

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

1058 Fifth Avenue • Jonesboro, Georgia 30236



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

**Prepared by:
Division of Business Services**

1058 Fifth Avenue • Jonesboro, Georgia 30236

**CLAYTON COUNTY BOARD OF EDUCATION
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i - v
GFOA Certificate of Achievement	vi
ASBO Certificate of Achievement	vii
Clayton County Board of Education Function and Composition	viii
Clayton County Board of Education Elected Officials and Superintendent of Schools	ix
Clayton County Board of Education Executive Staff	x
Clayton County Board of Education Organizational Chart	xi

FINANCIAL SECTION

Independent Auditor's Report	1 and 2
Management's Discussion and Analysis	3 - 12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14 and 15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP) and Actual	19
Statement of Net Assets – Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds	22 and 23
Statement of Fiduciary Assets and Liabilities – Agency Fund	24
Notes to Financial Statements	25 - 45
Combining Fund Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	46 - 49
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	50 - 53
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Nonmajor Governmental Funds	54 - 62
Statement of Changes in Assets and Liabilities – Agency Fund	63 and 64

STATISTICAL SECTION

Net Assets by Component – Last Eight Fiscal Years	65
Changes in Net Assets – Last Eight Fiscal Years	66 - 69
Fund Balances, Governmental Funds – Last Ten Fiscal Years	70
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	71 and 72
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	73
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	74

**CLAYTON COUNTY BOARD OF EDUCATION
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

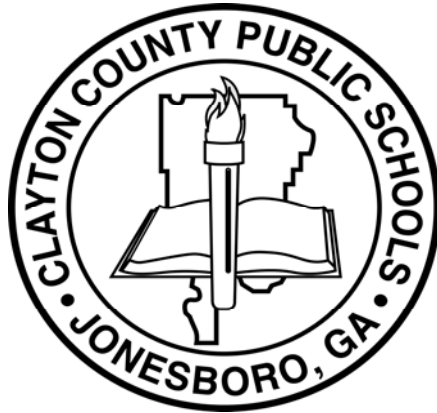
TABLE OF CONTENTS

STATISTICAL SECTION - CONTINUED

Principal Property Taxpayers – Current Year and Nine Years Ago	75
Property Tax Levies and Collections – Last Ten Tax Years.....	76
Schedule of Revenues by Source –Governmental Funds Last Ten Fiscal Years.....	77 and 78
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	79
Direct and Overlapping Governmental Activities Debt.....	80
Legal Debt Margin Information – Last Ten Fiscal Years.....	81 and 82
Demographic and Economic Statistics – Last Ten Fiscal Years	83
Principal Employers – Current Year and Nine Years Ago	84
Student Ethnicity Statistics – Last Ten Fiscal Years	85
Student Enrollment Statistics – Last Ten Years.....	86
Teachers’ Base Salaries – Last Ten Fiscal Years.....	87
History of High School Graduates – Last Ten School Years	88
Ratio of Pupils to Professional Personnel –Last Ten Fiscal Years	89
Cost Per Pupil Enrolled – Last Fiscal Ten Years.....	90
Nutrition Services – Facts and Figures – Last Ten Fiscal Years	91
School Building Information – Last Ten Fiscal Years.....	92 - 97

SINGLE AUDIT SECTION

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 <i>Government Auditing Standards</i>	98 and 99
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	100 and 101
Schedule of Expenditures of Federal Awards	102 - 104
Note to Schedule of Expenditures of Federal Awards.....	105
Schedule of Findings and Questioned Costs	106 and 107
Schedule of Prior Year Findings	108



Introductory Section

**Clayton County
Public Schools**



Clayton County Public Schools

Business Services

1058 Fifth Avenue • Jonesboro, Georgia 30236 (770) 473-2700 • FAX (770) 473-2722

EDMOND T. HEATLEY, Ed.D.
Superintendent of Schools

March 20, 2012

Clayton County Board of Education
Jonesboro, Georgia

The Comprehensive Annual Financial Report (CAFR) of the Clayton County Board of Education (Board) for the fiscal year ended June 30, 2011 is submitted herewith. This report was prepared by the Business Services Division. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education.

We believe the data, as presented, is accurate in all material aspects. We believe that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Board of Education as measured overall and by the financial activity of its various funds. The data includes all disclosures and required supplementary information necessary to enable the reader to gain the maximum understanding of the Board's financial activity.

Readers of this report are encouraged to consider the information presented here in conjunction with additional information presented in Management's Discussion and Analysis beginning on page 3 of this report.

The Board's History and Services

Clayton County, Georgia was created by an act of the State Legislature on November 30, 1858. It was named for the Honorable Augustin S. Clayton (1783-1839), a judge of the Western Circuit of Georgia, a member of the legislature and of Congress. The City of Jonesboro is the county seat and was originally called "Leaksville". The State of Georgia granted a charter for the Leaksville Academy on December 22, 1823 and Mr. Allen D. Candler organized the Clayton High School around the year 1858.

Georgia had no regularly organized system of common schools supported by public taxation before the War Between the States, although unsuccessful efforts were made in 1845 and again in 1856 to inaugurate such a program. The first real school organization came about as a result of an act on October 13, 1870.

The Clayton County School System operated from 1870-1890 under the supervision of a County Commission of Education. Data indicates that the Clayton County School System as it is known today was formally established by an act of the State Legislature in Jonesboro on September 21, 1891. A tax was levied on taxable property in the amount

of 7 ½ mills. A Board of Education composed of nine members was authorized and provision was made to receive a pro-rata share of county funds for schools.

Today the nine-member elected Board of Education has full authority to control and manage the schools within Clayton County. Clayton County Public Schools is the fifth largest school system in the State of Georgia with approximately 50,000 students currently enrolled in 36 elementary schools, 14 middle schools, 9 high schools and 4 special entity facilities for the current budget year of 2010-11. The district has also approved two charter schools within the county, the Elite Scholars Charter School serving students in sixth through ninth grade and the Unidos Dual Language Charter School serving students in grades kindergarten through sixth grade.

The Board provides all basic services required by state law and policies of the State Board of Education and State Department of Education. These services include: preschool for three and four-year old handicapped students, regular preschool for four-year olds students, regular and special education instructional programs at the elementary (kindergarten through 5th grade), middle (6th through 8th grade), and secondary (9th through 12th grade) levels. Additional services include programs for Career Technical Education in partnership with post-secondary institutions in the area as well as joint enrollment opportunities for high school students with Clayton State University.

Economic Condition and Outlook

Clayton County is part of the Metropolitan Atlanta Area. The County is south of the City of Atlanta. Hartsfield-Jackson Atlanta International Airport is within the boundaries of Clayton County and as the country's largest passenger airport and the second largest cargo facility in the world, Hartsfield is one of the primary revenue sources in the county. Because of this location, the school district is impacted by the economy of the airport and the airline industry. Four of the School System's largest taxpayers have businesses directly related to operations at the airport.

During FY2011, the recession continued to impact the School System's major revenue sources. Both property tax revenues and state funding through the "Quality Basic Education" Act funding have been impacted by the economy. The mortgage industry crisis brought about a significant decline in property values. The overall tax base for the county decreased by approximately \$732 million, resulting in a loss of \$16 million in local tax revenues to the school system. Because of the economy, the Governor has made numerous austerity reductions in state funding. In FY2011, the School System's state funding was reduced by \$32.9 million.

In addition to private industry, the county is also home to a military facility that closed in 2011. Plans for the revitalization of the Fort Gillem property are underway with the hope that this will bring new economic opportunities to the county. The county is exploring many ideas to revitalize various areas of the county to help boost the local economy.

Long-Term Financial Planning

The school system prioritizes its capital improvements based upon the approved referendums adopted by the citizens of Clayton County. Capital needs are prioritized by student population and facility repair and maintenance needs. These projects are funded by the 2009 SPLOST and remaining projects from the 2004 SPLOST, in addition to, state capital outlay funds from the State of Georgia Department of Education. Renovations, additions, and new construction are continuously underway as the school system works to ensure that its facilities provide a safe and welcoming environment.

The school system drafted financial policies that provide us with an infrastructure for our future financial management decisions. These policies cover topics including operating budget, reserve fund balances, accounting and financial reporting, and purchasing.

Major Initiatives

During fiscal year 2009, the Board revised its vision, mission and beliefs of the school system. The process involved principals, central office administrators, the superintendent's cabinet and the community. After several months of discussion and review, the Board adopted the revised Mission, Vision and Beliefs in July, 2010.

Mission

The mission of Clayton County Public Schools is to be accountable for providing a globally competitive education that empowers students to achieve academic and personal goals and to become productive, responsible citizens.

Vision

The vision of Clayton County Public Schools is to be a district of excellence preparing ALL students to successfully compete in a global economy.

Beliefs

- Education is the shared responsibility of the home, the school, and the community.
- An involved parent will enhance the educational experience of every child.
- Communication and understanding among all stakeholders of our diverse community are essential to achieving the goals of education.
- Learning is most productive when the needs of each child are met through instruction provided by competent teachers.
- We believe that learning is a continuous process.
- A learning environment where children experience security, care, dignity, and respect is essential.
- We believe that children have first priority on all of our resources.
- Children must accept responsibility for their learning and improvement of their future.

Accounting System

Internal Controls

In developing and evaluating the Board of Education's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide assurance within reasonable constraints:

- the safeguarding of assets and gains and loss from unauthorized use and/or disposition
- the reliability of financial records for preparing financial statements and maintaining accountability for assets.

Budgetary Controls

An annual budget is prepared in accordance with state law. Budgetary control is maintained at the fund level by encumbrance accounting.

The budget process is comprised of five phases – planning, preparation, adoption, implementation and evaluation. These phases ensure adequate administration and control of all Board funds. To maintain compliance with Board budget policies and State of Georgia law, a budget development calendar is adopted by the Board of Education in September of each year. The calendar outlines the budget development process for the next fiscal year.

The budget process is inclusion of central level and school level staff as well as a citizen's budget committee. Work sessions with the Board and public hearings are held prior to the adoption of the budget in June of each year.

Single Audit

As a recipient of federal financial assistance, the Board is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by the Board's management.

Independent Audit

The Clayton County Board of Education and the State of Georgia requires an annual audit of its financial statements by independent certified public accountants. The firm of Mauldin and Jenkins is the current accounting firm under contract with the Board to perform this function. The Independent Auditor's Report on the Basic Financial Statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section.

Financial Reporting Awards

For the four consecutive periods ending June 30, 2007, June 30, 2008, June 30, 2009, and June 30, 2010, the Clayton County Public School System submitted its comprehensive annual financial report (CAFR) for review by the Association of School Business Officials (ASBO) for consideration in the Certificate of Excellence in Financial Reporting Program. With great pride, the Clayton County Public School System received the ASBO Certificate of Excellence for each financial reporting period. The receipt of this award confirmed that the reports substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. The award was granted only after an extensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe that the CAFR for the current year ending June 30, 2011 also conforms to the exact same principles and standards.

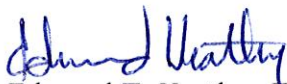
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Clayton County Public Schools for its comprehensive annual financial report for the second consecutive period for fiscal year ended June 30, 2009 and June 30, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

We wish to express our appreciation to the Business Services Division staff members whose dedicated efforts have enabled this report to be prepared.

Respectfully submitted,



Edmond T. Heatley, Ed. D.
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Clayton County
Public Schools
Georgia

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

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



Linda C. Danison

President

Jeffrey R. Enen

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

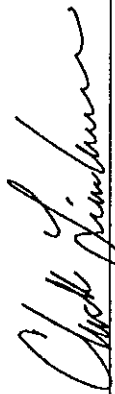
is presented to

Clayton County Public Schools

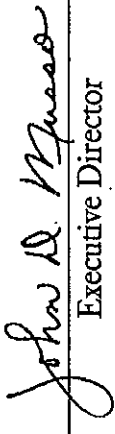
For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

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



President



Executive Director

Clayton County Board of Education

Function and Composition

All matters relating to education and operation of the Clayton County Board of Education schools are governed and controlled by the Board of Education (Board), as provided by Georgia Law.

The Board has the responsibility to maintain a reasonably uniform system of public schools providing quality education for all young people of Clayton County. With the advice of the Superintendent, it must determine the policies and prescribe the rules and regulations for the management of the school system.

The Board holds a work session and a regular public meeting once a month to conduct normal business. Additional called meetings are sometimes necessary for a specific purpose.

The Board is composed of nine members who are elected on a district basis. Each member resides within one of the nine voting districts.

The Board elects a Chairperson for a two year term and a Vice Chairperson for a one year term from its members.

