598,503)
General and school administration	8,250,954		5,639,733		(2,611,221)
Business administration	335,644		231,598		(104,046)
Maintenance and operation of plant	8,235,705		5,352,868		(2,882,837)
Student transportation services	4,040,572		2,884,614		(1,155,958)
Central support services	1,173,057		808,114		(364,943)
Other support services	1,011,001		697,600		(313,401)
Food services operation	5,940,725	749,548	5,084,070		(107,107)
Community services operations	132,624		91,512		(41,112)
Interest on long-term debt	337,402				(337,402)
Unallocated depreciation	232,792				(232,792)
Total school system	$ 101,834,148	$ 1,083,720	$ 69,263,558	$ 3,093,618	(28,393,252)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					26,660,363
Special purpose local option sales tax					8,706,803
Investment earnings					31,392
Miscellaneous					474,111
Gain on sale of assets					159,823
Total general revenues					36,032,492
Change in net assets					7,639,240
Net assets, beginning					156,978,362
Net assets, ending					$ 164,617,602

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, 2012

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TITLE I FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	$ 9,624,708	$ 15,106,923	$ 4,954,292		$ 3,145,851	$ 32,831,774
Receivables						
Spalding County tax commissioner	2,564,245					2,564,245
State of Georgia, Department of Revenue		715,704				715,704
State of Georgia, Department of Education	5,942,115			$ 2,636,737	1,900,682	10,479,534
Due from other funds	1,756,376	15,100				1,771,476
Other	132,807	11,097			106,183	250,087
Investments					1,050,000	1,050,000
Inventories					126,169	126,169
Other assets					1,360	1,360
Note receivable		212,270				212,270
Total assets	$ 20,020,251	$ 16,061,094	$ 4,954,292	$ 2,636,737	$ 6,330,245	$ 50,002,619
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 846,963	$ 589,758	$ 192	$ 1,257,199	$ 371,997	$ 3,066,109
Accrued salaries and benefits	8,348,690			410,558	1,731,922	10,491,170
Deferred revenue	2,177,728	212,270		40,466	127,330	2,557,794
Due to other funds	15,100	4,692		883,575	868,109	1,771,476
Total liabilities	11,388,481	806,720	192	2,591,798	3,099,358	17,886,549
FUND BALANCES						
Nonspendable:						
Inventories					56,540	56,540
Permanent funds					1,208,249	1,208,249
Resticted for:						
Debt service			4,954,100			4,954,100
Capital projects		14,516,860				14,516,860
Special revenue funds				44,939	933,662	978,601
Committed to:						
Risk management	409,223					409,223
Special revenue funds					943,830	943,830
Assigned to:						
Permanent funds					88,606	88,606
Capital projects		737,514				737,514
Unassigned	8,222,547					8,222,547
Total fund balances	8,631,770	15,254,374	4,954,100	44,939	3,230,887	32,116,070
Total liabilities and fund balances	$ 20,020,251	$ 16,061,094	$ 4,954,292	$ 2,636,737	$ 6,330,245	$ 50,002,619

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, 2012

Total fund balances - governmental funds		$ 32,116,070
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:	$ 2,169,040	
Property taxes deferred in the funds	212,270	2,381,310
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 $174,178,081 and the accumulated depreciation is $39,124,419		135,053,662
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.		9,047
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		(88,838)
Bonds payable		(4,840,000)
Premium on bonds issued		(13,649)
Total net assets - governmental activities		$ 164,617,602

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, 2012

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TITLE I FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property taxes	$ 26,524,349					$ 26,524,349
Sales taxes		$ 2,599,662	$ 6,107,141			8,706,803
Fees and charges	334,172				$ 749,803	1,083,975
State funds	46,155,540	3,093,618			4,908,872	54,158,030
Federal funds	300,250			$ 6,778,663	9,086,580	16,165,493
Earnings on investments	(399)	15,071	4,141		12,579	31,392
Miscellaneous	815,825				2,005,328	2,821,153
Total revenues	74,129,737	5,708,351	6,111,282	6,778,663	16,763,162	109,491,195
EXPENDITURES						
Current operating						
Instruction	49,373,663			3,978,260	7,697,772	61,049,695
Support services						
Pupil support services	1,323,090			122,424	1,204,868	2,650,382
Improvement of instructional services	1,432,357			2,125,577	1,320,396	4,878,330
Educational media services	1,656,079			968	14,935	1,671,982
General and school administration	7,563,984			276,009	447,060	8,287,053
Business administration	335,644					335,644
Maintenance and operation of plant	7,726,705			311	30,655	7,757,671
Student transportation services	4,092,737			60,460	27,346	4,180,543
Central support services	1,139,419				31,744	1,171,163
Other support services	743,246			213,929	53,826	1,011,001
School nutrition services				725	6,032,845	6,033,570
Community service operations	132,624					132,624
Debt service						
Principal retirement	201,084		4,665,000			4,866,084
Interest and fiscal charges	12,954		324,448			337,402
Capital outlay	37,394	6,430,097				6,467,491
Total expenditures	75,770,980	6,430,097	4,989,448	6,778,663	16,861,447	110,830,635
Excess (deficiency) of revenues over (under) expenditures	(1,641,243)	(721,746)	1,121,834	0	(98,285)	(1,339,440)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	158,684	75,100				233,784
Transfers in					8,698	8,698
Transfers out	(8,698)				0	(8,698)
Total other financing sources (uses)	149,986	75,100	0	0	8,698	233,784
Net change in fund balances	(1,491,257)	(646,646)	1,121,834	0	(89,587)	(1,105,656)
Fund balances, beginning	10,123,027	15,901,020	3,832,266	44,939	3,320,474	33,221,726
Fund balances, ending	$ 8,631,770	$ 15,254,374	$ 4,954,100	$ 44,939	$ 3,230,887	$ 32,116,070

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, 2012

Total net change in fund balances - governmental funds		$ (1,105,656)
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	$ 6,673,263	
Depreciation	(2,874,912)	3,798,351
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations) is to decrease net assets. This is the amount of the net book value of dispositions.		(13,962)
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.		201,084
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		4,665,000
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	$ 136,014	
Note receivable	(60,000)	76,014
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.		18,409
Change in net assets of governmental activities		$ 7,639,240

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, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE OVER
	ORIGINAL	FINAL	AMOUNTS	(UNDER)
REVENUES				
Property taxes	$ 26,266,500	$ 26,266,500	$ 26,524,349	$ 257,849
State funds	44,840,473	46,186,376	45,995,894	(190,482)
Federal funds	312,800	312,800	300,250	(12,550)
Other local funds	1,078,544	1,396,645	1,149,598	(247,047)
Total revenues	72,498,317	74,162,321	73,970,091	(192,230)
EXPENDITURES				
Current operating				
Instruction	49,710,491	49,426,015	49,258,766	(167,249)
Support services				
Pupil services	1,394,618	1,474,618	1,320,191	(154,427)
Improvement of instructional services	1,414,956	1,429,956	1,429,572	(384)
Educational media services	1,867,116	1,667,116	1,652,036	(15,080)
General and school administration	7,409,189	7,619,189	7,546,887	(72,302)
Business administration	353,772	353,772	334,912	(18,860)
Maintenance and operation of plant	8,051,199	8,054,199	7,717,548	(336,651)
Student transportation services	3,307,380	4,098,830	4,086,602	(12,228)
Other support services	1,551,318	1,952,318	1,880,764	(71,554)
Community service operations	0	130,000	132,624	2,624
Debt Service				
Principal retirement	201,084	201,084	201,084	0
Interest and fiscal charges	12,954	12,954	12,954	0
Capital outlay	0	0	37,394	37,394
Total expenditures	75,274,077	76,420,051	75,611,334	(808,717)
Excess (deficiency) of revenues over (under) expenditures	(2,775,760)	(2,257,730)	(1,641,243)	616,487
OTHER FINANCING USES				
Proceeds from sale of assets	0	0	158,684	158,684
Transfers out	0	0	(8,698)	(8,698)
Total other financing uses	0	0	149,986	149,986
Net change in fund balances	(2,775,760)	(2,257,730)	(1,491,257)	766,473
Fund balances, beginning	10,123,027	10,123,027	10,123,027	0
Fund balances, ending	$ 7,347,267	$ 7,865,297	$ 8,631,770	$ 766,473

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, 2012

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
State funds	$ 0	$ 0	$ 0
Federal funds	7,035,869	6,778,663	(257,206)
Other local funds	0	0	0
Total revenues	7,035,869	6,778,663	(257,206)
EXPENDITURES			
Current operating			
Instruction	5,453,906	3,978,260	(1,475,646)
Support services			
Pupil services	3,978	122,424	118,446
Improvement of instructional services	1,082,307	2,125,577	1,043,270
Educational media services	968	968	0
General and school administration	266,275	276,009	9,734
Maintenance and operation of plant	311	311	0
Student transportation services	97,121	60,460	(36,661)
Other support services	131,003	213,929	82,926
School nutrition services	0	725	725
Total expenditures	7,035,869	6,778,663	(257,206)
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, 2012

ASSETS	
Cash and cash equivalents	$ 92,791
Total assets	92,791
LIABILITIES	
Due to student and faculty groups	92,791
Total liabilities	$ 92,791

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 its portion of that reimbursement 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 October 17, 2011, based on property values assessed as of January 1, 2011, and were payable on or before December 20, 2011. Property taxes became an enforceable lien on January 20, 2012. Taxes levied in calendar year 2011 for operations were levied at 19.06 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 $26.7 million, including $2.6 million reported as taxes receivable of which $2.2 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 $5.9 million at June 30, 2012.