As of January 1, 2011 the members of the Board and years of expiration of their terms are as follows:

TITLE	NAME	TERM EXPIRES
Chairperson	Dr. Pam Adamson	12-31-2014
Vice Chairperson	Mr. Charlton Bivins	12-31-2014
Board Member	Dr. Alieka Anderson	12-31-2014
Board Member	Ms. Mary Baker	12-31-2012
Board Member	Ms. Ophelia Burroughs	12-31-2012
Board Member	Ms. Trinia Garrett	12-31-2012
Board Member	Ms. Jessie Goree	12-31-2012
Board Member	Mr. Michael King	12-31-2014
Board Member	Ms. Wanda Smith	12-31-2012

MISSION STATEMENT

To provide a safe and supportive environment that promotes the highest quality education for each child.

**Clayton County Board of Education
Elected Officials
and
Superintendent of Schools**



**Chairperson
Dr. Pam Adamson**



**Vice Chairperson
Charlton Bivins**



Dr. Alieka Anderson



Mary Baker



Ophelia Burroughs



Trinia Garrett



Jessie Goree



Michael King



Wanda Smith



**Superintendent
Edmond T. Heatley, Ph.D**

Clayton County Public Schools

Executive Staff

Superintendent's Office

Dr. Edmond Heatley
Dr. Stefanie Phillips
Mr. Charles White

Superintendent
Deputy Superintendent
Director Communication

Assistant Superintendents

Ms. Susan Patrick
Dr. Anthony Smith
Dr. Janice Davis

Area 1
Area 2
Area 3

Division of Teaching & Learning

Dr. Diana Carry
Dr. Mildred McCoy
Mr. William Greene
Ms. Katrina Thompson
Ms. Kay Sledge
Dr. Chantel Normil
Ms. Betty Jones
Mr. Bob Brannon
Ms. Delphia Young
Dr. John Staten

Chief Academic Officer
Director Professional Learning
Executive Director Perry Learning Center
Director Federal, State, Local Programs
Director Fine Arts, Magnet Schools, Accreditation
Director English as Second Language
Director Vocational Education
Director of Athletics
Director of Special Projects
Director Worktec

Division of Student Services

Ms. Tamera Foley
Ms. Amanda Scott-Kaigler
Dr. Susan Funderburk

Director Student Services
Director Elementary Exceptional Students
Director Ash Street/South Metro

Division of Information

Dr. Angie Bacon
Mr. Anthony Rogers
Ms. Lisa Young

Executive Director of Technology
Director Technology Operations
Director Instructional Technology

Division of Human Resources

Dr. Doug Hendrix
Dr. Morris Blasingame
Dr. Damaris Garrett
Mr. John Walker

Chief Administrative Officer
Director Human Resources
Director Human Resources
Director Student Safety

Division of Budgets & Finance

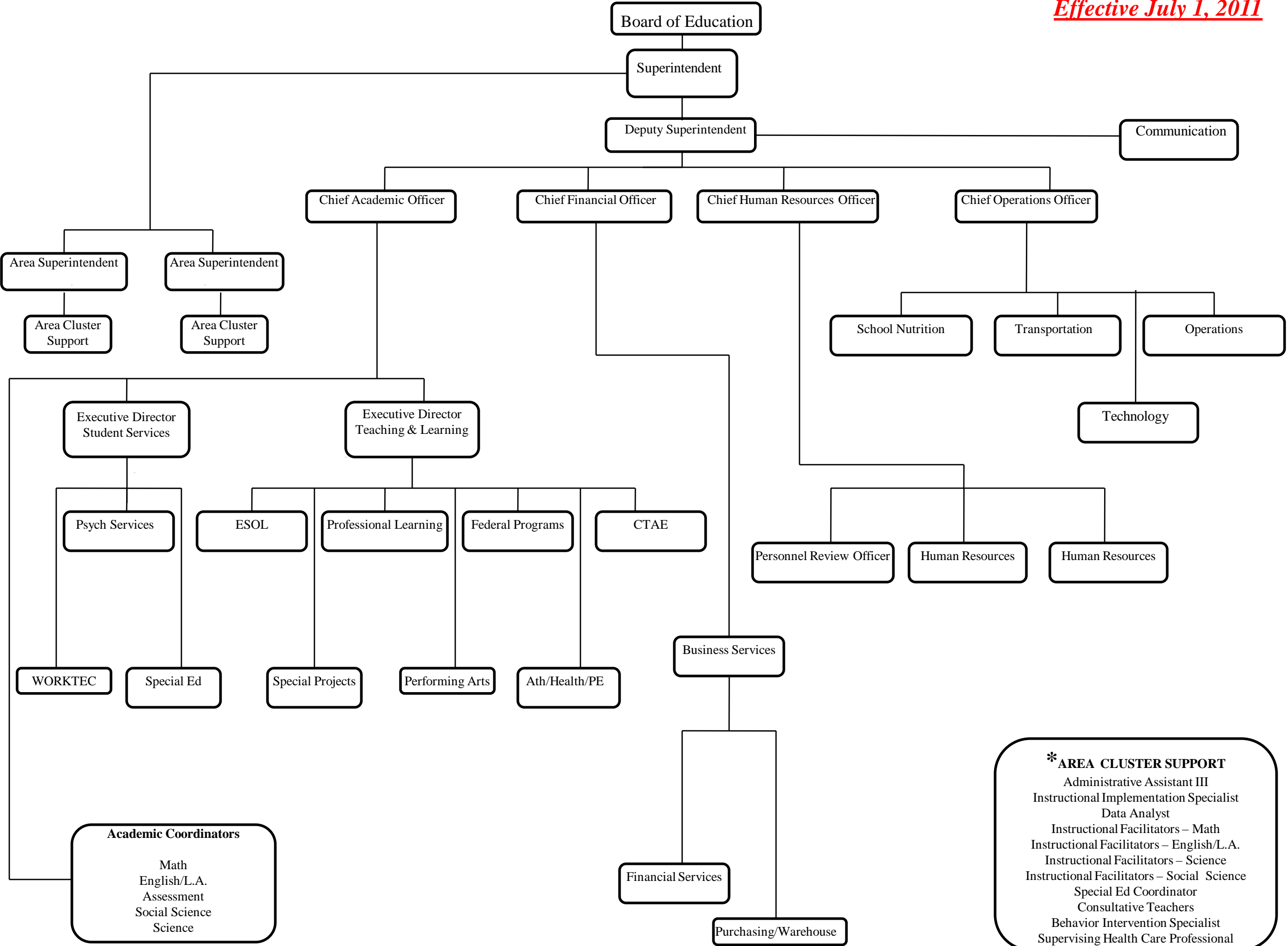
Vacant
Ms. Ramona Thurman
Ms. Lonita Collier

Chief Financial Officer
Director Budgets & Grants
Director Purchasing and Risk Management

Division of Operations

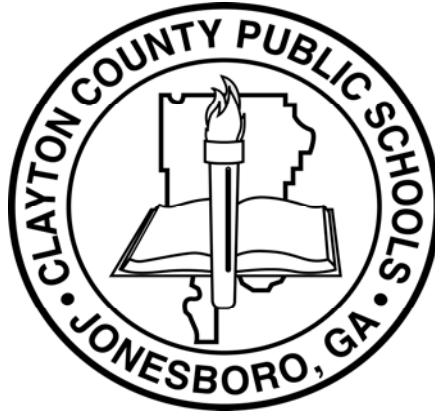
Dr. Cephus Jackson
Ms. Audrey Hamilton
Mr. John Lyles

Chief Operations Officer
Director Nutrition Services
Director Transportation



CLAYTON COUNTY BOARD OF EDUCATION

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Financial Section

**Clayton County
Public Schools**

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of the
Clayton County Board of Education
Jonesboro, Georgia

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clayton County Board of Education as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the Clayton County Board of Education implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

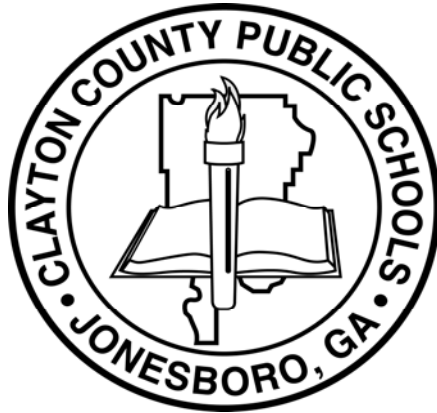
In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2012 on our consideration of the Clayton County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 (on pages 3 through 12) 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 Clayton County Board of Education's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Clayton County Board of Education. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Clayton County Board of Education. Such information is the responsibility of management and was derived from and relates 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 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 basic financial statements as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mauldin & Jenkins, LLC

Macon, Georgia
March 21, 2012



Management's Discussion and Analysis

**Clayton County
Public Schools**

Management's Discussion and Analysis

This section of Clayton County Board of Education's (the Board's) annual financial report presents its discussion and analysis of the Board's financial performance during the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to examine the Board's financial performance as a whole. Readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Board's financial condition.

The reporting model is a combination of both government-wide financial statements and fund financial statements. The basic financial statements contain three components:

1. Government-wide financial statements including the Statement of Net Assets and the Statement of Activities which provide a broad, long-term view of the Board's finances.
2. Fund financial statements including the balance sheets that provide a greater level of detail and focus on how well the Board has performed in the short term in the most significant or major funds.
3. Notes to the financial statements.

This report presents the financial highlights for the year ended June 30, 2011 and other supplementary information.

As with other sections of this financial report, the information contained with this MD&A should be considered only as part of a greater whole. The reader of this analysis should take the time to read and evaluate all sections of the report, including the notes to the financial statements.

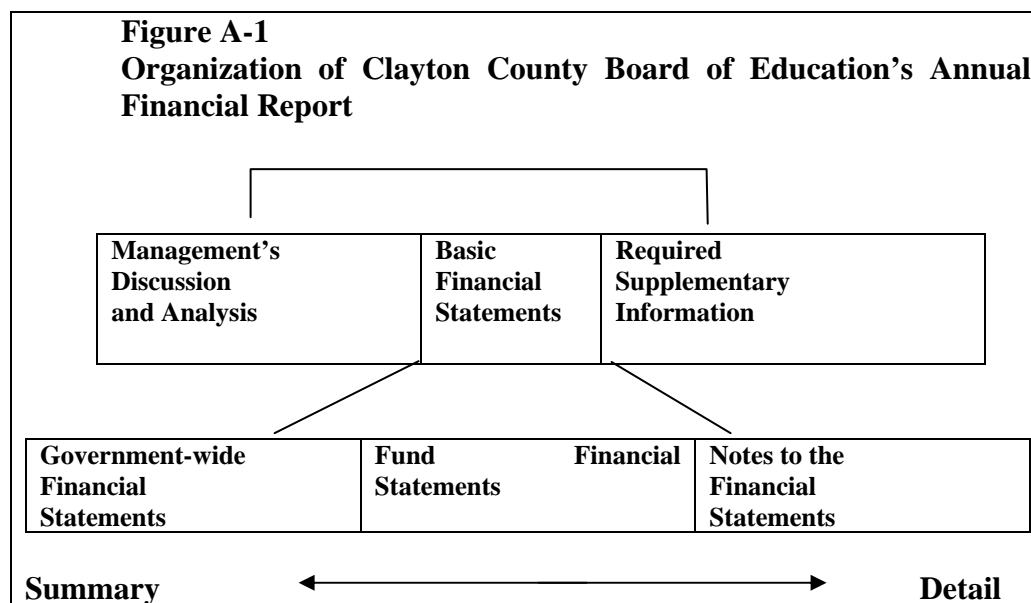
Financial Highlights

Key financial highlights for fiscal year 2011 are as follows:

- ❖ On the government-wide financial statements:
 - The assets of the Clayton County Board of Education (Board) exceeded its liabilities at the fiscal year ended June 30, 2011 by \$665.9 million. Of this amount, \$37.8 million was unrestricted net assets and available to meet the Board's ongoing obligations.
 - The Board's net assets of its governmental activities increased by \$50.7 million. This increase is primarily the result of a net increase in capital assets. The Board experienced an increase of \$5.3 million in net capital assets in its governmental activities. This is the amount by which capital outlays exceeded depreciation in the current period. In addition, the fund balance amount of the total governmental funds increased \$44.6 million.
 - Program revenues of the governmental activities accounted for \$268.6 million, or 57% of the \$471 million in total revenues of the governmental activities. General revenues of the governmental activities accounted for \$202.3 million, or 43% of the total.
 - The Board reported \$420.2 million in expenses for the governmental activities. \$268.6 million were offset by program specific grants, charges for services or contributions. General revenues, primarily property taxes and sales taxes were used to provide for the remaining expenses of these programs.

- The net assets of the Board’s business-type activities decreased \$1.1 million. The Board has two business-type funds reported. The first is the school nutrition program and the second is the Performing Arts Center. Total expenses for food service activities were \$28.1 million, while expenses of the Performing Arts Center were \$271,104. Program revenues, operating grants and contributions, and capital contributions for these business type activities totaled \$27.3 million. This revenue, along with general revenues of interest earnings in the amount of \$12,125 resulted in the decrease in net assets referenced above of \$1.1 million.
- The General Fund (the primary operating fund), presented on a current financial resources basis, ended the year with a fund balance of \$28,289,117, an increase of \$12,628,515 from June 30, 2010.
- The Capital Projects Fund ended the year with a fund balance of \$107,326,274, an increase of \$30,889,361.
- The Board decreased its outstanding long-term indebtedness by \$985,548.