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. Inventories are stated at cost (principally first in, first-out), which is not in excess of market. The district utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenditures when used rather than when purchased. Reported inventories are reflected as nonspendable fund balance. The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of commodities on hand at year-end is reflected as deferred revenue.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

Fund Balance

In accordance with the requirements of GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions", 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 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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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 20 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	14,061,193	12,629,137
Local government investment pool	20,752,637	20,752,637
Total Deposits	35,313,830	33,881,774
Less: Investments shown below	(1,050,000)	(1,050,000)
Net cash and cash equivalents	$ 34,263,830	$ 32,831,774

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, 2012, 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 defer 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, 2012.

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, 2012 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	10,445,594	5,780,167	0	(8,706,106)	7,519,655
Total capital assets, not being depreciated	13,792,646	5,780,167	0	(8,706,106)	10,866,707
Capital assets, being depreciated:					
Buildings	135,125,385	0	0	149,994	135,275,379
Building improvements	5,357,664	55,418	0	7,994,585	13,407,667
Vehicles and equipment	14,059,193	837,678	(830,070)	561,527	14,628,328
Total capital assets, being depreciated	154,542,242	893,096	(830,070)	8,706,106	163,311,374
Less accumulated depreciation for:					
Buildings	(23,496,089)	(1,766,663)	0	0	(25,262,752)
Building improvements	(4,070,674)	(238,635)	0	0	(4,309,309)
Vehicles and equipment	(9,498,852)	(869,614)	816,108	0	(9,552,358)
Total accumulated depreciation	(37,065,615)	(2,874,912)	816,108	0	(39,124,419)
Total capital assets, being depreciated, net	117,476,627	(1,981,816)	(13,962)	8,706,106	124,186,955
Capital assets, net	$ 131,269,273	$ 3,798,351	$ (13,962)	$ 0	$ 135,053,662

NOTE 4: Capital Assets (Continued)

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

Instruction	$ 1,462,517
Improvement of instructional services	24,627
Media services	80,205
General and school administration	76,996
Maintenance and operations	465,079
Transporation	241,479
Central support services	8,259
School nutrition	282,958
Unallocated depreciation	232,792
Total depreciation expense	$ 2,874,912

Gain on sale of assets includes $103,155 of insurance proceeds. These insurance proceeds were received due to a kitchen fire at Anne Street Elementary, which resulted in destroyed kitchen equipment.

NOTE 5: Other Assets

Other assets include bond closing costs with cost and accumulated amortization of $189,971 and $180,925 respectively. Bond closing costs are amortized over the life of the bonds using a straight-line method. In addition, other assets include permanent fund deposits.

NOTE 6: Interfund Receivables, Payables and Transfers

During the course of its operations, the School System makes transfers between funds to finance operations, provide services, acquire assets, and service debt. To the extent that certain transfers between funds have not been received as of year-end, balances of interfund amounts receivable or payable have been recorded. Outstanding balances between funds are reported as "due to/from other funds."

NOTE 6: Interfund Receivables, Payables and Transfers (Continued)

Interfund receivable and payable balances are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Title I	$ 883,575
General Fund	Nonmajor Governmental Funds	868,109
General Fund	Capital Projects Fund	4,692
Capital Projects Fund	General Fund	15,100
Total		$ 1,771,476

The general fund was due $1,751,684 from other special revenue funds (including $200,000 from the school nutrition fund) to be repaid upon receipt of grant revenues. The interfund receivable and payable between the general fund and capital projects fund is related to an expense reimbursement.

Transfers from/to other funds at June 30, 2012 are as follows:

Transfers to	Transfers from	Amount
Nonmajor Governmental Funds	General Fund	$ 8,698

These transfers are to cover overages from the operation of certain grants.

NOTE 7: Non-Monetary Transactions and On-Behalf Payments

The System received from the United States Department of Agriculture through the Georgia Department of Education approximately $266,110 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 $6,613,839 to the State Health Benefit Plan, $20,302 to the Teachers Retirement System, and $139,344 to the Public School Employee Retirement System on behalf of the System for the fiscal year ending June 30, 2012. These on-behalf payments were for health insurance and retirement contributions and were reported in the General Fund as both revenues and expenditures.

NOTE 8: 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 $1,002,018 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, 2012, were as follows:

Balance Beginning	Additions	Reductions	Balance Ending	Due within 1 year
$ 289,922	$ 0	$ (201,084)	$ 88,838	$ 88,838

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 are as follows:

Years ending June 30,	
2013	$ 94,837
Less: amount representing interest	(5,999)
Present value of minimum lease payments	$ 88,838

NOTE 9: 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%, based on current market rates. 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, 2012 follows:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012	Due within one year
2007 General Obligation	$ 9,505,000	$ 0	$ (4,665,000)	$ 4,840,000	$ 4,840,000
Unamortized bond premium	68,243	0	(54,594)	13,649	13,649
Total	$ 9,573,243	$ 0	$ (4,719,594)	$ 4,853,649	$ 4,853,649

The annual debt service requirements to maturity are as follows:

Years Ending June 30,	2007 General Obligation Principal	Interest
2013	$ 4,840,000	$ 114,100

NOTE 10: Special Purpose Local Option Sales Tax (SPLOST)

On March 20, 2007, the voters of Spalding County authorized the imposition of a Special Purpose Local Option Sales Tax (SPLOST) effective July 1, 2007. The 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 were to 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:

Anticipated proceeds, as originally projected	$ 57,000,000
Amount not yet collected	(14,592,172)
Amount collected through June 30, 2012	$ 42,407,828
Amounts expended to date	$ 29,688,240

On March 6, 2012, the voters of Spalding County authorized the SPLOST to be reimposed effective July 1, 2012. The reimposed sales tax was authorized for a maximum period of time not to exceed three years for the purpose of raising not more than $30,000,000. The funds generated by the sales tax will be used to renovate, remove, repair, improve, and equip existing school facilities and acquire system-wide technology improvements.

NOTE 11: 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.

NOTE 11: Risk Management (Continued)

Claims and associated expenses incurred during the fiscal years 2012, 2011 and 2010 are shown below. Outstanding year end liabilities are considered to be immaterial.

Year	Balance July 1, 2011	Current Year Claims Accrued	Current Year Claims Paid	Unpaid Balance June 30, 2012
2012	$ 0	$ 327,866	$ (327,866)	$ 0
2011	$ 0	$ 507,078	$ (507,078)	$ 0
2010	$ 0	$ 301,596	$ (301,596)	$ 0

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 12: 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, 2012, the System's future construction commitments consist of additions to Griffin High School, Jordan Hill Elementary, and Cowan Road Elementary in the amounts of approximately $5,717,289, $298,467 and $49,307, respectively.

NOTE 13: 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.

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 2012 that rate for employer contributions was 10.28% of its gross payroll from July through June.

NOTE 13: Retirement Plans (Continued)

Total contributions made during fiscal years 2012, 2011 and 2010 are as follows:

	Total Contributions	Contributions Made By The System	Employer Percentage Contributed	Contributions Made By Employees
2012	$8,330,375	$5,409,811 (or 10.28% of covered salaries)	100%	$2,920,564 (or 5.53% of covered salaries)
2011	$8,584,790	$5,574,002 (or 10.28% 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)

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.

NOTE 13: Retirement Plans (Continued)

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.

Total contributions made to PSERS by the employees during fiscal years 2012, 2011 and 2010 are as follows:

2012	$11,780
2011	$12,096
2010	$12,684

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 14: 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 14: 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, 2012 as follows:

Teachers:	
July 2011	18.534% of state based salaries
August 2011- March 2012	24% of state based salaries
April 2012- June 2012	3.958% of state based salaries

Non-Certificated Employees:	
July 2011-August 2011	$246.20 per month
September 2011- June 2012	$296.20 per month

The School System's contribution to the State Health Benefit Plan for the fiscal year ended June 30, 2012, was $9,221,331, 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, 2012

	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	$ 1,245,487	$ 1,550,325	$ 2,795,812	$ 350,039	$ 3,145,851
Receivables					
State of Georgia, Department of Revenue					
State of Georgia, Department of Education	1,897,723	2,959	1,900,682	0	1,900,682
Other	70,167	25,087	95,254	10,929	106,183
Investments	0	0	0	1,050,000	1,050,000
Inventories	0	126,169	126,169	0	126,169
Other assets	0	0	0	1,360	1,360
Total assets	$ 3,213,377	$ 1,704,540	$ 4,917,917	$ 1,412,328	$ 6,330,245
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 238,436	$ 18,088	$ 256,524	$ 115,473	$ 371,997
Accrued salaries and benefits	1,340,245	391,677	1,731,922	0	1,731,922
Deferred revenue	25,367	101,963	127,330	0	127,330
Due to other funds	657,907	210,202	868,109	0	868,109
Total liabilities	2,261,955	721,930	2,983,885	115,473	3,099,358
FUND BALANCES					
Nonspendable:					
Inventories	0	56,540	56,540	0	56,540
Permanent funds	0	0	0	1,208,249	1,208,249
Restricted for:					
Special revenue funds	7,592	926,070	933,662	0	933,662
Committed to:					
Special revenue funds	943,830	0	943,830	0	943,830
Assigned to:					
Permanent funds	0	0	0	88,606	88,606
Total fund balances	951,422	982,610	1,934,032	1,296,855	3,230,887
Total liabilities and fund balances	$ 3,213,377	$ 1,704,540	$ 4,917,917	$ 1,412,328	$ 6,330,245

See Independent Auditor's 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, 2012