Overview of the Financial Statements



This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

The basic financial statements include two kinds of statements that present different views of the Board:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Board’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Board, reporting the Board’s operations in more detail than the government-wide statements.
 - ❖ The governmental fund statements tell how basic services such as instruction and instructional support services were financed in the short term as well as what remains for future spending.

- ❖ Proprietary fund statements offer short and long-term financial information about the activities the Board operates like businesses, specifically the school nutrition program and the Performing Arts Center.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Board's budget for the year.

Figure A-2 summarizes the major features of the Board's financial statements, including the portion of the Board's activities they cover and the types of information they contain.

	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire Board (except fiduciary funds)	The activities of the Board that are not proprietary or fiduciary, such as instruction, school administration, and building maintenance	Activities the Board operates similar to private businesses: food services.
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balance 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses, and changes in fund net assets • Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the Board as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Board's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Board's net assets and how they have changed. Net assets, the difference between the Board's assets and liabilities, are one way to measure the Board's financial health or position.

Over time, increases or decreases in the Board's net assets are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the Board, additional non-financial factors, such as changes in the property tax base, community support for education and student achievement should be considered.

The government-wide financial statements of the Board are divided into two categories:

- Governmental activities – All of the Board's basic services are included here, such as instruction and instructional support, administration, student transportation and maintenance and operation of facilities.
- Business type activities – The Board operates a food service operation and charges fees to staff, students and visitors to help cover the cost of the food service operation. The Board also operates a performing arts center that is accounted for as a business-type activity.

Fund Financial Statements

The Board's fund financial statements, which begin on page 18, provide detailed information about the most significant funds, not the Board as a whole.

Governmental funds – Most of the Board's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Board's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary funds – Services for which the Board charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The Board’s *enterprise fund* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) are used to report activities that provide supplies and services for its other programs and activities. As of June 30, 2011, the Board has no internal service funds.

Financial Analysis of the Board as a Whole

Table A-1, below, provides a summary of the Board’s net assets for the year ended June 30, 2011 compared to June 30, 2010

Table A-1 Condensed Summary of Net Assets (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Percentage Change
	2011	2010	2011	2010	2011	2010	2010-2011
Current and other Assets	\$ 199.9	\$ 166.1	5.4	6.1	205.3	172.2	19.2%
Net capital assets	515.0	509.7	5.8	6.3	520.8	516.0	0.9%
Total Assets	714.9	675.8	11.2	12.4	726.1	688.2	5.5%
Current and other liabilities	56.7	68.0	1.7	1.8	58.4	69.8	-16.3%
Long-term liabilities	1.8	2.1	-	-	1.8	2.1	-14.3%
Total Liabilities	58.5	70.1	1.7	1.8	60.2	71.9	-16.3%
Net Assets							
Invested in capital assets							
net of related debt	515.0	509.7	5.8	6.3	520.8	516.0	0.9%
Restricted for Capital Projects	107.3	76.4	-	-	107.3	76.4	40.4%
Unrestricted	34.1	19.6	3.7	4.3	37.8	23.9	58.2%
Total net assets	\$ 656.4	\$ 605.7	9.5	10.6	665.9	616.3	8.0%

The Board’s combined nets assets increased by 8% to \$665.9 million. Most of this improvement in the financial position came from governmental activities, the net assets of which grew by \$50.7 million. The net assets of the Board’s business–type activities decreased \$1.1 million or 11.6%. The reasons for the increase in governmental activities is the result of the large capital program underway funded without debt through a Special Purpose Local Option Sales Tax (SPLOST) and capital outlay grants from the state of Georgia. The decrease in the business-type activities is attributed to the increased cost for school nutrition cafeteria operations.

The Board reported a restricted net asset amount of \$107.3 million. This is an increase of 40.4% from the restricted amount reported as of June 30, 2010. The change is due to the increased activity in the capital projects fund and cash reserves being built up for the projects under way. The amount set aside as

restricted in the governmental activities is related to net assets required by a third party or state law to be spent for a specific purpose.

Table A-2
Changes in Net Assets
Fiscal Year Ended June 30, 2011

Table A-2 takes the information from the Statement of Activities and presents it in a format that shows total revenues first and then expenses and the resulting increase in net assets.

Table A-2 Changes in Net Assets from Operating Results (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Percentage Change
	2011	2010	2011	2010	2011	2010	2010-2011
Revenues:							
Program revenues:							
Charges for services	\$ 19.8	\$ 20.3	2.2	2.6	22.0	22.9	-3.9%
Operating grants and contributions	243.3	237.2	25.1	25.1	268.4	262.3	2.3%
Capital grants and contributions	5.5	13.2	-	-	5.5	13.2	-58.3%
General revenues:							
Property taxes	131.7	148.0	-	-	131.7	148.0	-11.0%
Sales taxes	48.4	53.7	-	-	48.4	53.7	-9.9%
Other taxes	0.9	1.0	-	-	0.9	1.0	-10.0%
Non-program specific state and federal aid	20.9	20.9	-	-	20.9	20.9	0.0%
Interest and investment earnings	0.4	0.4	-	-	0.4	0.4	0.0%
Gain on Sale of Capital Assets	-	0.3	-	-	-	0.3	0.0%
Total Revenues	470.9	495.0	27.3	27.7	498.2	522.7	-4.7%
Expenses:							
Instruction	289.7	299.2	-	-	289.7	299.2	-3.2%
Pupil Services	13.5	16.4	-	-	13.5	16.4	-17.7%
Instructional services	11.9	23.2	-	-	11.9	23.2	-48.7%
Educational media services	5.3	7.8	-	-	5.3	7.8	-32.1%
General administration	3.5	4.4	-	-	3.5	4.4	-20.5%
School administration	22.1	23.9	-	-	22.1	23.9	-7.5%
Business administration	2.6	2.8	-	-	2.6	2.8	-7.1%
Maintenance and operations	29.3	32.2	-	-	29.3	32.2	-9.0%
Pupil transportation	18.5	22.0	-	-	18.5	22.0	-15.9%
Support services-central	9.7	9.3	-	-	9.7	9.3	4.3%
Other support services	3.5	5.5	-	-	3.5	5.5	-36.4%
Non-instructional services	0.8	1.4	-	-	0.8	1.4	-42.9%
Community services	9.8	10.8	-	-	9.8	10.8	-9.3%
Interest	-	-	-	-	-	-	
Food services	-	-	28.4	29.1	28.4	29.1	-2.4%
Total Expenses	420.2	458.9	28.4	29.1	448.6	488.0	-8.1%
Excess (deficiency) in net assets before transfers	50.7	36.1	(1.1)	(1.4)	49.6	34.7	42.9%
Transfers	-	-	-	-	-	-	
Net assets - beginning of year	605.7	569.6	10.6	12.0	616.3	581.6	
Net assets - end of year	\$ 656.4	605.7	9.5	10.6	665.9	616.3	

Table A-2 on the previous page shows that revenues from governmental activities for 2011 were \$470.9 million, while total expenses were \$420.2 million. Governmental activities contributed \$50.7 million to the total increase in net assets, while business-type net assets resulted in a decrease of \$1.1 million in net assets.

Program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions decreased \$2.5 million. This decrease was primarily the result of a decrease in state and federal grants received for instructional programs.

Property taxes comprise the largest percentage of the general revenues for the Board with 28% of total revenues coming from this source. The decrease of 11% from the previous year is due in large part to the declining value of the tax digest. Sales tax revenues generated by the Special Purpose Local Option Sales Tax (SPLOST) decreased \$5.3 million to a total of \$48.4 million. Interest and investment earnings stayed constant as interest rates leveled out.

Table A-3 summarizes the cost of the Board's activities into nine functional categories—Instruction; Pupil services, Instructional staff and Media services; General and Business Administration; School administration; Maintenance and operations; Pupil transportation; Central support; Interest expense; and Other. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the Board's local taxpayers by each of these functions. The total cost of governmental activities decreased 8.4%, while the net cost of services decreased 19%.

Table A-3
Net Cost of Governmental Activities
(in millions of dollars)

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2011	2010	2010-2011	2011	2010	2010-2011
Instruction	\$ 289.7	299.2	-3.2%	85.6	99.4	-13.9%
Pupil, Instructional and Media Services	30.7	47.4	-35.2%	13.3	23.8	-44.1%
General and Business Administration	6.1	7.2	-15.3%	3.6	4.2	-14.3%
School administration	22.0	23.9	-7.9%	12	14.5	-17.2%
Maintenance and operations	29.3	32.2	-9.0%	16.7	19.6	-14.8%
Pupil transportation	18.5	22.0	-15.9%	15.3	18.9	-19.0%
Central Support and other support	13.3	14.8	-10.1%	9.3	12.3	-24.4%
Community Services and non-instructional	10.6	12.2	-13.1%	-4.2	-0.3	-
Total Governmental Activities	\$ 420.2	458.9	-8.4%	151.6	192.4	-21.2%
Less: Unrestricted federal and state aid:				20.9	20.9	0.0%
Total needs from local taxes and other revenues:				<u>\$ 130.7</u>	<u>171.5</u>	-23.8%

Business Type Activities

Revenues for the Board's business-type activities (school nutrition and performing arts center) were comprised of charges for services, federal and state reimbursements and investment earnings. (See Table A-2).

- Business type expenses exceeded revenues during the year for a decrease of \$1.1 million in net assets.
- Charges for services represents \$2.2 million of revenue. This represents amounts paid by students, teachers and other customers of the cafeteria operations and the performing arts center.
- Federal and state reimbursement for meals, including payments for free and reduced lunches, was \$25.1 million.

The Statement of Revenues, Expenses and Changes in Fund Net Assets for these proprietary funds will further detail the actual results of operations.

Analysis of the Board's Funds

At June 30, 2011, the Board's governmental funds reported a combined fund balance of \$142,137,087. This is an increase of \$44,607,012. The primary reason for this increase is attributed to the Capital Projects Fund which increased by \$30,889,361.

The fund balance of the General Fund was \$28,289,117 at June 30, 2011. The Capital Projects ending fund balance was \$107,326,274 while all other Governmental Funds had a total fund balance of \$6,521,696 at June 30, 2011.

The fund balance of the General Fund improved significantly primarily because of the Board's conscious efforts to reduce expenditures. Amid state budget cuts and the decline in property tax revenue, a reduction in expenses was necessary to ensure a positive ending fund balance. The Board approved a reduction in force and reduced transportation and programs to curve spending.

The increase in the Capital Projects Funds is the result of the large capital program underway that is funded, through a Special Purpose Local Option Sales Tax (SPLOST) and capital outlay grants from the State of Georgia.

General Fund Budgeting Highlights

The Board's budget is prepared according to Georgia state law. The most significant budgeted fund is the General Operating Fund.

In accordance with GAAP, the Board amended its General Fund to reflect funding changes.

The total expenditures realized a positive variance of \$13.6 million. This was due to overall budget reductions implemented by the Board to reduce expenditures. The Board took measures such as imposing a large reduction in force and reduced transportation and programs to reduce expenditures to counter the anticipated reduction in revenues.

The total revenue exceeded the total budget by \$9.9 million. This was due primarily to the receipt of Education Jobs Funds received throughout the year but not budgeted. The school system received \$9.4 million of the \$10 billion dollars of federal funds distributed to save or create education jobs in the 2010-2011 school year.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2011, the Board had \$520,822,979 invested in a broad range of capital assets, including land, buildings and furniture and equipment for its governmental activities. The Board is currently funding a five-year capital improvement program with revenue from a one-cent local option sales tax that was approved by the citizens of Clayton County in September, 2009. The maximum amount of collections approved by this referendum was \$280.3 million. The sales tax revenue, along with state capital outlay grants will fund the program through 2015.

Table A-4
Capital Assets (net of depreciation)
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2011	2010	2011	2010	2011	2010	2010-2011
Land	\$ 33.6	33.6	-	-	33.6	33.6	0.0%
Construction in progress	13.9	33.3	-	-	13.9	33.3	-58.3%
Buildings and improvements	457.5	430.5	4.1	4.3	461.6	434.8	6.0%
Equipment and furniture	<u>10.0</u>	<u>12.3</u>	<u>1.7</u>	<u>2.0</u>	<u>11.7</u>	<u>14.3</u>	-18.2%
Total capital assets							
net of depreciation	\$ <u>515.0</u>	<u>509.7</u>	<u>5.8</u>	<u>6.5</u>	<u>520.8</u>	<u>516.0</u>	.9%

More detailed information about capital assets can be found in note 7 of the Notes to the Basic Financial Statements.

Debt Administration

At June 30, 2011, the Board had no outstanding long-term bond debt. Because of the availability of the one cent sales tax for capital improvements since 1997, the Board has not had the need to issue any new debt and used proceeds from the sales tax to retire all of the previously existing long-term bond debt.