	SPECIAL REVENUE FUNDS				
	OTHER SPECIAL REVENUE FUNDS	SCHOOL NUTRITION PROGRAM	TOTAL SPECIAL REVENUE FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES					
Fees and charges	$ 0	$ 749,803	$ 749,803	$ 0	$ 749,803
State funds	4,753,153	155,719	4,908,872	0	4,908,872
Federal funds	4,129,684	4,956,896	9,086,580	0	9,086,580
Earnings on investments	364	165	529	12,050	12,579
Miscellaneous	1,956,583	0	1,956,583	48,745	2,005,328
Total revenues	10,839,784	5,862,583	16,702,367	60,795	16,763,162
EXPENDITURES					
Current operating					
Instruction	7,690,671	0	7,690,671	7,101	7,697,772
Support services					
Pupil support services	1,204,868	0	1,204,868	0	1,204,868
Improvement of instructional services	1,320,396	0	1,320,396	0	1,320,396
Educational media services	14,935	0	14,935	0	14,935
General and school administration	402,655	0	402,655	44,405	447,060
Maintenance and operation of plant	30,655	0	30,655	0	30,655
Student transportation services	27,346	0	27,346	0	27,346
Central support services	24,170	0	24,170	7,574	31,744
Other support services	7,713	0	7,713	46,113	53,826
School nutrition services	91,566	5,941,279	6,032,845	0	6,032,845
Total expenditures	10,814,975	5,941,279	16,756,254	105,193	16,861,447
Excess (deficiency) of revenues over (under) expenditures	24,809	(78,696)	(53,887)	(44,398)	(98,285)
OTHER FINANCING SOURCES					
Transfers in	8,698	0	8,698	0	8,698
Operating transfers out	0	0	0	0	0
Total other financing sources	8,698	0	8,698	0	8,698
Net change in fund balances	33,507	(78,696)	(45,189)	(44,398)	(89,587)
Fund balances, beginning	917,915	1,061,306	1,979,221	1,341,253	3,320,474
Fund balances, ending	$ 951,422	$ 982,610	$ 1,934,032	$ 1,296,855	$ 3,230,887

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2012

	TITLE VI-B (IDEA)	PERKINS CTAE	TITLE II A & TITLE II D	RACE TO THE TOP	TITLE III (LEP & IMMIGRANT)
ASSETS					
Cash and cash equivalents	$ 0	$ 0	$ 0	$ 0	$ 0
Receivables					
State of Georgia, Department of Education	517,758	19,384	274,384	183,031	2,446
Due from other funds	0	0	0	0	0
Other	0	0	0	0	0
Prepaid items	0	0	0	0	0
Total assets	$ 517,758	$ 19,384	$ 274,384	$ 183,031	$ 2,446
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 49,936	$ 959	$ 104,967	$ 63,622	$ 110
Accrued salaries and benefits	288,046	0	36,803	66,653	1,582
Deferred revenue	0	0	0	12,076	0
Due to other funds	179,742	18,425	132,614	40,680	754
Total liabilities	517,724	19,384	274,384	183,031	2,446
FUND BALANCES					
Nonspendable:					
Prepaid assets	0	0	0	0	0
Restricted for:					
Special revenue funds	34	0	0	0	0
Committed to:					
Special revenue funds	0	0	0	0	0
Total fund balances	34	0	0	0	0
Total liabilities and fund balances	$ 517,758	$ 19,384	$ 274,384	$ 183,031	$ 2,446

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2012

	SCHOOL ACTIVITY ACCOUNTS	MAINSTAY PSYCHO ED	PRE-K	NURSING GRANT	OTHER FUNDS	TOTAL OTHER SPECIAL REVENUE FUNDS
ASSETS						
Cash and cash equivalents	$ 539,150	$ 0	$ 254,754	$ 70,666	380,917	$ 1,245,487
Receivables						
State of Georgia, Department of Educatio	0	885,626	0	0	15,094	1,897,723
Due from other funds	0	0	0	0	0	0
Other	0	0	0	29,167	41,000	70,167
Prepaid items	0	0	0	0	0	0
Total assets	$ 539,150	$ 885,626	$ 254,754	$ 99,833	$ 437,011	$ 3,213,377
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 0	$ 0	$ 12,871	$ 0	5,971	$ 238,436
Accrued salaries and benefits	0	596,233	238,026	98,544	14,358	1,340,245
Deferred revenue	0	0	0	1,289	12,002	25,367
Due to other funds	0	285,692	0	0	0	657,907
Total liabilities	0	881,925	250,897	99,833	32,331	2,261,955
FUND BALANCES						
Nonspendable:						
Prepaid assets	0	0	0	0	0	0
Restricted for:						
Special revenue funds	0	3,701	3,857	0	0	7,592
Committed to:						
Special revenue funds	539,150	0	0	0	404,680	943,830
Total fund balances	539,150	3,701	3,857	0	404,680	951,422
Total liabilities and fund balances	$ 539,150	$ 885,626	$ 254,754	$ 99,833	$ 437,011	$ 3,213,377

See Independent Auditor's 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, 2012

	TITLE VI-B (IDEA)	PERKINS CTAE	TITLE II A & TITLE II D	RACE TO THE TOP	TITLE III (LEP & IMMIGRANT)
REVENUES					
Fees and charges	$ 0	$ 0	$ 0	$ 0	$ 0
State funds	0	0	0	0	0
Federal funds	2,360,487	104,806	616,534	433,994	21,663
Earnings on investments	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total revenues	2,360,487	104,806	616,534	433,994	21,663
EXPENDITURES					
Current operating					
Instruction	1,871,513	89,685	91,842	99,008	8,558
Support services					
Pupil support services	181,851	0	0	0	8,430
Improvement of instructional services	281,217	15,121	494,348	331,034	2,605
Educational media services	0	0	0	0	0
General and school administration	0	0	10,189	0	0
Maintenance and operation of plant	0	0	0	0	0
Student transportation services	25,906	0	0	0	0
Central support services	0	0	20,155	3,952	0
Other support services	0	0	0	0	2,070
School nutrition services	0	0	0	0	0
Total expenditures	2,360,487	104,806	616,534	433,994	21,663
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0
OTHER FINANCING SOURCES					
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
Total other financing sources	0	0	0	0	0
Net change in fund balances	0	0	0	0	0
Fund balances, beginning	34	0	0	0	0
Fund balances, ending	$ 34	$ 0	$ 0	$ 0	$ 0

See Independent Auditor's 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, 2012

	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	$ 0	$ 0
State funds	0	3,279,446	1,473,707	0	0	4,753,153
Federal funds	0	486,712	3,600	0	101,888	4,129,684
Earnings on investments	364	0	0	0	0	364
Miscellaneous	1,381,999	0	0	325,000	144,040	1,956,583
Total revenues	1,382,363	3,766,158	1,477,307	325,000	245,928	10,839,784
EXPENDITURES						
Current operating						
Instruction	1,350,793	2,543,523	1,445,068	0	85,137	7,690,671
Support services						
Pupil support services	0	689,559	28	325,000	0	1,204,868
Improvement of instructional services	0	188,889	1,137	0	6,045	1,320,396
Educational media services	0	0	0	0	14,935	14,935
General and school administration	0	336,735	35,189	0	20,542	402,655
Maintenance and operation of plant	0	7,452	0	0	23,203	30,655
Student transportation services	0	0	0	0	1,440	27,346
Central support services	0	0	0	0	63	24,170
Other support services	0	0	351	0	5,292	7,713
School nutrition services	0	0	0	0	91,566	91,566
Total expenditures	1,350,793	3,766,158	1,481,773	325,000	248,223	10,814,975
Excess (deficiency) of revenues over (under) expenditures	31,570	0	(4,466)	0	(2,295)	24,809
OTHER FINANCING SOURCES						
Transfers in	0	0	0	0	8,698	8,698
Operating transfers out	0	0	0	0	0	0
Total other financing sources	0	0	0	0	8,698	8,698
Net change in fund balances	31,570	0	(4,466)	0	6,403	33,507
Fund balances, beginning	507,580	3,701	8,323	0	398,277	917,915
Fund balances, ending	$ 539,150	$ 3,701	$ 3,857	$ 0	$ 404,680	$ 951,422

See Independent Auditor's 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, 2012

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Sales taxes	$ 2,278,000	$ 2,599,662	$ 321,662
State funds	5,792,275	3,093,618	(2,698,657)
Earnings on Investments	0	15,071	15,071
Total revenues	8,070,275	5,708,351	(2,361,924)
EXPENDITURES			
Direct Instruction	500,000	0	(500,000)
Capital outlay	13,570,000	6,430,097	(7,139,903)
Total expenditures	14,070,000	6,430,097	(7,639,903)
Excess (deficiency) of revenues over (under) expenditures	(5,999,725)	(721,746)	5,277,979
OTHER FINANCING SOURCES			
Proceeds from sale of assets	0	75,100	75,100
Total other financing uses	0	75,100	75,100
Net change in fund balances	(5,999,725)	(646,646)	5,353,079
Fund balances, beginning	15,901,020	15,901,020	0
Fund balances, ending	$ 9,901,295	$ 15,254,374	$ 5,353,079

See Independent Auditor's Report.

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, 2012

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
Sales taxes	$ 6,200,000	$ 6,107,141	$ (92,859)
Other local funds	0	4,141	4,141
Total revenues	6,200,000	6,111,282	(88,718)
EXPENDITURES			
Debt Service			
Principal Retirement	4,665,000	4,665,000	0
Interest and Fiscal Charges	362,300	324,448	(37,852)
Total expenditures	5,027,300	4,989,448	(37,852)
Net change in fund balances	1,172,700	1,121,834	(50,866)
Fund balances, beginning	3,832,266	3,832,266	0
Fund balances, ending	$ 5,004,966	$ 4,954,100	$ (50,866)

See Independent Auditor's Report.