Economic Factors

The downturn in the economy has had a significant impact on the state and the local community:

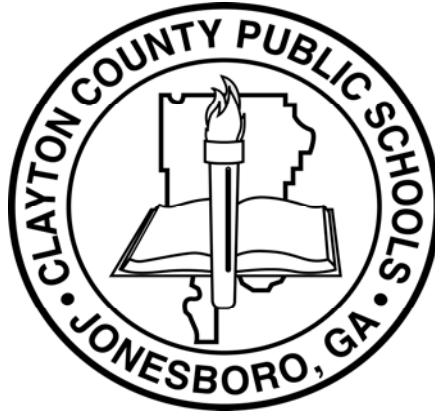
- For the budget year 2010-2011, the Board implemented measures to reduce spending. The Board made the difficult decision to mandate layoffs and reduced the number of days worked and reduced the salaries for its administrative and operational staff by 4.5%. These reductions were necessary to help offset the reduction in revenue. Due to the continued decline in the economy, the School System's primary revenue sources experienced reductions. The continued mortgage industry crisis has significantly impacted property values which resulted in the decrease in the overall tax base for Clayton County. Additionally, the Governor has made huge reductions in the state budget that led to a \$32.9 million loss in QBE revenue to the Board.
- The County has seen significant changes in the demographic makeup of its population. The percentage of students that qualify for free or reduced priced lunches exceeds approximately 80% district-wide.

As a result, the Board has now become a district wide Title I School which means all schools in the district are eligible to receive federal funding under the No Child Left Behind Act for the Economically Disadvantaged.

Despite the economic challenges of the area and the district, support for public education remains strong as evidenced by the passage of the continuation of the one-cent sales tax referendum in September, 2009. In FY2010, a fourth Special Purpose Local Option Sales Tax was passed by the citizens of Clayton County. In addition, despite these challenges, the School System continues to strive for excellence in education for all students.

Contacting the Board's Financial Management

This financial report is designed to provide the Board's citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, Business Services Division, Clayton County Public Schools, 1058 Fifth Avenue, Jonesboro, Ga. 30236.



Basic Financial Statements

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF NET ASSETS

JUNE 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 140,349,626	\$ 4,703,399	\$ 145,053,025
Investments	2,567,648	-	2,567,648
Receivables:			
Accounts	4,892,891	-	4,892,891
Intergovernmental	52,161,439	16,203	52,177,642
Internal balances	(86,927)	86,927	-
Inventories	-	519,930	519,930
Prepaid items	41,250	-	41,250
Capital assets, nondepreciable	47,545,732	-	47,545,732
Capital assets, depreciable (net of accumulated depreciation)	467,429,904	5,847,343	473,277,247
Total assets	714,901,563	11,173,802	726,075,365
LIABILITIES			
Accounts payable	4,087,934	94,233	4,182,167
Contracts payable	5,037,173	-	5,037,173
Retainage payable	1,076,615	-	1,076,615
Due to other governments	195,289	-	195,289
Accrued payroll and payroll withholdings	42,742,612	1,479,203	44,221,815
Other current liabilities	70	-	70
Unearned revenue	227,133	-	227,133
Claims payable due within one year	1,112,472	-	1,112,472
Claims payable due in more than one year	29,735	-	29,735
Compensated absences due within one year	2,259,842	63,149	2,322,991
Compensated absences due in more than one year	1,727,383	19,368	1,746,751
Total liabilities	58,496,258	1,655,953	60,152,211
NET ASSETS			
Invested in capital assets, net of related debt	514,975,636	5,847,343	520,822,979
Restricted for student programs	460	-	460
Restricted for capital projects	107,326,274	-	107,326,274
Unrestricted	34,102,935	3,670,506	37,773,441
Total net assets	\$ 656,405,305	\$ 9,517,849	\$ 665,923,154

The accompanying notes are an integral part of these financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Instruction	\$ 289,659,696	\$ 7,268,417	\$ 191,262,473	\$ 5,521,459
Pupil services	13,464,906	-	3,870,407	-
Improvement of instructional services	11,912,843	-	8,241,160	-
Educational media services	5,277,130	-	5,250,269	-
General administration	3,537,595	-	1,736,626	-
School administration	22,068,201	-	10,105,190	-
Business services	2,574,738	-	807,810	-
Maintenance and operations	29,342,130	-	12,616,895	-
Student transportation	18,493,121	-	3,195,117	-
Central support services	9,666,757	-	2,678,889	-
Other support services	3,550,816	1,851	1,209,526	-
Other non-instructional services	858,066	4,574,055	-	-
Community services	9,783,485	7,982,611	2,303,110	-
Total governmental activities	<u>420,189,484</u>	<u>19,826,934</u>	<u>243,277,472</u>	<u>5,521,459</u>
Business-type activities:				
School food service	28,142,446	2,050,732	25,085,843	-
Performing arts center	271,104	187,542	-	-
Total business-type activities	<u>28,413,550</u>	<u>2,238,274</u>	<u>25,085,843</u>	<u>-</u>
Total	<u>\$ 448,603,034</u>	<u>\$ 22,065,208</u>	<u>\$ 268,363,315</u>	<u>\$ 5,521,459</u>

General revenues:

Property taxes

Sales taxes

Other taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning of year

Net assets, end of year

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (85,607,347)	\$ -	\$ (85,607,347)
(9,594,499)	-	(9,594,499)
(3,671,683)	-	(3,671,683)
(26,861)	-	(26,861)
(1,800,969)	-	(1,800,969)
(11,963,011)	-	(11,963,011)
(1,766,928)	-	(1,766,928)
(16,725,235)	-	(16,725,235)
(15,298,004)	-	(15,298,004)
(6,987,868)	-	(6,987,868)
(2,339,439)	-	(2,339,439)
3,715,989	-	3,715,989
502,236	-	502,236
(151,563,619)	-	(151,563,619)
-	(1,005,871)	(1,005,871)
-	(83,562)	(83,562)
-	(1,089,433)	(1,089,433)
(151,563,619)	(1,089,433)	(152,653,052)
131,696,730	-	131,696,730
48,353,695	-	48,353,695
859,735	-	859,735
20,855,861	-	20,855,861
412,878	12,125	425,003
85,136	-	85,136
(21,301)	21,301	-
202,242,734	33,426	202,276,160
50,679,115	(1,056,007)	49,623,108
605,726,190	10,573,856	616,300,046
\$ 656,405,305	\$ 9,517,849	\$ 665,923,154

CLAYTON COUNTY BOARD OF EDUCATION

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2011

ASSETS	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash	\$ 29,769,725	\$ 106,385,624	\$ 4,194,277	\$ 140,349,626
Investments	1,401,191	1,166,457	-	2,567,648
Receivables:				
Accounts	1,191,875	1,577	3,699,439	4,892,891
Intergovernmental	35,008,088	5,886,404	11,266,947	52,161,439
Due from other funds	7,944,334	-	2,105,615	10,049,949
Prepaid items	41,250	-	-	41,250
Total assets	<u>\$ 75,356,463</u>	<u>\$ 113,440,062</u>	<u>\$ 21,266,278</u>	<u>\$ 210,062,803</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,267,665	\$ -	\$ 1,820,269	\$ 4,087,934
Intergovernmental accounts payable	-	-	195,289	195,289
Contracts payable	-	5,037,173	-	5,037,173
Retainage payable	-	1,076,615	-	1,076,615
Due to other funds	2,390,187	-	7,746,689	10,136,876
Accrued payroll and payroll withholdings	37,987,480	-	4,755,132	42,742,612
Other current liabilities	-	-	70	70
Deferred revenue	4,422,014	-	227,133	4,649,147
Total liabilities	<u>47,067,346</u>	<u>6,113,788</u>	<u>14,744,582</u>	<u>67,925,716</u>
FUND BALANCES				
Fund balances:				
Nonspendable - prepaid items	41,250	-	-	41,250
Restricted for capital projects	-	107,326,274	-	107,326,274
Restricted for student programs	-	-	460	460
Assigned for Worktec programs	-	-	2,045,038	2,045,038
Assigned for student programs	-	-	4,476,198	4,476,198
Unassigned	28,247,867	-	-	28,247,867
Total fund balances	<u>28,289,117</u>	<u>107,326,274</u>	<u>6,521,696</u>	<u>142,137,087</u>
Total liabilities and fund balances	<u>\$ 75,356,463</u>	<u>\$ 113,440,062</u>	<u>\$ 21,266,278</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

514,975,636

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

4,422,014

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

(5,129,432)

Net assets of governmental activities

\$ 656,405,305

The accompanying notes are an integral part of these financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Local sources	\$ 138,082,935	\$ 48,353,695	\$ 15,569,151	\$ 202,005,781
State sources	212,498,268	5,521,459	7,931,513	225,951,240
Federal sources	9,990,958	-	32,700,176	42,691,134
Interest income	132,053	278,897	1,928	412,878
Total revenues	360,704,214	54,154,051	56,202,768	471,061,033
EXPENDITURES				
Current:				
Instruction	245,538,001	-	31,342,678	276,880,679
Pupil services	10,478,721	-	3,120,949	13,599,670
Improvement of instructional services	4,939,844	-	7,175,459	12,115,303
Educational media services	5,260,581	-	15,698	5,276,279
General administration	2,546,374	-	929,293	3,475,667
School administration	21,664,859	-	317,212	21,982,071
Business services	2,551,289	-	-	2,551,289
Maintenance and operations	29,161,062	-	19,152	29,180,214
Student transportation	14,844,172	-	799,009	15,643,181
Central support services	8,356,681	-	29,552	8,386,233
Other support services	2,389,741	-	1,161,075	3,550,816
Other non-instructional services	430,527	-	397,752	828,279
Community service	-	-	9,783,485	9,783,485
Capital outlay	-	23,264,690	-	23,264,690
Total expenditures	348,161,852	23,264,690	55,091,314	426,517,856
Excess of revenues over expenditures	12,542,362	30,889,361	1,111,454	44,543,177
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	85,136	-	-	85,136
Transfers in	130,000	-	107,682	237,682
Transfers out	(128,983)	-	(130,000)	(258,983)
Total other financing sources (uses)	86,153	-	(22,318)	63,835
Net change in fund balances	12,628,515	30,889,361	1,089,136	44,607,012
FUND BALANCE, beginning of year	15,660,602	76,436,913	5,432,560	97,530,075
FUND BALANCE, end of year	\$ 28,289,117	\$ 107,326,274	\$ 6,521,696	\$ 142,137,087

The accompanying notes are an integral part of these financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	44,607,012
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		5,320,341
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(256,269)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>1,008,031</u>
Change in net assets - governmental activities	\$	<u><u>50,679,115</u></u>

The accompanying notes are an integral part of these financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Local sources	\$ 127,523,000	\$ 127,523,000	\$ 138,082,935	\$ 10,559,935
State sources	205,629,208	206,739,604	209,968,491	3,228,887
Federal sources	4,214,360	13,806,904	9,990,958	(3,815,946)
Interest income	200,000	200,000	132,053	(67,947)
Total revenues	<u>337,566,568</u>	<u>348,269,508</u>	<u>358,174,437</u>	<u>9,904,929</u>
EXPENDITURES				
Current:				
Instruction	257,817,528	259,675,275	252,556,882	7,118,393
Pupil services	9,023,047	10,499,946	10,442,285	57,661
Improvement of instructional services	6,481,884	6,697,141	4,913,628	1,783,513
Educational media services	5,405,839	5,373,838	5,240,168	133,670
General administration	2,469,333	2,564,727	2,539,943	24,784
School administration	22,710,579	22,682,079	21,593,907	1,088,172
Business services	2,517,578	2,542,832	2,545,272	(2,440)
Maintenance and operations	26,603,607	29,467,753	29,110,692	357,061
Student transportation	15,303,640	16,921,558	14,798,150	2,123,408
Central support services	8,907,330	8,910,030	8,337,130	572,900
Other support services	405,388	2,460,388	2,388,429	71,959
Other non-instructional services	685,000	685,000	430,527	254,473
Total expenditures	<u>358,330,753</u>	<u>368,480,567</u>	<u>354,897,013</u>	<u>13,583,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,764,185)</u>	<u>(20,211,059)</u>	<u>3,277,424</u>	<u>23,488,483</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	85,136	85,136
Transfers in	-	4,257	130,000	125,743
Transfers out	<u>(542,755)</u>	<u>(542,755)</u>	<u>(128,983)</u>	<u>413,772</u>
Total other financing sources (uses)	<u>(542,755)</u>	<u>(538,498)</u>	<u>86,153</u>	<u>624,651</u>
Net change in fund balances	<u>\$ (21,306,940)</u>	<u>\$ (20,749,557)</u>	<u>\$ 3,363,577</u>	<u>\$ 24,113,134</u>

The accompanying notes are an integral part of these financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF NET ASSETS PROPRIETARY FUNDS JUNE 30, 2011