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, 2012

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
State funds	$ 154,300	$ 155,719	$ 1,419
Federal funds	4,853,092	4,956,896	103,804
Other local funds	737,892	749,968	12,076
Total revenues	5,745,284	5,862,583	117,299
EXPENDITURES			
Current operating			
School nutrition services	5,965,284	5,941,279	(24,005)
Net change in fund balances	(220,000)	(78,696)	141,304
Fund balances, beginning	1,061,306	1,061,306	0
Fund balances, ending	$ 841,306	$ 982,610	$ 141,304

See Independent Auditor's 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, 2012

	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	2,508,782	2,360,487	(148,295)	123,763	104,806	(18,957)
Other local funds	0	0	0	0	0	0
Total revenues	2,508,782	2,360,487	(148,295)	123,763	104,806	(18,957)
EXPENDITURES						
Current operating						
Instruction	1,925,986	1,871,513	(54,473)	96,364	89,685	(6,679)
Support services						
Pupil services	240,866	181,851	(59,015)	0	0	0
Improvement of instructional services	294,930	281,217	(13,713)	27,399	15,121	(12,278)
Educational media services	0	0	0	0	0	0
General and school administration	2,000	0	(2,000)	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	45,000	25,906	(19,094)	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	2,508,782	2,360,487	(148,295)	123,763	104,806	(18,957)
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 Auditor's 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, 2012

	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	618,618	616,534	(2,084)	216,069	433,994	217,925
Other local funds	0	0	0	0	0	0
Total revenues	618,618	616,534	(2,084)	216,069	433,994	217,925
EXPENDITURES						
Current operating						
Instruction	23,034	91,842	68,808	70,293	99,008	28,715
Support services						
Pupil services	0	0	0	0	0	0
Improvement of instructional services	580,895	494,348	(86,547)	29,507	331,034	301,527
Educational media services	0	0	0	0	0	0
General and school administration	10,189	10,189	0	68,269	0	(68,269)
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	20,155	20,155	0	3,952	3,952
Other support services	4,500	0	(4,500)	48,000	0	(48,000)
School nutrition services	0	0	0	0	0	0
Total expenditures	618,618	616,534	(2,084)	216,069	433,994	217,925
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 Auditor's 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, 2012

	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	26,762	21,663	(5,099)	3,217	0	(3,217)
Other local funds	0	0	0	0	0	0
Total revenues	26,762	21,663	(5,099)	3,217	0	(3,217)
EXPENDITURES						
Current operating						
Instruction	8,966	8,558	(408)	2,441	0	(2,441)
Support services						
Pupil services	8,964	8,430	(534)	0	0	0
Improvement of instructional services	6,032	2,605	(3,427)	0	0	0
Educational media services	0	0	0	0	0	0
General and school administration	288	0	(288)	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	0	(776)
Central support services	0	0	0	0	0	0
Other support services	2,512	2,070	(442)	0	0	0
School nutrition services	0	0	0	0	0	0
Total expenditures	26,762	21,663	(5,099)	3,217	0	(3,217)
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 Auditor's 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, 2012

	SCHOOL ACTIVITY ACCOUNTS			MAINSTAY PSYCHO ED		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
State funds	$ 0	$ 0	$ 0	$ 3,279,446	$ 3,279,446	$ 0
Federal funds	0	0	0	602,735	486,712	(116,023)
Other local funds	2,000,000	1,382,363	(617,637)	50,000	0	(50,000)
Total revenues	2,000,000	1,382,363	(617,637)	3,932,181	3,766,158	(166,023)
EXPENDITURES						
Current operating						
Instruction	2,000,000	1,350,793	(649,207)	2,749,390	2,543,523	(205,867)
Support services						
Pupil services	0	0	0	687,344	689,559	2,215
Improvement of instructional services	0	0	0	188,787	188,889	102
Educational media services	0	0	0	0	0	0
General and school administration	0	0	0	327,270	336,735	9,465
Business administration	0	0	0	0	0	0
Maintenance and operation of plant	0	0	0	20,000	7,452	(12,548)
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	1,350,793	(649,207)	3,972,791	3,766,158	(206,633)
Excess (deficiency) of revenues over (under) expenditures	0	31,570	31,570	(40,610)	0	40,610
Fund balances, beginning	507,580	507,580	0	3,701	3,701	0
Fund balances, ending	$ 507,580	$ 539,150	$ 31,570	$ (36,909)	$ 3,701	$ 40,610

See Independent Auditor's 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, 2012

	PRE-K			NURSING GRANT		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
State funds	$ 1,438,532	$ 1,473,707	$ 35,175	$ 0	$ 0	$ 0
Federal funds	0	3,600	3,600	0	0	0
Other local funds	0	0	0	260,000	325,000	65,000
Total revenues	1,438,532	1,477,307	38,775	260,000	325,000	65,000
EXPENDITURES						
Current operating						
Instruction	1,438,532	1,445,068	6,536	0	0	0
Support services						
Pupil services	0	28	28	260,000	325,000	65,000
Improvement of instructional services	0	1,137	1,137	0	0	0
Educational media services	0	0	0	0	0	0
General and school administration	0	35,189	35,189	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	0	0	0
Central support services	0	0	0	0	0	0
Other support services	0	351	351	0	0	0
School nutrition services	0	0	0	0	0	0
Community service operations	0	0	0	0	0	0
Total expenditures	1,438,532	1,481,773	43,241	260,000	325,000	65,000
Excess (deficiency) of revenues over (under) expenditures	0	(4,466)	(4,466)	0	0	0
Fund balances, beginning	8,323	8,323	0	0	0	0
Fund balances, ending	$ 8,323	$ 3,857	$ (4,466)	$ 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, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
ASSETS				
Cash and cash equivalents	$ 100,253	$ 304,148	$ 311,610	$ 92,791
Total assets	$ 100,253	$ 304,148	$ 311,610	$ 92,791
LIABILITIES				
Due to student and faculty groups	$ 100,253	$ 304,148	$ 311,610	$ 92,791
Total liabilities	$ 100,253	$ 304,148	$ 311,610	$ 92,791

See Independent Auditor's Report.

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, 2012

	ALLOTMENTS FROM DEPARTMENT OF EDUCATION	DIRECT INSTRUCTIONAL EXPENDITURES AMOUNT REPORTED TO DEPARTMENT OF EDUCATION		
	AMOUNT	SALARIES	OPERATIONS	TOTAL
GENERAL AND CAREER EDUCATION PROGRAMS				
Kindergarten	$ 2,916,227	$ 4,161,924	$ 63,104	$ 4,225,028
Kindergarten EIP	1,299,712	167,480	3,867	171,347
Grades 1 – 3	6,819,157	9,778,974	116,421	9,895,395
Grades 1 – 3 EIP	3,136,528	406,741	7,520	414,261
Sub-Total - K-3	14,171,624	14,515,119	190,912	14,706,031
Grades 4 - 5	3,128,724	6,101,985	86,114	6,188,099
Grades 4 - 5 EIP	1,861,397	94,422	5,545	99,967
Middle School (6 - 8)	6,205,173	7,349,926	126,387	7,476,313
Grades 9 - 12	5,205,007	7,656,168	332,444	7,988,612
Vocational Education Laboratories	999,128	782,788	78,571	861,359
Total General and Career Education Programs	31,571,053	36,500,408	819,973	37,320,381
SPECIAL EDUCATION PROGRAMS				
Regular Programs				
Category I	402,922	0	11,501	11,501
Category II	728,478	821,999	4,081	826,080
Category III	3,038,922	4,034,227	27,139	4,061,366
Category IV	887,711	153,399	8,668	162,067
Category V	567,374	0	4,084	4,084
Sub-Total – Regular	5,625,407	5,009,625	55,473	5,065,098
Category VI (Gifted)	1,740,745	564,406	27,090	591,496
Total Special Education Programs	7,366,152	5,574,031	82,563	5,656,594
REMEDIAL EDUCATION PROGRAM	744,306	150,332	2,968	153,300
ALTERNATIVE EDUCATION PROGRAMS	455,900	326,280	2,623	328,903
ENGLISH FOR SPEAKERS OF OTHER LANGUAGES	143,835	139,932	227	140,159
SPECIAL EDUCATION ITINERANT	5,137	0	0	0
SPECIAL EDUCATION SUPPLEMENTAL SPEECH	19,033	0	0	0
Direct Instruction Total	40,305,416	42,690,983	908,354	43,599,337
TWENTY DAYS ADDITIONAL INSTRUCTION	340,611	135,063	2,040	137,103
Twenty Days Additional Instruction Total	340,611	135,063	2,040	137,103
MEDIA CENTER PROGRAMS	1,136,977	1,531,123	120,913	1,652,036
Media Center Total	1,136,977	1,531,123	120,913	1,652,036
PROFESSIONAL DEVELOPMENT PROGRAMS	250,278	0	56,115	56,115
Professional Development Total	250,278	0	56,115	56,115
Grand Total	$ 42,033,282	$ 44,357,169	$ 1,087,422	$ 45,444,591

See Independent Auditor's 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.