ASSETS	Business-type Activities - Enterprise Funds		
	School Food Service	Nonmajor Performing Arts Center	Totals
CURRENT ASSETS			
Cash and cash equivalents	\$ 4,703,399	\$ -	\$ 4,703,399
Intergovernmental accounts receivable	16,203	-	16,203
Inventories	519,930	-	519,930
Due from other funds	2,287	282,285	284,572
Total current assets	5,241,819	282,285	5,524,104
CAPITAL ASSETS			
Buildings	-	7,308,375	7,308,375
Furniture and equipment	5,576,159	6,167	5,582,326
Total depreciable assets	5,576,159	7,314,542	12,890,701
Less accumulated depreciation	(3,895,517)	(3,147,841)	(7,043,358)
Total capital assets	1,680,642	4,166,701	5,847,343
Total assets	6,922,461	4,448,986	11,371,447
LIABILITIES			
Accounts payable	94,233	-	94,233
Accrued payroll and payroll withholdings	1,558,314	3,406	1,561,720
Due to other funds	197,645	-	197,645
Total liabilities	1,850,192	3,406	1,853,598
NET ASSETS (DEFICIT)			
Invested in capital assets	1,680,642	4,166,701	5,847,343
Unrestricted	3,391,627	278,879	3,670,506
Total net assets	\$ 5,072,269	\$ 4,445,580	\$ 9,517,849

The accompanying notes are an integral part of these financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
	School Food Service	Nonmajor Performing Arts Center	Totals
OPERATING REVENUES			
Local sources	\$ 2,050,732	\$ 187,542	\$ 2,238,274
Total operating revenues	2,050,732	187,542	2,238,274
OPERATING EXPENSES			
Food service operations	27,372,059	-	27,372,059
Enterprise operation	-	124,319	124,319
Maintenance and operations	389,052	-	389,052
Depreciation	377,403	146,785	524,188
Total operating expenses	28,138,514	271,104	28,409,618
Operating loss	(26,087,782)	(83,562)	(26,171,344)
NONOPERATING REVENUES			
Intergovernmental revenues	25,085,843	-	25,085,843
Loss on disposal of assets	(3,932)	-	(3,932)
Interest earned on investments	12,125	-	12,125
Total nonoperating revenues	25,094,036	-	25,094,036
Loss before transfers	(993,746)	(83,562)	(1,077,308)
TRANSFERS IN	21,301	-	21,301
Change in net assets	(972,445)	(83,562)	(1,056,007)
NET ASSETS, beginning of year	6,044,714	4,529,142	10,573,856
NET ASSETS, end of year	\$ 5,072,269	\$ 4,445,580	9,517,849

The accompanying notes are an integral part of these financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
	School Food Service	Nonmajor Performing Arts Center	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from local sources	\$ 2,069,447	\$ 125,588	\$ 2,195,035
Payments to suppliers	(17,481,718)	(19,412)	(17,501,130)
Payments to employees	(8,788,440)	(95,920)	(8,884,360)
Payments on behalf of employees	(1,423,140)	(10,256)	(1,433,396)
Net cash used in operating activities	(25,623,851)	-	(25,623,851)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from federal and state grants	25,085,843	-	25,085,843
Transfers from other funds	21,301	-	21,301
Net cash provided by noncapital financing activities	25,107,144	-	25,107,144
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	12,125	-	12,125
Net cash provided by investing activities	12,125	-	12,125
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(54,754)	-	(54,754)
Proceeds from disposition of capital assets	2,701	-	2,701
Net cash used in capital and related financing activities	(52,053)	-	(52,053)
Net decrease in cash and cash equivalents	(556,635)	-	(556,635)
Cash and cash equivalents, beginning of year	5,260,034	-	5,260,034
Cash and cash equivalents, end of year	\$ 4,703,399	\$ -	\$ 4,703,399

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
	School Food Service	Nonmajor Performing Arts Center	Totals
Operating loss	\$ (26,087,782)	\$ (83,562)	\$ (26,171,344)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation	377,403	146,785	524,188
Decrease in intergovernmental receivable	689	-	689
(Increase) decrease in due from other funds	18,026	(61,954)	(43,928)
Decrease in inventories	70,026	-	70,026
Increase (decrease) in accounts payable	93,710	(447)	93,263
Increase in due to other funds	156,554	-	156,554
Decrease in accrued payroll and payroll withholdings	(252,477)	(822)	(253,299)
Net cash used in operating activities	<u>\$ (25,623,851)</u>	<u>\$ -</u>	<u>\$ (25,623,851)</u>

SCHEDULE OF NONCASH ACTIVITIES

During the year ended June 30, 2011, the School Food Service Fund received \$1,454,301 in commodities from the United States Department of Agriculture.

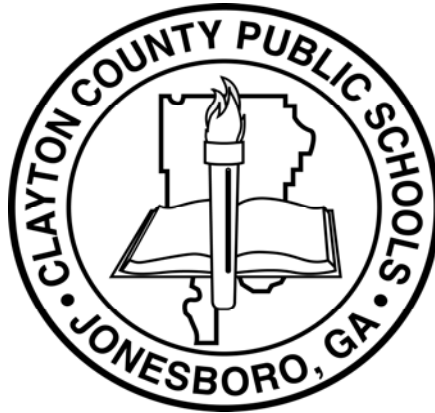
The accompanying notes are an integral part of these financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUND JUNE 30, 2011

	<u>Agency Fund</u> <u>Student</u> <u>Activities</u>
ASSETS	
Cash	\$ 386,693
Total assets	<u>\$ 386,693</u>
LIABILITIES	
Due to others	\$ 386,693
Total liabilities	<u>\$ 386,693</u>

The accompanying notes are an integral part of these financial statements.



Notes to Financial Statements

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Clayton County Board of Education (the "School System") operates under a Board/Superintendent form of government. The nine-member Board is elected by the public and the Board appoints the superintendent. These nine elected members have decision making authority, the power to designate management, and the ability to significantly influence operations. The Board determines the millage rate at which school taxes are levied and may incur bonded indebtedness with voter approval.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the School System. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to those 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

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. For this purpose, the School 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.

The fiduciary fund financial statements are reported using the *accrual basis of accounting*.

Property taxes, sales taxes, intergovernmental grants, and investment income 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. All other revenue items are considered to be measurable and available only when cash is received by the School System.

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 12-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 12-month period in which teachers are paid. At June 30, the amount of teachers' salaries incurred, but not paid until July and August of the subsequent year are accrued. Since the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The School System reports the following major governmental funds:

The **General Fund** is the School System's primary operating fund. It accounts for all financial resources of the School System, except those required to be accounted for in another fund.

The **Capital Projects Fund** accounts for the proceeds of a one percent Special Purpose Local Option Sales Tax as well as revenues from local and state sources to be used for land and building acquisitions and construction and renovations of new educational and administrative facilities.

The School System reports the following major proprietary fund:

The **School Food Service Fund** accounts for the monies and commodities received from the federal and state governments and the School Food Service's cafeteria sales for the purpose of maintaining the School System's breakfast, lunch, and snack programs.

Additionally, the School System reports the following fund types:

The **special revenue funds** account for Federal and state funded programs. These grants are awarded to the School System for the purpose of accomplishing specific educational tasks as defined in the grant agreements. These funds also contain several locally funded programs whose expenditures are limited to specific purposes. School Activity Funds are also reported as special revenue funds. The School Activity Funds are used to account for funds collected primarily through the fund raising efforts of the individual school. Each school's principal is responsible, under the authority of the Board, for collecting, controlling, disbursing, and accounting for his or her school's funds. All resources of the fund, including earnings on invested resources, may be used to support the schools' activities.

The **Agency Fund** is used to account for student club and class accounts.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The School System has elected not to follow subsequent private-sector guidance.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the School System's school food service program and the General Fund. Elimination of these charges would distort the direct costs reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the School System's internal service fund are charges for goods and services provided. Operating expenses of the enterprise funds and internal service funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Cash and Investments

The School 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

F. On-Behalf Payments

The State of Georgia makes certain health insurance and pension plan payments on behalf of the School System for its employees. The School System records these payments as both a revenue and expenditure in the General Fund. The total of the on-behalf payments for the fiscal year ended June 30, 2011 was \$1,007,122.

G. Inventories and Prepaid Items

Inventories are stated at cost using the first-in, first-out method. Donated food commodities are recorded at fair value. The School System utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenses when used rather than when purchased.

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

H. Non-Monetary Transactions

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$1,454,301 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as a revenue and an expense in the financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the School System as assets with an initial, individual cost of more than \$5,000. 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Improvements	20-50
Buildings	20-50
Machinery and equipment	4-10

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

K. Compensated Absences

It is the School System's policy to permit employees to accumulate unused vacation and sick pay benefits. Accumulated unpaid sick leave benefits do not vest and therefore are not accrued in any fund, but are recognized as expenditures or expenses when incurred. Accumulated unpaid vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

L. Fund Equity

The Clayton County Board of Education implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Board of Education is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable: Fund balances that are not in spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).

Restricted: Fund balances that can be spent only for the specific purposes stipulated by external parties, either constitutionally or through enabling legislation (e.g., grants or donations).

Committed: Fund balances that can be used only for the specific purposes determined by an approved resolution of the Clayton County Board of Education. Commitments may be changed or lifted only by referring to formal action that imposed the original constraint on the fund (e.g., the School System’s commitment in connection with future construction projects).

Assigned: Fund balances intended to be used by the School System for specific purposes. Intent can be expressed by the Clayton County Board of Education or by a designee to whom the Clayton County Board of Education delegates authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at minimum, intended to be used for the purpose of that fund.

Unassigned: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The School System reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

The responsibility for designating funds to specific classifications shall be as follows:

Committed: The Clayton County Board of Education is the School System’s highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Assigned: The Clayton County Board of Education has authorized the Superintendent and the Chief Financial Officer as officials authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

When multiple categories of fund balance are available for expenditures (e.g., a project is being funded partly by a grant, funds set aside by the Clayton County Board of Education, and unassigned fund balance), the School System will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

M. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$5,129,432 difference are as follows:

Workers' compensation claims payable	\$ 3,987,225
Compensated absences	<u>1,142,207</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 5,129,432</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,320,342 difference are as follows:

Capital outlay	\$ 19,353,195
Depreciation expense	<u>(14,032,854)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 5,320,341</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$1,008,031 difference are as follows:

Compensated absences	\$ 643,997
Claims payable	<u>364,034</u>
Net adjustment to decrease net change in fund balances - governmental funds to arrive at <i>change in net assets - governmental activities</i>	<u>\$ 1,008,031</u>

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The School System adopts annual budgets for its general and special revenue funds. The School System does not employ encumbrance accounting and, accordingly, all appropriations lapse at year end. After the School System has tentatively adopted a budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board members after the advertisement, the budget is revised as necessary and adopted as the final budget. This final budget is then submitted to the Georgia Department of Education in accordance with provisions of the Quality Basic Education Act (QBE).

NOTES TO FINANCIAL STATEMENTS

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The level of budgetary control (the level at which expenditures may not exceed appropriations) is at the fund level.

The Statement of Revenues and Expenditures – Budget (Non-GAAP) to Actual presents actual and budget data for the General Fund. To facilitate comparison with the budget, adjustments have been made to actual revenues and expenditures to reflect actual amounts on the budget basis.

The primary differences between the budget basis and accounting principles generally accepted in the United States of America ("GAAP") are:

- a. State QBE revenue is recorded when received (budget) rather than when susceptible to accrual (GAAP).
- b. Salaries and employee benefits paid to teachers under contract are recorded when paid (budget) rather than when the liability is incurred (GAAP).
- c. Payments made by the State of Georgia for School System employee benefits are recognized as revenues and expenditures under GAAP and are not recognized on the budget basis.

Adjustments necessary to convert the General Fund's net change in fund balance from the GAAP basis to the budgetary basis are as follows:

GAAP basis net change in fund balance	\$ 12,628,515
Adjustments for:	
State QBE revenue	(1,522,755)
Salaries and employee benefits	(7,742,183)
State paid employee benefit revenue	(1,007,022)
State paid employee benefit expenditures	<u>1,007,022</u>
Budget basis net change in fund balance	<u><u>\$ 3,363,577</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the School System to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund 1). Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAAM rated money 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 SEC as an investment company. 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 a \$1.00 per share value. The fair value of the School System's position in the pool is the same as the value of pool shares (\$1 per share value). The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia. As of June 30, 2011, the School System's investment in Georgia Fund 1 was rated AAAM by Standard & Poor's.