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Financial Trends *These schedules contain trend information to help the reader understand how the System's financial performance and well-being have changed over time.*	63
Revenue Capacity *These schedules contain information to help the reader assess the System's most significant local revenue source, the property tax.*	68
Debt Capacity *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.*	76
Demographic and Economic Information *These schedules offer demographic and economic indicators to help the reader understand the environment within which the System's financial activities take place.*	81
Operating Information *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.*	87

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 Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$32,831,774
Property taxes receivable	303,049	264,554	253,164	611,822	516,847	438,372	2,127,120	2,150,347	2,780,354	2,564,245
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	11,195,238
Other receivables	147,957	398,318	121,659	220,345	148,211	362,433	203,080	593,176	983,744	250,087
Note receivable								332,270	272,270	212,270
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	1,050,000
Inventories	85,670	127,536	115,319	123,419	107,369	65,052	88,389	65,202	51,577	126,169
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	10,866,707
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	124,186,955
Other assets (net of accumulated amortization)	101,186	79,503	109,956	37,498	205,786	155,148	118,961	82,776	46,591	10,407
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	183,293,852
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	13,557,279
Deferred revenue	33,107	133,057	132,041	144,006	142,021	401,983	284,447	265,894	276,968	176,484
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	88,838
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	13,649
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	4,840,000
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	18,676,250
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	130,111,176
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	14,516,860
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	4,954,100
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	2,186,850
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	12,848,616
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	$164,617,602

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$48,240,190
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	135,053,662
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	183,293,852
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	13,733,763
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	4,942,487
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	18,676,250
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	130,111,176
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	21,657,810
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	12,848,616
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	$164,617,602

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$62,865,938
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	2,650,382
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	4,875,165
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	1,752,187
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	8,250,954
Business administration	312,312	350,075	405,392	436,328	448,203	455,536	470,007	421,419	330,052	335,644
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	8,235,705
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	4,040,572
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	1,173,057
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	1,011,001
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	5,940,725
Community services operations	111,418	127,768	124,642	138,354	137,175	147,285	161,947	152,963	149,722	132,624
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	337,402
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	232,792
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	101,834,148
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	334,172
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	749,548
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	69,263,558
Capital grants and contributions	190,909	2,643,354	21,212	293,706	8,842,505	982,501				3,093,618
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	73,440,896
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)	(28,393,252)
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	26,660,363
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	8,706,803
Investment earnings	968,258	381,413	777,321	1,460,331	1,706,358	1,861,304	520,363	117,706	72,348	31,392
Gain on sale of fixed assets	209,519							613,986	21,138	159,823
Miscellaneous	377,337	538,592	359,326	177,978	168,151	272,814	820,844	367,185	731,901	474,111
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	36,032,492
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	$7,639,240

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

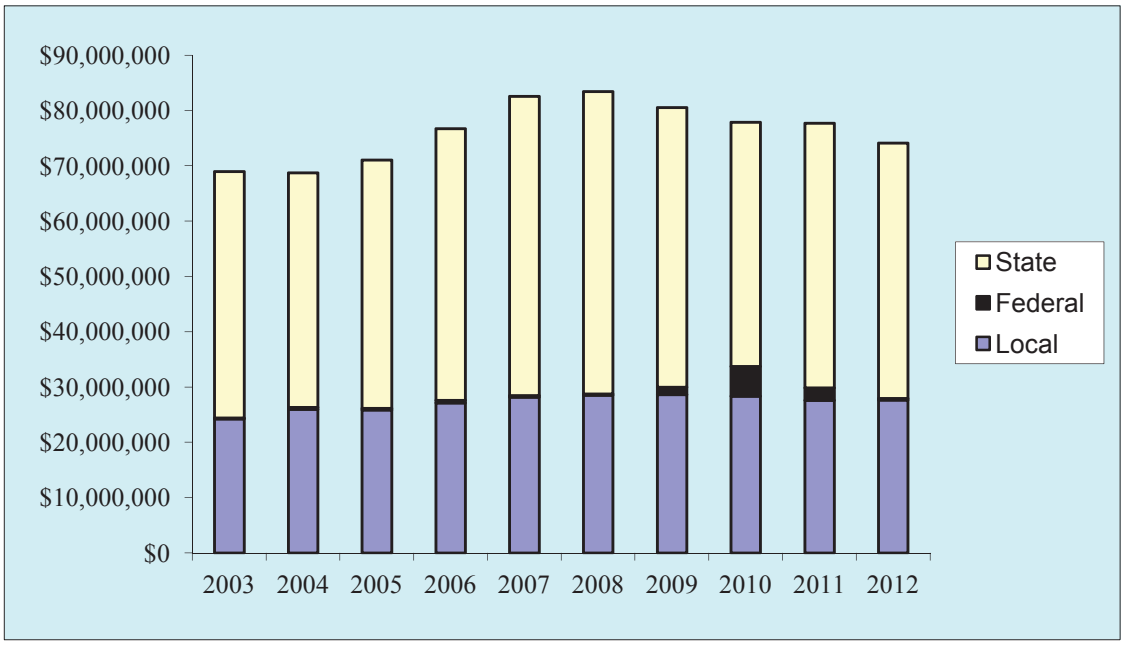
	2003	2004	2005	2006	2007	2008	2009	2010	2011 [1]	2012
General Fund										
Reserved					$ 559,813					
Unreserved	$ 6,442,396	$ 6,936,571	$ 8,042,919	$ 9,431,328	10,870,654	$ 10,668,058	$ 8,992,617	$ 9,223,538		
Committed to:										
Risk Management									$ 366,497	$ 409,223
Assigned to:										
Subsequent period expenditures									3,125,760	
Unassigned									6,630,770	8,222,547
Total general fund	$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	$8,631,770
All Other Governmental Funds										
Reserved	$29,301,541	$31,219,205	$22,453,894	$15,081,024	$29,031,485	$25,556,483	$20,615,060	$23,120,078		
Unreserved, reported in:										
Debt service funds										
Capital projects funds										
Special revenue funds	533,800	448,414	1,050,379	1,121,827	1,363,033	1,581,875	1,539,589	1,924,775		
Nonspendable									1,358,704	1,264,789
Restricted for:										
Debt service funds									3,832,266	4,954,100
Capital projects funds									15,239,012	14,516,860
Special revenue funds									1,021,787	978,601
Committed to:										
Special revenue funds									905,857	943,830
Assigned to:										
Permanent funds									86,126	88,606
Capital projects funds									662,008	737,514
Unassigned									(7,061)	
Total all other governmental funds	$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	$23,484,300

[1] First year of implementation of GASB Statement No. 54.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
State Funds	$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	$54,158,030
Federal Funds	8,713,397	9,863,775	10,361,161	11,720,805	11,525,217	11,468,651	12,387,424	20,640,398	16,691,914	16,165,493
Local and Other Funds	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	39,167,672
Total Revenues	91,260,653	95,706,289	97,670,885	106,400,620	121,145,607	115,155,023	108,441,531	110,105,723	108,780,740	109,491,195
Expenditures										
Current operating										
Instruction	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	61,049,695
Support Services										
Pupil Services	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	2,650,382
Improvement of Instructional Services	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	4,878,330
Educational Media Services	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	1,671,982
General and School Administration	6,371,734	5,985,509	6,276,213	6,834,487	7,517,259	8,354,596	8,466,181	8,159,136	8,320,708	8,287,053
Business Administration	312,312	344,283	393,917	424,745	442,411	455,536	470,007	421,419	330,052	335,644
Maintenance and Operations of Plant	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	7,757,671
Student Transportation Services	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	4,180,543
Central Support Services	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	1,171,163
Other Support Services	616,247	728,059	980,158	970,095	1,194,036	903,268	1,318,393	1,247,689	1,309,216	1,011,001
Food Services Operations	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	6,033,570
Community Services Operations	111,418	127,768	124,642	138,354	137,175	147,285	161,947	152,963	149,722	132,624
Other Operations of Non-Instructional Services										
Debt Service										
Principal Retirement	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	4,866,084
Interest and Fiscal Charges	2,431,521	1,218,512	955,154	565,396	401,996	668,075	644,019	644,738	535,173	337,402
Capital Outlay	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	6,467,491
Total Expenditures	119,031,323	92,199,066	105,381,644	112,864,133	119,246,897	119,717,448	115,394,141	107,266,317	109,908,543	110,830,635
Excess (Deficiency) of Revenues over (under) expenditures	(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)	(1,339,440)
Other Financing Sources (Uses)										
Sale of Bonds	9,000,000				14,000,000					
Premium on issuance of bonds					286,623					
Capital Leases	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	233,784
Operating Transfers In	2,078,896	300,257	415,215	702,478	1,014,676	6,369,874	4,144	25,210		8,698
Operating Transfers Out	(2,078,896)	(300,257)	(415,215)	(702,478)	(1,014,676)	(6,369,874)	(4,144)	(25,210)		(8,698)
Total Other Financing Sources (Uses)	10,040,746	258,687	272,571	550,500	14,292,096	543,856	293,460	281,719	81,138	233,784
Net change in fund balance	($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)	($1,105,656)
Debt service as a percentage of noncapital expenditures	26.95%	5.38%	14.00%	6.22%	5.96%	6.32%	0.92%	0.93%	5.00%	4.99%

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
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
2012	27,673,947	46,155,540	300,250	74,129,737

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

Total Dollars

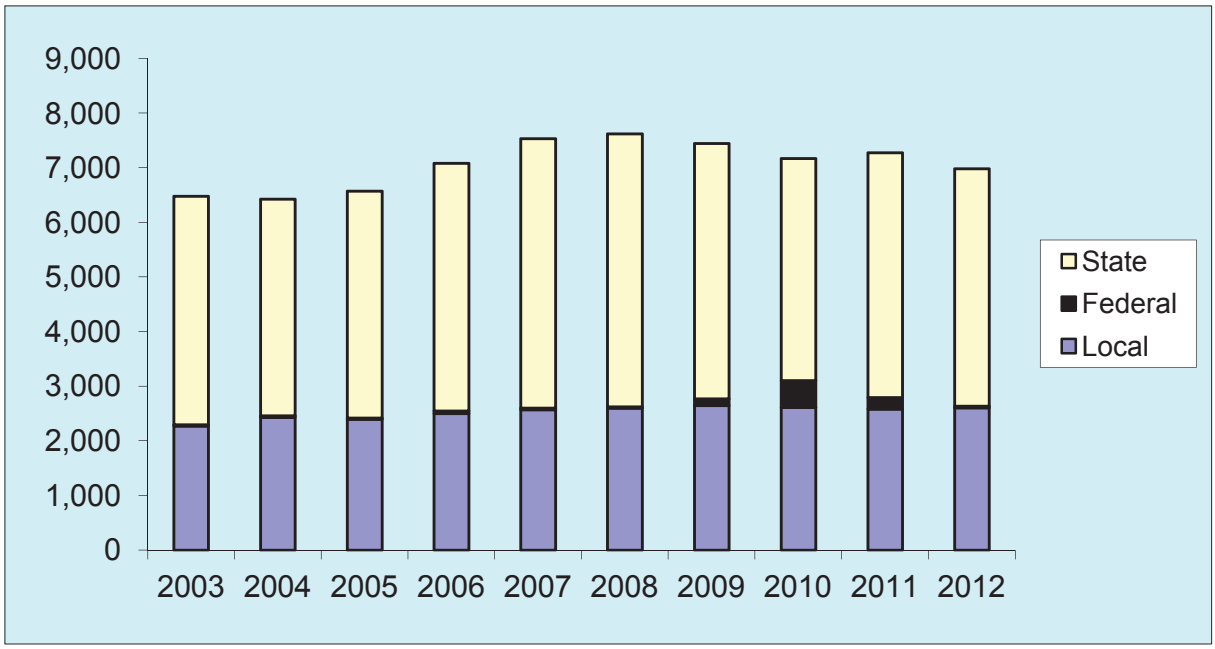
Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
2003	24,214,287	44,570,632	202,064	68,986,983
2004	25,968,856	42,458,083	329,016	68,755,955
2005	25,879,240	44,915,927	287,973	71,083,140
2006	27,118,925	49,148,707	468,614	76,736,246
2007	28,196,293	54,101,688	297,488	82,595,469
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
2012	27,673,947	46,155,540	300,250	74,129,737
Percentage Change [1]	**14.3%**	**3.6%**	**48.6%**	**7.5%**