At June 30, 2011, the School System had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund 1	59 day weighted average	\$ 2,567,648

Interest rate risk. The School System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2011, School System's bank balance was fully collateralized.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2011, for the School System's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Capital Projects	Nonmajor Governmental Funds	School Food Service	Total
Intergovernmental	\$ 39,430,102	\$ 5,886,404	\$ 11,266,947	\$ 16,203	\$ 56,599,656
Accounts	1,191,875	1,577	4,157,568	-	5,351,020
	40,621,977	5,887,981	15,424,515	16,203	61,950,676
Less allowance					
for uncollectible	(4,422,014)	-	(458,129)	-	(4,880,143)
Net total receivable	<u>\$ 36,199,963</u>	<u>\$ 5,887,981</u>	<u>\$ 14,966,386</u>	<u>\$ 16,203</u>	<u>\$ 57,070,533</u>

Intergovernmental receivables consist of grant reimbursements due primarily from the Georgia Department of Education, sales taxes which are collected by the state on the School System's behalf, and property taxes collected by Clayton County Tax Commissioner on the School System's behalf.

NOTE 6. PROPERTY TAXES

Clayton County bills and collects property taxes for the School System. Property taxes are levied (assessed) on all taxable real, public utility and personal property (including vehicles) located within the County as of January 1st of each year. State law limits the School System's tax levy for operations to 20 mills (one mill equals \$1 per thousand dollars of assessed value). Assessed values for property tax purposes are determined by the Clayton County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. The State of Georgia establishes values for public utilities and motor vehicles.

Real property taxes were levied on September 15, 2010 and were due November 15, 2010. Clayton County may place liens on property once the related tax payments become delinquent. The property tax receivable allowance is equal to 50% of outstanding property taxes at June 30, 2011, net of amounts collected within 60 days of year end.

Vehicle personal property taxes are due upon each respective payor's date of birth on an annual basis.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 33,636,988	\$ -	\$ -	\$ -	\$ 33,636,988
Construction in progress	33,304,234	18,366,796	-	(37,762,286)	13,908,744
Total	<u>66,941,222</u>	<u>18,366,796</u>	<u>-</u>	<u>(37,762,286)</u>	<u>47,545,732</u>
Capital assets, being depreciated:					
Buildings	535,579,188	400,000	-	37,762,286	573,741,474
Improvements	3,774,164	-	-	-	3,774,164
Machinery and equipment	38,673,422	586,399	(4,373,236)	-	34,886,585
Total	<u>578,026,774</u>	<u>986,399</u>	<u>(4,373,236)</u>	<u>37,762,286</u>	<u>612,402,223</u>
Less accumulated depreciation for:					
Buildings	(107,108,213)	(11,096,454)	-	-	(118,204,667)
Improvements	(1,760,891)	(161,679)	-	-	(1,922,570)
Machinery and equipment	(26,443,597)	(2,774,721)	4,373,236	-	(24,845,082)
Total	<u>(135,312,701)</u>	<u>(14,032,854)</u>	<u>4,373,236</u>	<u>-</u>	<u>(144,972,319)</u>
Total capital assets, being depreciated, net	<u>442,714,073</u>	<u>(13,046,455)</u>	<u>-</u>	<u>37,762,286</u>	<u>467,429,904</u>
Governmental activities capital assets, net	<u>\$ 509,655,295</u>	<u>\$ 5,320,341</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,975,636</u>
Business-type activities:					
Capital assets, being depreciated:					
Buildings	\$ 7,308,375	\$ -	\$ -	\$ -	\$ 7,308,375
Machinery and equipment	5,566,445	54,754	(38,873)	-	5,582,326
Total	<u>12,874,820</u>	<u>54,754</u>	<u>(38,873)</u>	<u>-</u>	<u>12,890,701</u>
Less accumulated depreciation for:					
Buildings	(2,997,047)	(146,168)	-	617	(3,142,598)
Machinery and equipment	(3,554,364)	(378,020)	32,241	(617)	(3,900,760)
Total	<u>(6,551,411)</u>	<u>(524,188)</u>	<u>32,241</u>	<u>-</u>	<u>(7,043,358)</u>
Total capital assets, being depreciated, net	<u>6,323,409</u>	<u>(469,434)</u>	<u>(6,632)</u>	<u>-</u>	<u>5,847,343</u>
Business-type activities capital assets, net	<u>\$ 6,323,409</u>	<u>\$ (469,434)</u>	<u>\$ (6,632)</u>	<u>\$ -</u>	<u>\$ 5,847,343</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the School System as follows:

Governmental activities:

Instruction	\$ 11,059,112
Pupil services	6,309
Improvement of instructional services	6,213
Educational - media services	851
General administration	145,997
School administration	67,799
Business administration	718
Maintenance and operations	275,918
Student transportation	2,059,553
Central support services	341,258
Other non-instructional services	<u>69,126</u>

Total depreciation expense - governmental activities	<u><u>\$ 14,032,854</u></u>
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Business-type activities:

School food services	\$ 377,403
Other activities	<u>146,785</u>

Total depreciation expense - business-type activities	<u><u>\$ 524,188</u></u>
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NOTE 8. SHORT-TERM DEBT

Tax Anticipation Note. On August 24, 2010, the School System borrowed \$32,000,000 in the form of a tax anticipation note for cash flow purposes. The interest rate on the tax anticipation note was 2.45%. The entire amount plus accrued interest was repaid on December 29, 2010.

The following is a summary of short-term debt transactions for the School System for the year ended June 30, 2011:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Tax anticipation note	<u>\$ -</u>	<u>\$ 32,000,000</u>	<u>\$ (32,000,000)</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2011 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Claims payable	\$ 1,506,241	\$ 935,647	\$ (1,299,681)	\$ 1,142,207	\$ 1,112,472
Compensated absences	4,631,222	1,967,861	(2,611,858)	3,987,225	2,259,842
Governmental activities Long-term liabilities	<u>\$ 6,137,463</u>	<u>\$ 2,903,508</u>	<u>\$ (3,911,539)</u>	<u>\$ 5,129,432</u>	<u>\$ 3,372,314</u>
Business-type activities:					
Compensated absences	\$ 60,034	\$ 62,748	\$ (40,265)	\$ 82,517	\$ 63,149
Business-type activities Long-term liabilities	<u>\$ 60,034</u>	<u>\$ 62,748</u>	<u>\$ (40,265)</u>	<u>\$ 82,517</u>	<u>\$ 63,149</u>

For governmental activities, compensated absences and claims payable are liquidated primarily by the General Fund. For business-type activities, compensated absences are liquidated primarily by the School Food Service Fund.

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from other funds:

<u>Due to</u>	<u>Due from</u>			<u>Total</u>
	<u>General</u>	<u>School Food Service Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ 197,645	\$ 7,746,689	\$ 7,944,334
School food service fund	2,287	-	-	2,287
Nonmajor enterprise fund	282,285	-	-	282,285
Nonmajor governmental funds	2,105,615	-	-	2,105,615
	<u>\$ 2,390,187</u>	<u>\$ 197,645</u>	<u>\$ 7,746,689</u>	<u>\$ 10,334,521</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

Transfers in	Transfers out		Total
	General Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 130,000	\$ 130,000
School Food Service Fund	21,301	-	21,301
Nonmajor Governmental Funds	107,682	-	107,682
	<u>\$ 128,983</u>	<u>\$ 130,000</u>	<u>\$ 258,983</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 11. RETIREMENT PLANS

Teachers Retirement System. Substantially all teachers, administrators, and clerical personnel employed by the School System are members of the Teachers Retirement System of Georgia (TRS), a cost-sharing multiple employer public employee retirement system administered by the TRS Board of Trustees. TRS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. Title 47, Chapter 3 of the Official Code of Georgia Annotated, assigns the authority to establish and amend benefit provisions to the TRS Board of Trustees. The TRS Board of Trustees issues a publicly available financial report that includes financial statements and required supplementary information for TRS. That report may be obtained by writing to TRS of Georgia, Two Northside 75, Suite 400, Atlanta, GA 30331, or by calling 1-800-352-0650.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RETIREMENT PLANS (CONTINUED)

Covered employees are required by state law to contribute 5.53% of their annual covered salary to the plan and the School System is required to contribute 10.28% of current covered payroll. Covered employees' contributions for the years ended June 30, 2011, 2010, and 2009, were \$13,691,853, \$14,353,803, and \$13,953,182, respectively. The School System's contributions to TRS for the years ended June 30, 2011, 2010, and 2009, were \$25,426,260, \$26,581,471, and \$25,957,234, respectively, equal to the required contribution for each year.

Active members may retire and receive benefits after 30 years of creditable service regardless of age, or after 10 years of creditable service and reaching age 60. Upon retirement, an employee receives a retirement benefit, payable monthly for life. The amount is determined by multiplying 2% by the years of service up to 40 years. This amount in turn is multiplied by the employee's average monthly salary for the two highest paid consecutive years of service. Early retirement benefits are reduced by the lesser of 1/12 of 7% for each month the member is below age 60, or by 7% for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the CPI, will be made in future years. Retirement benefits are payable monthly for life. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary at the member's death.

Public School Employees Retirement System. Substantially all bus drivers, maintenance, custodial, and lunchroom personnel employed by the School System are members of the Public School Employees Retirement System of Georgia (PSERS), which is also a cost-sharing multiple employer public employee retirement system. The Board of the Public School Employees Retirement System of Georgia issues a publicly available financial report that includes financial statements and supplementary information for PSERS. That report may be obtained by writing Public School Employee Retirement System, Two Northside 75, Atlanta, Georgia 30318-7778, or by calling 1-800-805-4609.

PSERS provides service retirement, disability retirement and survivors' 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 retirees between the ages of 60 and 65 receive a reduced benefit. Monthly retirement benefits paid to members are equal to eight dollars per month multiplied by the number of years of creditable service. Retirement provisions include death and disability benefits. Benefits are established by state statute.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RETIREMENT PLANS (CONTINUED)

Covered employees are required by state statute to contribute four dollars per month for the nine-month school year. Unlike TRS, the School System makes no contribution to PSERS. Total contributions from employees of the School System made during the fiscal year ended June 30, 2011, totaled \$48,432.

The State of Georgia is required by statute to make an annual contribution to PSERS based upon an actuarial calculation. The state's contribution for employees for the fiscal year ended June 30, 2011, for School System employees was \$261,648.

Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest.

There were 1,304 employees covered under PSERS for the year ended June 30, 2011.

NOTE 12. OTHER POST EMPLOYMENT BENEFITS

Georgia Retiree Health Benefit Fund

Plan Description. The Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers eligible former employees of public school systems, libraries, and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Insurance Plan administered by the State of Georgia Department of Community Health. The Official Code of Georgia Annotated (OCGA) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (the Board).

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

NOTES TO FINANCIAL STATEMENTS

NOTE 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Participating employers are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rates are established to fund all benefits due under the health insurance plans for both active and retired employee based on projected "pay-as-you-go" financing requirements. Contributions are not based on the actuarially calculated annual required contribution (ARC) which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The combined rate for the active and retiree certified employees (pay-as-you go basis) for the fiscal year ended June 30, 2011 were as follows:

<u>Period</u>	<u>Percentage of Covered Payroll</u>
July 2010 - April 2011	21.955% of covered payroll for August-September coverage
May 2011- June 2011	1.429% of covered payroll for October-December coverage

The contribution rate for classified employees for the fiscal year ended June 30, 2011 was \$246.20 per month.

Currently, the state is requiring that local Boards of Education pay only on active employees. The School System's contribution to the health insurance plans for the fiscal years ended June 30, 2011, 2010, and 2009 were \$38,345,656, \$36,891,247 and \$28,754,530 respectively, which equaled the required contribution. Currently, the State of Georgia has been making the remaining contributions to fund the pay as you go financing on behalf of all local Boards of Education (see Note 1 for discussion of on-behalf payments).

NOTE 13. RISK MANAGEMENT

The School System is exposed to various risks of loss for claims associated with torts; theft of, damage to and destruction of assets; errors and omissions; natural disaster; Workers' Compensation; unemployment compensation; and dental benefits. The School System is self-insured for workers' compensation. The School System purchases commercial insurance for all other risks of loss. The School System has not experienced any significant reduction in insurance coverage from the previous years nor has it paid any settlements in excess of insurance coverage in the past three years.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RISK MANAGEMENT (CONTINUED)

Workers' Compensation

The School System is partially self-insured for Workers' Compensation claims of its employees. Claims exceeding \$250,000, but less than \$2,000,000 per occurrence are covered through a private insurance carrier. The School System is liable for any other claims filed. The School System has entered into a contract with a third party to administer the program. Activity is accounted for in the General Fund.

Changes in the balances of workers' compensation claims liabilities for the past two fiscal years for which the School System is self-insured are as follows:

<u>Workers' Compensation</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Unpaid claims, beginning of fiscal year	\$ 1,506,241	\$ 1,642,660
Incurred claims (including IBNRs)	935,647	1,262,315
Claim payments and changes in estimates	(1,299,681)	(1,398,734)
Unpaid claims, end of fiscal year	<u>\$ 1,142,207</u>	<u>\$ 1,506,241</u>

NOTE 14. COMMITMENTS AND CONTINGENCIES

The School System is involved in a number of legal matters which either have or could result in litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School System's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the School System.

The School System participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School System has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2011, may be impaired. In the opinion of the School System, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

The School System is committed under outstanding construction contracts in the Capital Projects Fund in the amount of \$20,638,639. Construction contracts include new school construction and expansion and renovation of existing facilities.