Percentage of Dollars

Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
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%
2012	37.33%	62.26%	0.41%	100.0%

[1]Percentage change computed by using the following formula:
(2012 revenue/2003 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	State Funds	Federal Funds	Total Revenues [2]
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
2012	74,129,737	10,614	2,607	4,348	29	6,984
Percentage Change [3]	7.5%	-0.3%	14.6%	3.9%	52.4%	7.8%

[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:

(2012 revenue/2003 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 unincorporated 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

	2012 [1]			2002		
	Taxes Levied	Rank	Percentage of Total Tax Levy [2]	Taxes Levied	Rank	Percentage of Total Tax Levy [3]
Caterpillar Inc.	$415,043	1	1.54%	$451,935	3	2.17%
Tenet Healthcare Corp.	270,674	2	1.01%	185,418	6	0.89%
Pulte Home Corporation	256,509	3	0.95%			
Wal-Mart Stores, Inc.	193,007	4	0.72%			
Sumika Polymer	171,295	5	0.64%			
Central GA EMC	146,491	6	0.54%			
AEP Industries, Inc.	131,658	7	0.49%			
Hoshizaki	107,729	8	0.40%			
Exopac LLC	106,891	9	0.40%			
First National Bank of Griffin	105,256	10	0.39%			
NACOM Corporation				1,023,316	1	4.91%
Springs Industries, Inc.				576,354	2	2.76%
Cooper-Standard Automotive				195,586	4	0.94%
BellSouth				193,715	5	0.93%
Bandag, Inc.				125,040	7	0.60%
Halpern Industries				116,391	8	0.56%
Union Camp				113,727	9	0.55%
Willamette Industries				90,402	10	0.43%
Totals	$1,904,553		7.08%	$3,071,884		14.74%

[1] Represents calendar year 2011 assessed values before bond and maintenance and operation exemptions

[2] Calendar year 2011 total tax levy was $26,900,111

[3] Calendar year 2001 total tax levy was $20,852,436

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
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%	1,063,546	26,137,249	95.04%
2012	26,900,111	25,073,703	93.21%	0	25,073,703	93.21%

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
Calendar Year
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
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%
2012	4,866,084	337,402	5,203,486	110,830,635	4.69%

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
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	4,161,201,405	14,000,000	9,079,722	4,920,278	0.12%	78.03
2009	63,651	4,238,334,910	14,000,000	8,679,188	5,320,812	0.13%	83.59
2010	64,135	4,255,888,955	14,000,000	8,092,803	5,907,197	0.14%	92.11
2011	64,073	4,116,495,688	9,505,000	3,832,266	5,672,734	0.14%	88.54
2012	64,033	4,145,165,593	4,840,000	4,954,100	-114,100	0.00%	(1.78)

[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			
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%	232.21
2010	14,000,000	481,943	14,481,943	0.81%	225.80
2011	9,505,000	289,922	9,794,922	0.54%	152.87
2012	4,840,000	88,838	4,928,838	0.28%	76.97

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 2000-2010 in April 2011.

Griffin-Spalding County School System
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

Governmental Unit	
Debt repaid with property taxes:	
Spalding County:	
General obligation bonds	$9,600,000
Certificates of participation	5,867,627
Capital leases	2,596,534
City of Griffin:	
Capital leases	4,426,771
Sub-total, overlapping debt	$22,490,932
Direct:	
Griffin-Spalding County School System:	
General obligation bonds	$4,840,000
Capital leases	88,838
Sub-total, direct debt	$4,928,838
Total, overlapping and direct debt	$27,419,770

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, 2012. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the municipality/authority's taxable assessed value that is within the School System's boundaries and dividing it by the municipality/authority's total taxable assessed value. 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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Value of Taxable Property	$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	$1,510,756,185
Debt Limit (10% of Assessed Value)	$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	$151,075,619
Amount of Debt Applicable To Debt Limit	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	4,840,000
Legal Debt Margin	$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	$146,235,619
Legal Debt Margin/ Limit Ratio	75.06%	77.94%	87.58%	91.66%	86.18%	90.71%	90.94%	90.94%	93.76%	96.80%

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 value 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, 2011 est.	64,033
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 Available

Income	2008	2009	2010
Personal income ($000)	$1,794,321	$1,735,854	$1,781,955
Net earnings	1,074,214	994,301	995,975
Personal current transfer receipts	433,195	487,180	523,456
Income maintenance	75,794	76,704	94,009
Unemployment insurance compensation	9,847	29,033	25,796
Retirement and other	347,554	381,443	403,651
Dividends, interest, and rent	286,912	254,373	262,524
Population (persons)	63,651	64,135	64,063
Per capita personal income	28,190	27,066	27,816
Per capita net earnings	16,877	15,503	15,547
Per capita personal current transfer receipts	6,806	7,596	8,171
Per capita income maintenance	1,191	1,196	1,467
Per capita unemployment insurance benefits	155	453	403
Per capita retirement and other	5,460	5,948	6,301
Per capita dividends, interest, and rent	4,508	3,966	4,098
Earnings by place of work ($000)	1,104,801	1,027,658	1,039,671
Wage and salary disbursements	808,540	748,684	746,613
Supplements to wages and salaries	193,664	189,289	190,273
Employer contributions for employee pension and insurance funds	139,011	138,203	138,106
Employer contributions for government social insurance	54,653	51,086	52,167
Proprietors' income	102,597	89,685	102,785
Nonfarm proprietors' income	103,008	90,828	104,566
Farm proprietors' income	-411	-1,143	-1,781
Total full-time and part-time employment	31,578	29,845	29,851
Wage and salary jobs	24,439	22,879	22,841
Number of proprietors	7,139	6,966	7,010
Number of nonfarm proprietors	6,838	6,668	6,713
Number of farm proprietors	301	298	297
Average earnings per job (dollars)	34,986	34,433	34,829
Average wage and salary disbursements	33,084	32,724	32,687
Average nonfarm proprietors' income	15,064	13,621	15,577

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. The figures provided are the latest available.

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]
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	63,651	1,794,321	28,190	10,823	15.30%
2010	64,135	1,735,854	27,066	10,860	14.80%
2011	64,073	1,781,955	27,811	10,685	13.60%
2012	64,033	N/A	N/A	10,614	10.80%

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 Six Years Ago

Employer	Industry	2012 Employees	2012 Rank	2012 Percentage of Total County Employment	2006 [1] Employees	2006 [1] Rank	2006 [1] Percentage of Total County Employment
Griffin-Spalding County School System[2]	Education	1,455	1	7.03 %	1,650	1	5.86 %
Caterpillar, Inc.	Automotive generators	900	2	4.35			
Spalding Regional Medical Center	Healthcare	900	3	4.35	900	2	3.20
Spalding County	Government	611	4	2.95	469	6	1.67
City of Griffin	Government	490	5	2.37	480	5	1.71
University of Georgia Griffin Campus	Agricultural research	405	8	1.96	250	9	0.89
1888 Mills/Southern Terry	Terry cloth towels	375	6	1.81	350	8	1.24
Southern Crescent Technical College	Education	360	7	1.74	365	7	1.30
Norcom	School supplies	280	9	1.35			
AEP Industries, Inc.	Packaging film	250	10	1.21	240	10	0.85
NACOM Corporation	Automotive electronics				850	3	3.02
Springs Industries	Finished cotton goods				850	4	3.02
		6,026		29.11 %	6,404		22.76 %

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

[2] Employee count for the school system represents latest (October 2011) number. FY12 employee count is 1512.