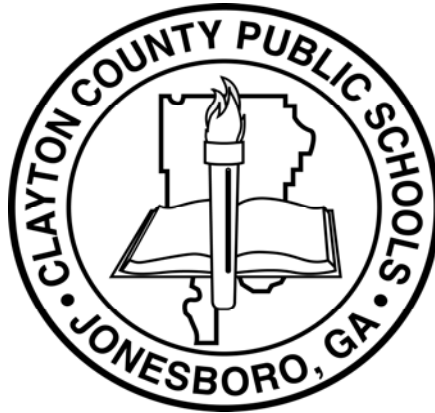
NOTES TO FINANCIAL STATEMENTS

NOTE 15. SUBSEQUENT EVENT

On August 26, 2011, the School System borrowed \$15,700,000 in the form of a tax anticipation note for cash flow purposes. The interest rate on the tax anticipation note was .72%. The note was paid at maturity on December 30, 2011.

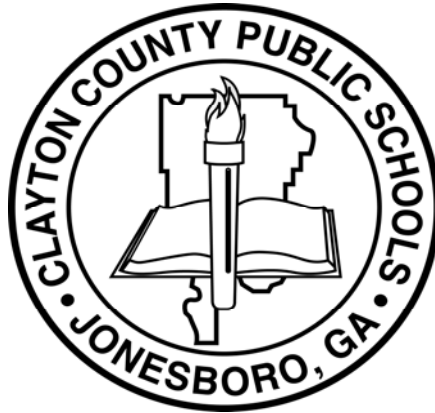
CLAYTON COUNTY BOARD OF EDUCATION

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Supplemental Information

**Clayton County
Public Schools**



Combining Fund Schedules

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Adult Education Fund is used to account for federal grants funds passed through the Georgia Department of Technical and Adult Education for the purpose of providing a vocational curriculum program for adults.

After School Program Fund is used to account for the after school program in place at all Clayton County elementary schools. Revenues consist of fees paid for the after school care of students.

Athletics Fund is used to account for athletic events held on behalf of Clayton County's schools. Revenues consist primarily of ticket and concession sales.

Lottery Fund is used to account for state grant funds flowing through the State of Georgia Department of Education for various programs as established by the state.

South Metro Fund is used to account for the development center for children with physical and mental handicaps.

Title I Fund is used to account for federal grant funds passed through the State of Georgia Department of Education to the Board to provide remedial education in the areas of reading and math and to provide a special education program for children who are physically handicapped.

Title II Fund is used to account for federal grant funds passed through the State of Georgia Department of Education to the Board for the purpose of training teachers in the math, science, foreign language, and computer science programs.

Title III Fund is used to account for federal grant funds passed through the State of Georgia Department of Education to the Board for the purpose of providing assistance to limited English proficient children and youth in Clayton County schools in attaining English proficiency.

Title IV Fund is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System for the purpose of providing safe and drug free schools and communities.

Title VI-B Preschool Fund is used to account for federal funds authorized by the Individuals with Disabilities Education Act that are passed through the State of Georgia Department of Education to the School System for the purpose of providing special education programs for children with disabilities ages three to five.

CLAYTON COUNTY BOARD OF EDUCATION

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CLAYTON COUNTY BOARD OF EDUCATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Continued)

Title VI-B Fund is used to account for federal funds in connection with the Individuals with Disabilities Education Act that are passed through the State of Georgia Department of Education to the School System for the purpose of providing special education programs for children in pre-kindergarten through 12th grade.

Vocational Programs Fund is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System for the purpose of providing a vocational curriculum program.

WorkTec Fund is used to account for the activities of the WorkTec Rehabilitation Center, which assists economically, academically, and physically disadvantaged youths in preparing for or engaging in gainful employment. Programs are funded primarily by federal awards or federal service contracts.

School Discretionary Fund is used to account for the portion of the school activity resources used for general governmental expenditures.

All Other Special Revenue Funds is used to account for the activities of various other programs funded by local, state and Federal funds.

CLAYTON COUNTY BOARD OF EDUCATION

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2011

ASSETS	Special Revenue Funds			
	Adult Education	After School Program	Athletics	Lottery
Cash	\$ -	\$ -	\$ 108,024	\$ -
Receivables:				
Accounts	-	1,697	-	-
Intergovernmental	157,460	-	-	-
Due from other funds	6,792	439,922	-	618,601
Total assets	<u>\$ 164,252</u>	<u>\$ 441,619</u>	<u>\$ 108,024</u>	<u>\$ 618,601</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,429	\$ -	\$ 5,447	\$ 186
Intergovernmental accounts payable	-	-	-	-
Accrued payroll and payroll withholdings	9,250	-	-	422,380
Other current liabilities	-	-	70	-
Deferred revenue	-	-	-	196,035
Due to other funds	152,113	-	-	-
Total liabilities	<u>163,792</u>	<u>-</u>	<u>5,517</u>	<u>618,601</u>
FUND BALANCES				
Restricted	460	-	-	-
Assigned	-	441,619	102,507	-
Total fund balances	<u>460</u>	<u>441,619</u>	<u>102,507</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 164,252</u>	<u>\$ 441,619</u>	<u>\$ 108,024</u>	<u>\$ 618,601</u>

South Metro	Title I	Title II	Title III	Title IV
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,125,218	5,890,968	286,832	137,218	7,511
202,240	613	-	-	-
<u>\$ 1,327,458</u>	<u>\$ 5,891,581</u>	<u>\$ 286,832</u>	<u>\$ 137,218</u>	<u>\$ 7,511</u>

\$ -	\$ 1,493,232	\$ 12,253	\$ -	\$ 356
192,716	613	-	-	-
574,358	1,817,408	131,739	36,479	-
-	-	-	-	-
-	-	-	-	-
<u>560,384</u>	<u>2,580,328</u>	<u>142,840</u>	<u>100,739</u>	<u>7,155</u>
<u>1,327,458</u>	<u>5,891,581</u>	<u>286,832</u>	<u>137,218</u>	<u>7,511</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,327,458</u>	<u>\$ 5,891,581</u>	<u>\$ 286,832</u>	<u>\$ 137,218</u>	<u>\$ 7,511</u>

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2011

Special Revenue Funds				
ASSETS	Title VI-B Preschool	Title VI-B	Vocational Programs	WorkTec
Cash	\$ -	\$ -	\$ -	\$ 74,097
Receivables:				
Accounts	-	-	-	3,697,742
Intergovernmental	53,168	3,197,717	212,436	-
Due from other funds	1,028	809,908	-	-
Total assets	<u>\$ 54,196</u>	<u>\$ 4,007,625</u>	<u>\$ 212,436</u>	<u>\$ 3,771,839</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 187,718	\$ 3,732	\$ 61,693
Intergovernmental accounts payable	-	1,960	-	-
Accrued payroll and payroll withholdings	35,655	1,551,601	-	148,382
Other current liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	18,541	2,266,346	208,704	1,516,726
Total liabilities	<u>54,196</u>	<u>4,007,625</u>	<u>212,436</u>	<u>1,726,801</u>
FUND BALANCES				
Restricted	-	-	-	-
Assigned	-	-	-	2,045,038
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,045,038</u>
Total liabilities and fund balances	<u>\$ 54,196</u>	<u>\$ 4,007,625</u>	<u>\$ 212,436</u>	<u>\$ 3,771,839</u>

School Discretionary	All Other Special Revenue	Total Nonmajor Governmental Funds
\$ 4,012,156	\$ -	\$ 4,194,277
-	-	3,699,439
-	198,419	11,266,947
-	26,511	2,105,615
<u>\$ 4,012,156</u>	<u>\$ 224,930</u>	<u>\$ 21,266,278</u>

\$ 32,304	\$ 20,919	\$ 1,820,269
-	-	195,289
-	27,880	4,755,132
-	-	70
-	31,098	227,133
<u>52,431</u>	<u>140,382</u>	<u>7,746,689</u>
<u>84,735</u>	<u>220,279</u>	<u>14,744,582</u>

-	-	460
<u>3,927,421</u>	<u>4,651</u>	<u>6,521,236</u>
<u>3,927,421</u>	<u>4,651</u>	<u>6,521,696</u>
<u>\$ 4,012,156</u>	<u>\$ 224,930</u>	<u>\$ 21,266,278</u>

CLAYTON COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2011

	Special Revenue Funds			
	Adult Education	After School Program	Athletics	Lottery
REVENUES				
Local sources	\$ 28,171	\$ 1,450,254	\$ 345,691	\$ -
State sources	209,095	-	-	2,841,880
Federal sources	269,282	-	-	24,357
Interest earned on investments	-	-	475	-
Total revenues	506,548	1,450,254	346,166	2,866,237
EXPENDITURES				
Current:				
Instruction	361,690	-	-	2,671,516
Pupil services	-	-	-	1,269
Improvement of instructional services	155,400	-	-	122,193
Educational media services	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Maintenance and operations	14,216	-	-	1,558
Student transportation	-	-	-	2,565
Central support services	-	-	-	-
Other support services	-	-	-	68,061
Other non-instructional services	-	-	328,503	-
Community service	-	1,377,792	-	-
Total expenditures	531,306	1,377,792	328,503	2,867,162
Excess (deficiency) of revenues over (under) expenditures	(24,758)	72,462	17,663	(925)
OTHER FINANCING SOURCES (USES)				
Transfers in	24,759	-	75,000	925
Transfers out	-	(130,000)	-	-
Total other financing sources (uses)	24,759	(130,000)	75,000	925
Net change in fund balances	1	(57,538)	92,663	-
FUND BALANCES, beginning of year	459	499,157	9,844	-
FUND BALANCES, end of year	\$ 460	\$ 441,619	\$ 102,507	\$ -

South Metro	Title I	Title II	Title III	Title IV
\$ -	\$ -	\$ -	\$ -	\$ -
4,308,756	-	-	-	-
199,916	15,393,929	1,144,455	639,912	68,313
-	-	-	-	-
4,508,672	15,393,929	1,144,455	639,912	68,313
3,306,242	7,673,417	17,372	98,743	14,968
735,980	192,970	-	190,431	10,927
114,628	4,841,131	1,062,282	315,201	40,265
-	801	-	-	-
37,741	813,659	35,249	19,674	1,496
313,343	3,869	-	-	-
738	1,983	-	-	657
-	788,948	-	-	-
-	-	29,552	-	-
-	1,077,151	-	15,863	-
-	-	-	-	-
-	-	-	-	-
4,508,672	15,393,929	1,144,455	639,912	68,313
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -
(Continued)				

CLAYTON COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2011

	Special Revenue Funds			
	Title VI-B Preschool	Title VI-B	Vocational Programs	WorkTec
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ 6,532,357
State sources	-	-	-	396,421
Federal sources	234,065	11,884,067	412,055	1,906,689
Interest earned on investments	-	-	-	1,453
Total revenues	<u>234,065</u>	<u>11,884,067</u>	<u>412,055</u>	<u>8,836,920</u>
EXPENDITURES				
Current:				
Instruction	234,065	10,104,664	210,805	-
Pupil services	-	1,526,395	-	-
Improvement of Instructional Services	-	253,008	201,250	-
Educational media services	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Maintenance and operations	-	-	-	-
Student transportation	-	-	-	-
Central support services	-	-	-	-
Other support services	-	-	-	-
Other non-instructional services	-	-	-	-
Community service	-	-	-	8,405,693
Total expenditures	<u>234,065</u>	<u>11,884,067</u>	<u>412,055</u>	<u>8,405,693</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,227</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	431,227
FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,613,811</u>
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,045,038</u>

School Discretionary	All Other Special Revenue	Total Nonmajor Governmental Funds
\$ 7,199,505	\$ 13,173	\$ 15,569,151
-	175,361	7,931,513
-	523,136	32,700,176
-	-	1,928
<u>7,199,505</u>	<u>711,670</u>	<u>56,202,768</u>
6,575,708	73,488	31,342,678
-	462,977	3,120,949
-	70,101	7,175,459
-	14,897	15,698
-	21,474	929,293
-	-	317,212
-	-	19,152
-	7,496	799,009
-	-	29,552
-	-	1,161,075
-	69,249	397,752
-	-	9,783,485
<u>6,575,708</u>	<u>719,682</u>	<u>55,091,314</u>
<u>623,797</u>	<u>(8,012)</u>	<u>1,111,454</u>
-	6,998	107,682
-	-	(130,000)
<u>-</u>	<u>6,998</u>	<u>(22,318)</u>
623,797	(1,014)	1,089,136
<u>3,303,624</u>	<u>5,665</u>	<u>5,432,560</u>
<u>\$ 3,927,421</u>	<u>\$ 4,651</u>	<u>\$ 6,521,696</u>