Source: Griffin-Spalding Development Authority

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Classroom Teachers	719	725	748	792	806	804	806	749	749	717
Media Specialists,Counselors Psychologists, and Social Worker	44	45	47	50	52	53	54	52	50	53
Administrators and Supervisors	57	65	65	66	64	65	66	64	64	62
Central Office Administrators, Supervisors, and Clerical	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Professional/Technical Support	38	40	41	42	42	51	51	51	51	51
Paraprofessionals, Clerical, Other	293	293	291	301	317	321	321	316	310	270
Maintenance, Transportation, Custodians, and School Food Service	387	395	399	372	373	385	387	376	352	359
	1,538	1,563	1,591	1,623	1,654	1,679	1,685	1,608	1,576	1,512

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
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	0.56%	749	14.27	96.38
2012	75,770,980	10,614	7,139	(.78%)	717	14.80	95.39

Source: Griffin-Spalding County School System

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	391	378	409	413	452	426	445	442	428	458
Percentage of Capacity used	86.9%	84.0%	90.9%	91.8%	100.4%	94.7%	98.9%	98.2%	95.1%	101.8%
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	402	384	400	411	476	445	455	446	459	465
Percentage of Capacity used	89.3%	85.3%	88.9%	91.3%	105.8%	98.9%	101.1%	99.1%	102.0%	103.3%
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	624	608	649	500	502	463	457	458	466	426
Percentage of Capacity used	138.7%	135.1%	144.2%	111.1%	111.6%	102.9%	101.6%	101.8%	103.6%	94.7%
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	673	652	695	630	656	698	672	663	663	584
Percentage of Capacity used	103.5%	100.3%	106.9%	96.9%	100.9%	107.4%	103.4%	102.0%	102.0%	89.8%
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	534	524	505	431	421	421	412	404	424	415
Percentage of Capacity used	118.7%	116.4%	112.2%	95.8%	93.6%	93.6%	91.6%	89.8%	94.2%	92.2%

Source: Griffin-Spalding County School System

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	574	526	574	566	634	696	672	708	695	725
Percentage of Capacity used	109.3%	100.2%	109.3%	107.8%	120.8%	132.6%	128.0%	134.9%	132.4%	138.1%
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	446	466	446	460	476	525	500	507	474	464
Percentage of Capacity used	99.1%	103.6%	99.1%	102.2%	105.8%	116.7%	111.1%	112.7%	105.3%	103.1%
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	550	531	527	542	437	437	443	480	446	442
Percentage of Capacity used	84.6%	81.7%	81.1%	83.4%	67.2%	67.2%	68.2%	73.8%	68.6%	68.0%
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	448	446	390	366	364	395	368	395	363	354
Percentage of Capacity used	99.6%	99.1%	86.7%	81.3%	80.9%	87.8%	81.8%	87.8%	80.7%	78.7%
Moreland Road Elementary (2006)										
Square Feet	-	-	-	67,852	67,852	67,852	67,852	67,852	67,852	67,852
Capacity (students)	-	-	-	550	550	550	550	550	550	550
Enrollment	-	-	-	460	496	561	567	537	558	558
Percentage of Capacity used				83.6%	90.2%	102.0%	103.1%	97.6%	101.5%	101.5%

Source: Griffin-Spalding County School System

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	701	706	682	586	610	622	615	638	637	647
Percentage of Capacity used	103.9%	104.6%	101.0%	86.8%	90.4%	92.1%	91.1%	94.5%	94.4%	95.9%
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	762	759	735	738	689	612	611	564	568	600
Percentage of Capacity used	111.2%	110.8%	107.3%	107.7%	100.6%	89.3%	89.2%	82.3%	82.9%	87.6%
Flynt Street Middle School (1925)										
Square Feet	95,972	95,972	95,972	95,972	95,972	-	-	-	-	-
Capacity (students)	650	650	650	650	650	-	-	-	-	-
Enrollment	567	603	597	543	458	-	-	-	-	-
Percentage of Capacity used	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	104,024
Capacity (students)	-	-	-	-	-	725	725	725	725	725
Enrollment	-	-	-	-	-	450	480	492	475	544
Percentage of Capacity used						62.1%	66.2%	67.9%	65.5%	75.0%
A.Z. Kelsey Middle School (1955)										
Square Feet	71,403	71,403	71,403	71,403	-	-	-	-	-	-
Capacity (students)	625	625	625	625	-	-	-	-	-	-
Enrollment	452	429	392	416	-	-	-	-	-	-
Percentage of Capacity used	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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Kennedy Road Middle School (2006)										
Square Feet	-	-	-	-	104,024	104,024	104,024	104,024	104,024	104,024
Capacity (students)	-	-	-	-	725	725	725	725	725	725
Enrollment	-	-	-	-	565	558	595	564	564	546
Percentage of Capacity used					77.9%	77.0%	82.1%	77.8%	77.8%	75.3%
Taylor Street Middle School (1949)										
Square Feet	111,884	111,884	111,884	111,884	111,884	111,884	111,884	-	-	-
Capacity (students)	805	805	805	805	805	805	805	-	-	-
Enrollment	866	874	848	762	693	609	579	-	-	-
Percentage of Capacity used	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	104,024
Capacity (students)	-	-	-	-	-	-	-	725	725	725
Enrollment	-	-	-	-	-	-	-	638	703	715
Percentage of Capacity used								88.0%	97.0%	98.6%
A.Z. Kelsey Academy (2007)										
Square Feet	-	-	-	-	-	71,403	71,403	71,403	71,403	71,403
Capacity (students)	-	-	-	-	-	625	625	625	625	625
Enrollment	-	-	-	-	-	72	82	112	104	119
Percentage of Capacity used						11.5%	13.1%	17.9%	16.6%	19.0%
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	1,463	1,564	1,668	1,662	1,705	1,596	1,526	1,437	1,372	1,304
Percentage of Capacity used	75.0%	80.2%	85.5%	85.2%	87.4%	81.8%	78.3%	73.7%	70.4%	66.9%

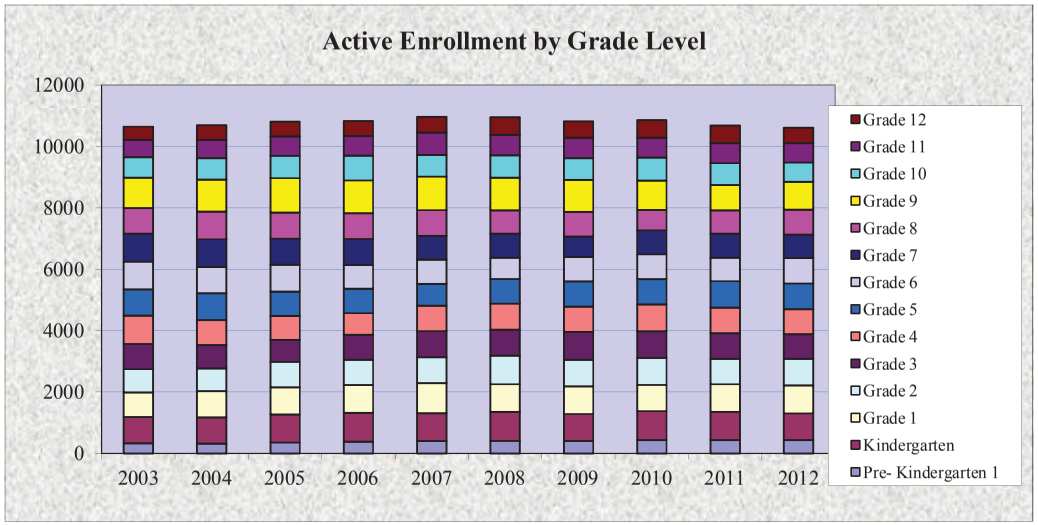
Source: Griffin-Spalding County School System

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Spalding High School (2000)										
Square Feet	155,000	175,000	175,000	175,000	175,000	175,000	175,000	205,904	205,904	205,904
Capacity (students)	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,600	1,600	1,600
Enrollment	1,195	1,243	1,296	1,347	1,333	1,367	1,344	1,375	1,286	1,248
Percentage of Capacity used	103.9%	108.1%	112.7%	117.1%	115.9%	118.9%	116.9%	85.9%	80.4%	78.0%
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]
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
2012	443	865	911	862	810	814	833	839	753	813	911	630	625	505	10,614	993

[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 students 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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Change [1]
Instruction	$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	$49,373,663	7.4%
Pupil Services	947,533	945,892	1,064,334	914,777	1,041,854	1,350,856	1,396,454	1,218,061	1,323,470	1,323,090	39.6%
Improvement of Instructional Services	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	1,432,357	-3.6%
Educational Media Services	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	1,656,079	2.0%
General and School Administration	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	7,563,984	28.0%
Business Administration	312,312	344,283	389,917	424,745	442,411	455,536	456,337	421,419	330,052	335,644	7.5%
Maintenance and Operations of Plant	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	7,726,705	9.0%
Student Transportation Services	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	4,092,737	29.5%
Central Support Services	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	1,139,419	-1.1%
Other Support Services	318,814	343,116	368,949	361,187	810,808	599,275	908,779	715,919	899,754	743,246	133.1%
Food Service Operations	1,964	2,117	0	0	0	0	0	0	0	0	-100.0%
Community Services Operations	111,418	127,768	124,642	138,354	137,175	147,285	161,947	152,963	149,722	132,624	19.0%
Capital Outlay	182,550	299,880	316,796	461,836	536,880	535,074	5,886	127,629	129,707	37,394	100.0%
Debt Service [2]	0	646,164	459,953	419,660	293,735	319,912	334,579	334,578	214,038	214,038	100.0%
	$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	$75,770,980	11.0%

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	67.3%	67.6%	67.5%	67.7%	67.3%	66.4%	66.0%	65.3%	65.3%	65.2%
Pupil Services	1.4%	1.4%	1.5%	1.2%	1.3%	1.6%	1.7%	1.6%	1.7%	1.7%
Improvement of Instructional Services	2.2%	2.4%	2.2%	2.3%	2.1%	2.3%	2.8%	2.2%	2.2%	1.9%
Educational Media Services	2.4%	2.5%	2.6%	2.4%	2.5%	2.4%	2.3%	2.4%	2.4%	2.2%
General and School Administration	8.7%	8.3%	8.4%	8.4%	8.6%	9.2%	9.4%	9.6%	9.8%	10.0%
Business Administration	0.5%	0.5%	0.6%	0.6%	0.5%	0.5%	0.6%	0.5%	0.4%	0.4%
Maintenance and Operations of Plant	10.4%	9.7%	10.2%	10.2%	9.8%	9.9%	10.1%	11.0%	10.4%	10.2%
Student Transportation Services	4.6%	3.7%	3.6%	3.7%	4.1%	3.9%	3.9%	4.1%	4.4%	5.4%
Central Support Services	1.7%	1.8%	1.7%	1.6%	1.7%	1.9%	1.5%	1.5%	1.4%	1.5%
Other Support Services	0.5%	0.5%	0.5%	0.5%	1.0%	0.7%	1.1%	0.9%	1.2%	1.0%
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	0.3%	0.4%	0.5%	0.6%	0.7%	0.6%	0.0%	0.2%	0.2%	0.0%
Debt Service	0.0%	1.0%	0.7%	0.6%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Percentage change computed by using the following formula:
(2012 expenditure/2003 expenditure)-1 = percentage change

[2] 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

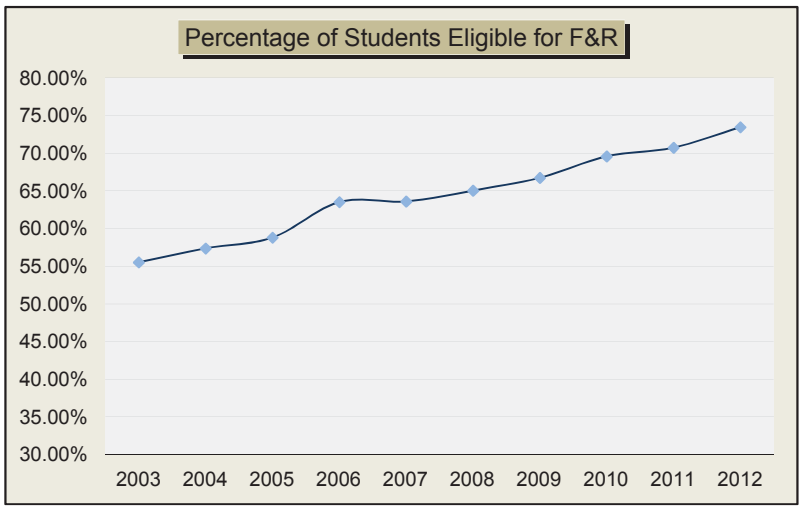
	Fiscal Year										Percentage
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Change [1]
Instruction	$4,318	$4,233	$4,360	$4,679	$4,959	$5,107	$5,013	$4,673	$4,701	$4,652	7.7%
Pupil Services	89	88	98	84	95	123	129	112	124	125	40.1%
Improvement of Instructional Services	140	151	139	161	153	173	212	161	161	135	-3.3%
Educational Media Services	152	156	166	167	181	181	175	174	173	156	2.4%
General and School Administration	555	518	540	582	633	706	713	684	707	713	28.4%
Business Administration	29	32	36	39	40	42	42	39	31	32	7.8%
Maintenance and Operations of Plant	666	606	656	703	723	764	768	789	746	728	9.4%
Student Transportation Services	297	234	235	256	303	300	299	296	320	386	29.9%
Central Support Services	108	114	108	114	123	148	117	105	103	107	-0.8%
Other Support Services	30	32	34	33	74	55	84	66	84	70	133.9%
Food Service Operations	0	0	0	0	0	0	0	0	0	0	-100.0%
Community Services Operations	10	12	12	13	13	13	15	14	14	12	19.4%
Capital Outlay	17	28	29	43	49	49	1	12	12	4	100.0%
Debt Service	0	0	0	39	27	29	31	31	20	20	
Total Expenditures [2]	$6,412	$6,265	$6,455	$6,913	$7,373	$7,690	$7,598	$7,155	$7,196	$7,139	11.3%
Student Enrollment [3]	10,648	10,693	10,813	10,833	10,967	10,953	10,823	10,860	10,685	10,614	-0.3%

[1]Percentage change computed by using the following formula:
(2012 revenue/2003 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Lunch Meals Served										
Free	765,380	802,872	816,635	899,088	943,268	946,445	958,939	1,027,745	1,046,085	1,086,381
Reduced	132,576	137,403	141,938	123,020	133,834	138,010	147,242	125,258	96,503	110,639
Paid	449,736	449,462	431,408	429,198	419,568	405,947	353,113	315,738	296,584	259,927
Total	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	1,456,947
Breakfast Meals Served										
Free	424,126	460,272	446,257	500,982	532,152	553,078	571,647	623,310	621,661	651,752
Reduced	48,489	49,534	55,594	45,473	51,548	55,343	60,345	48,705	42,375	46,295
Paid	89,299	89,999	70,486	72,745	77,416	83,821	76,021	74,907	65,660	57,029
Total	561,914	599,805	572,337	619,200	661,116	692,242	708,013	746,922	729,696	755,076
Adult & Non-reimbursable										
Paid - Breakfast	6,939	6,235	9,001	10,641	7,992	7,825	8,866	7,247	5,804	7,892
Paid - Lunch	62,449	59,366	62,009	62,470	57,109	54,432	49,569	39,590	36,228	42,557
Other - Breakfast	12,752	14,575	12,909	14,989	15,366	16,646	19,179	16,965	21,200	17,096
Other - Lunch	31,033	36,066	37,248	41,577	39,419	38,465	41,791	38,435	49,010	41,424
Total	113,173	116,242	121,167	129,677	119,886	117,368	119,405	102,237	112,242	108,969
Total Meals Served										
Free	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	1,738,133
Reduced	181,065	186,937	197,532	168,493	185,382	193,353	207,587	173,963	138,878	156,934
Paid	608,423	605,062	572,904	575,054	562,085	552,025	487,569	437,482	404,276	367,405
Other	43,785	50,641	50,157	56,566	54,785	55,111	60,970	55,400	70,210	58,520
Total	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	2,320,992
% Eligible for Free and Reduced	55.51%	57.36%	58.80%	63.51%	63.58%	65.02%	66.72%	69.57%	70.73%	73.44%

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	$302,739,300
Boiler & Machinery	25,000,000
Fidelity Bond	100,000
Superintendent Bond	100,000

	Limits of Liability	
Type	Each Occurrence	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 soundness by an actuary. Refer to Note 11 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.

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, 2012, which collectively comprise the Griffin-Spalding County School System's basic financial statements and have issued our report thereon dated November 27, 2012 . We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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.

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 tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the System in a separate letter dated November 27, 2012 .

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

November 27, 2012

Independent Auditor's Report on Compliance with Requirements that
Could Have a Direct and Material Effect on Each Major Program and on
Internal Control over Compliance in Accordance with OMB Circular A-133

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, 2012. The System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of 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, 2012.

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

November 27, 2012

GRIFFIN-SPALDING COUNTY BOARD OF EDUCATION
GRIFFIN, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

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	$ 1,257,994
National School Lunch Program		
Cash Assistance	10.555	3,368,210
Noncash Assistance	10.550	357,890
After School Snacks	10.555	36,472
Total Child Nutrition Cluster		5,020,566
Other Programs		
Pass-Through From Georgia Department of Education		
School Nutrition ARRA	10.579A	28,110
Fresh Fruit and Vegetable Program	10.582	101,888
Total U.S. Department of Agriculture		5,150,564
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	4,077,147
Regular ARRA	84.389	344,610
School Improvement	84.010	121,251
School Improvement ARRA	84.389	382
Distinguished Schools	84.010	32,435
Distinguished District Award	84.010	48,322
Total Title I, Part A Cluster		4,624,147
School Improvement Grants Cluster		
Pass-Through From Georgia Department of Education		
ARRA - School Improvement Grants	84.388	2,154,516
Total School Improvement Grants Cluster		2,154,516
Special Education Cluster		
Pass-Through From Georgia Department of Education		
Individuals with Disabilities Education Act		
Flowthrough Regular	84.027	2,308,917
Flowthrough ARRA	84.391	18,585
Special Projects	84.027	486,712
Preschool Regular	84.173	32,984
Total Special Education Cluster		2,847,198
Education Technology State Grants Cluster		
Pass-Through From Georgia Department of Education		
ARRA - Education Technology State Grants	84.386	32,132
Education Technology State Grants	84.318	18,821
Total Education Technology State Grants Cluster		50,953
Other Programs		
Pass-Through From Georgia Department of Education		
Education Jobs Fund	84.410	24,415
Career and Technical Education- Basic Grants to States	84.048	104,806
Improving Teacher Quality State Grants	84.367	565,580
English Language Acquisition Grants	84.365	21,663
Race to the Top (ARRA)	84.395	433,994
Total U. S. Department of Education		10,827,272
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	3,600
Defense, U. S. Department of		
Direct		
Department of the Army		
R.O.T.C. Program	N/A	275,835
Total Federal Financial Assistance		$ 16,257,271

See Independent Auditor's 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, 2012

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, 2012

SUMMARY OF AUDITOR'S RESULTS

1. An unqualified opinion, dated November 27, 2012 , was issued on the financial statements for the year ended June 30, 2012.

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 November 27, 2012 disclosed no significant deficiencies for the year ended June 30, 2012.

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 November 27, 2012 disclosed no instances of noncompliance for the year ended June 30, 2012.

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 November 27, 2012 , disclosed no significant deficiencies or material weaknesses in internal control over major programs for the year ended June 30, 2012.

5. An unqualified opinion, dated November 27, 2012 , 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, 2012.

6. No audit findings were disclosed as required under OMB Circular A-133 paragraph .510(a) for the year ended June 30, 2012.

6. The major programs for Griffin-Spalding County School System for the year ended June 30, 2012 were:

   Race to the Top- ARRA, CFDA No. 84.395

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SUMMARY OF AUDITOR'S RESULTS (Continued)

Child Nutrition Cluster
School Breakfast Program, CFDA No. 10.553
National School Lunch Program
Cash Assistance, CFDA No. 10.555
Noncash Assistance, CFDA No. 10.550
After School Snacks, CFDA No. 10.555

8. The dollar threshold used to distinguish between Type A and Type B programs was $487,718, 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, 2012.

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 November 27, 2012 , disclosed no findings required to be reported in accordance with GAGAS for the year ended June 30, 2012.

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 November 27, 2012 , 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, 2012.