CLAYTON COUNTY BOARD OF EDUCATION

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Adult Education		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	\$ 31,112	\$ 28,171	\$ (2,941)
State sources	209,096	209,095	(1)
Federal sources	315,377	269,282	(46,095)
Interest earned on investments	-	-	-
Total revenues	555,585	506,548	(49,037)
EXPENDITURES			
Current:			
Instruction	391,698	361,690	30,008
Pupil services	-	-	-
Improvement of instructional services	172,313	155,400	16,913
Educational media services	-	-	-
General administration	-	-	-
School administration	-	-	-
Maintenance and operations	13,462	14,216	(754)
Student transportation	-	-	-
Central support services	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	577,473	531,306	46,167
Excess (deficiency) of revenues over (under) expenditures	(21,888)	(24,758)	(2,870)
TRANSFERS IN	21,888	24,759	2,871
Net change in fund balances	-	1	1
FUND BALANCES, beginning of year	459	459	-
FUND BALANCES (DEFICIT), end of year	\$ 459	\$ 460	\$ 1

Athletics			Lottery		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ 400,000	\$ 345,691	\$ (54,309)	\$ -	\$ -	\$ -
-	-	-	2,657,885	2,841,880	183,995
-	-	-	60,000	24,357	(35,643)
10,000	475	(9,525)	-	-	-
410,000	346,166	(63,834)	2,717,885	2,866,237	148,352
-	-	-	2,237,831	2,671,516	(433,685)
-	-	-	265,000	1,269	263,731
-	-	-	109,700	122,193	(12,493)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,600	1,558	9,042
-	-	-	1,034	2,565	(1,531)
-	-	-	5,685	-	5,685
-	-	-	88,035	68,061	19,974
703,739	328,503	375,236	-	-	-
-	-	-	-	-	-
703,739	328,503	375,236	2,717,885	2,867,162	(149,277)
(293,739)	17,663	311,402	-	(925)	(925)
293,739	75,000	(218,739)	-	925	925
-	92,663	92,663	-	-	-
9,844	9,844	-	-	-	-
\$ 9,844	\$ 102,507	\$ 92,663	\$ -	\$ -	\$ -

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	South Metro		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	\$ -	\$ -	\$ -
State sources	4,308,756	4,308,756	-
Federal sources	709,456	199,916	(509,540)
Interest earned on investments	-	-	-
Total revenues	5,018,212	4,508,672	(509,540)
EXPENDITURES			
Current:			
Instruction	3,505,814	3,306,242	199,572
Pupil services	970,952	735,980	234,972
Improvement of instructional services	126,073	114,628	11,445
Educational media services	-	-	-
General administration	43,088	37,741	5,347
School administration	365,785	313,343	52,442
Maintenance and operations	6,500	738	5,762
Student transportation	-	-	-
Central support services	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	5,018,212	4,508,672	509,540
Excess (deficiency) of revenues over (under) expenditures	-	-	-
TRANSFERS IN	-	-	-
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES (DEFICIT), end of year	\$ -	\$ -	\$ -

Title I			Title II		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
47,586,986	15,393,929	(32,193,057)	3,907,527	1,144,455	(2,763,072)
-	-	-	-	-	-
47,586,986	15,393,929	(32,193,057)	3,907,527	1,144,455	(2,763,072)
25,532,486	7,673,417	17,859,069	78,963	17,372	61,591
807,757	192,970	614,787	-	-	-
14,403,609	4,841,131	9,562,478	3,408,801	1,062,282	2,346,519
997	801	196	-	-	-
1,763,531	813,659	949,872	262,716	35,249	227,467
4,389	3,869	520	-	-	-
2,066	1,983	83	-	-	-
1,522,099	788,948	733,151	-	-	-
-	-	-	157,047	29,552	127,495
3,550,052	1,077,151	2,472,901	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
47,586,986	15,393,929	32,193,057	3,907,527	1,144,455	2,763,072
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Title III		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	1,119,227	639,912	(479,315)
Interest earned on investments	-	-	-
Total revenues	1,119,227	639,912	(479,315)
EXPENDITURES			
Current:			
Instruction	283,684	98,743	184,941
Pupil services	301,946	190,431	111,515
Improvement of instructional services	471,515	315,201	156,314
Educational media services	-	-	-
General administration	28,165	19,674	8,491
School administration	-	-	-
Maintenance and operations	-	-	-
Student transportation	3,500	-	3,500
Central support services	-	-	-
Other support services	30,417	15,863	14,554
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	1,119,227	639,912	479,315
Excess (deficiency) of revenues over (under) expenditures	-	-	-
TRANSFERS IN	-	-	-
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES (DEFICIT), end of year	\$ -	\$ -	\$ -

Title IV			Title VI-B Preschool		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
104,200	68,313	(35,887)	681,319	234,065	(447,254)
-	-	-	-	-	-
104,200	68,313	- (35,887)	681,319	234,065	(447,254)
40,185	14,968	25,217	681,319	234,065	447,254
17,152	10,927	6,225	-	-	-
44,904	40,265	4,639	-	-	-
-	-	-	-	-	-
1,288	1,496	(208)	-	-	-
-	-	-	-	-	-
671	657	14	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
104,200	68,313	35,887	681,319	234,065	447,254
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Title VI-B		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	18,256,047	11,884,067	(6,371,980)
Interest earned on investments	-	-	-
Total revenues	18,256,047	11,884,067	(6,371,980)
EXPENDITURES			
Current:			
Instruction	12,993,211	10,104,664	2,888,547
Pupil services	3,361,959	1,526,395	1,835,564
Improvement of instructional services	1,900,877	253,008	1,647,869
Educational media services	-	-	-
General administration	-	-	-
School administration	-	-	-
Maintenance and operations	-	-	-
Student transportation	-	-	-
Central support services	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	18,256,047	11,884,067	6,371,980
Excess (deficiency) of revenues over (under) expenditures	-	-	-
TRANSFERS IN	-	-	-
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES (DEFICIT), end of year	\$ -	\$ -	\$ -

Vocational Programs			WorkTec		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 6,427,721	\$ 6,532,357	\$ 104,636
-	-	-	66,000	396,421	330,421
582,519	412,055	(170,464)	881,541	1,906,689	1,025,148
-	-	-	-	1,453	1,453
582,519	412,055	(170,464)	7,375,262	8,836,920	1,461,658
240,701	210,805	29,896	1,752,853	-	1,752,853
-	-	-	564,199	-	564,199
341,818	201,250	140,568	1,009,861	-	1,009,861
-	-	-	-	-	-
-	-	-	69,919	-	69,919
-	-	-	-	-	-
-	-	-	4,070,180	-	4,070,180
-	-	-	-	-	-
-	-	-	27,000	-	27,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	8,405,693	(8,405,693)
582,519	412,055	170,464	7,494,012	8,405,693	(911,681)
-	-	-	(118,750)	431,227	549,977
-	-	-	118,750	-	(118,750)
-	-	-	-	431,227	431,227
-	-	-	1,613,811	1,613,811	-
\$ -	\$ -	\$ -	\$ 1,613,811	\$ 2,045,038	\$ 431,227

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	All Other Special Revenue		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	\$ -	\$ 13,173	\$ 13,173
State sources	232,146	175,361	(56,785)
Federal sources	988,234	523,136	(465,098)
Interest earned on investments	-	-	-
Total revenues	1,220,380	711,670	(508,710)
EXPENDITURES			
Current:			
Instruction	146,400	73,488	72,912
Pupil services	871,485	462,977	408,508
Improvement of instructional services	225,197	70,101	155,096
Educational media services	15,300	14,897	403
General administration	33,353	21,474	11,879
School administration	-	-	-
Maintenance and operations	-	-	-
Student transportation	13,211	7,496	5,715
Central support services	-	-	-
Other support services	-	-	-
Other non-instructional services	67,611	69,249	(1,638)
Community service	-	-	-
Total expenditures	1,372,557	719,682	652,875
Excess (deficiency) of revenues over (under) expenditures	(152,177)	(8,012)	144,165
TRANSFERS IN	108,378	6,998	(101,380)
Net change in fund balances	(43,799)	(1,014)	42,785
FUND BALANCES, beginning of year	5,665	5,665	-
FUND BALANCES (DEFICIT), end of year	<u>\$ (38,134)</u>	<u>\$ 4,651</u>	<u>\$ 42,785</u>

CLAYTON COUNTY BOARD OF EDUCATION

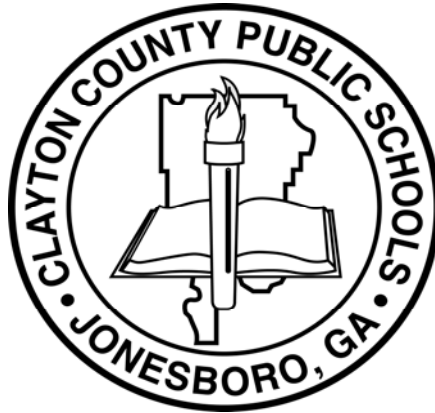
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
<u>STUDENT ACTIVITY FUND</u>				
ASSETS				
Cash and investments	\$ 361,390	\$ 1,766,373	\$ 1,741,070	\$ 386,693
LIABILITIES				
Due to student organizations				
Elementary Schools:				
Anderson	\$ 1,322	5,218	4,946	1,594
Arnold	229	1,921	1,447	703
Brown	707	7,099	6,353	1,453
Callaway	3,494	4,663	3,615	4,542
Church Street	421	14,064	13,259	1,226
East Clayton	1,537	6,156	6,661	1,032
Edmonds	918	2,618	1,284	2,252
Fountain	475	6,800	6,142	1,133
Harper	2,390	4,840	4,668	2,562
Hawthorne	1,080	6,417	5,044	2,453
Haynie	6,161	8,215	8,797	5,579
Hendrix Drive	889	60	491	458
Huie	3,842	4,840	5,676	3,006
Jackson	6,713	25,444	23,749	8,408
Kemp	240	4,267	4,404	103
Kemp Primary	5	2,911	2,913	3
Kilpatrick	2,105	3,077	3,735	1,447
King	2,550	18,615	19,264	1,901
Lake City	4,520	4,651	3,166	6,005
Lake Ridge	1,080	2,652	2,923	809
Lee Street	2,912	4,146	4,508	2,550
Marshall	2,053	3,993	5,018	1,028
McGarrah	8,124	8,182	5,518	10,788
Morrow	929	1,737	2,497	169
Mt. Zion	1,539	5,249	5,618	1,170
Mt. Zion Primary	477	2,348	2,265	560
Northcutt	2,136	8,364	8,911	1,589
Oliver	2,319	13,181	13,769	1,731
Pointe South	1,749	4,375	3,717	2,407
Riverdale	1,755	5,285	6,712	328
River's Edge	334	22,580	20,106	2,808
Smith	2,543	20,977	20,209	3,311
Suder	5,986	5,872	6,330	5,528
Swint	1,424	3,017	2,464	1,977
Tara	2,623	2,959	2,727	2,855
Unidos	1,167	741	1,146	762
West Clayton	209	1,304	1,192	321
White Academy	-	13,913	12,584	1,329
Total Elementary Schools	78,957	262,751	253,828	87,880

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
LIABILITIES (continued)				
Due to student organizations (continued)				
Middle Schools:				
Adamson	\$ 5,751	\$ 26,633	\$ 27,597	\$ 4,787
Babb	6,963	50,783	50,974	6,772
Elite Scholars	(27)	11,990	10,833	1,130
Forest Park	1,197	5,551	5,545	1,203
Jonesboro	7,547	18,752	19,737	6,562
Kendrick	12,348	46,782	50,243	8,887
Lovejoy	2,296	44,160	43,049	3,407
Morrow	4,524	21,570	20,428	5,666
Mundy's Mill	8,523	16,631	18,605	6,549
North Clayton	3,762	47,871	45,934	5,699
Pointe South	6,269	15,088	17,335	4,022
Rex Mill	20,904	98,010	90,904	28,010
Riverdale	3,013	13,855	13,845	3,023
Roberts	13,983	61,517	61,994	13,506
Sequoyah	5,580	11,618	13,680	3,518
Total Middle Schools	102,633	490,811	490,703	102,741
High Schools and Special Purpose Programs:				
Drew	\$ 6,894	\$ 34,874	\$ 26,638	\$ 15,130
Forest Park	19,718	51,557	53,515	17,760
Jonesboro	7,773	96,576	93,669	10,680
Lovejoy	28,718	177,640	156,454	49,904
Morrow	21,294	102,648	106,005	17,937
Mt. Zion	23,028	179,351	171,264	31,115
Mundy's Mill	24,722	171,381	179,291	16,812
North Clayton	8,275	85,395	84,206	9,464
Riverdale	36,895	109,803	123,264	23,434
Perry Center	1,020	3,220	1,035	3,205
Alternative	633	79	541	171
Flint River	51	-	33	18
South Metro	779	287	624	442
Total High Schools and Special Purpose Programs	179,800	1,012,811	996,539	196,072
Total due to student organizations	361,390	1,766,373	1,741,070	386,693
Total Liabilities	\$ 361,390	\$ 1,766,373	\$ 1,741,070	\$ 386,693



Statistical Section

**Clayton County
Public Schools**

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	65 - 72
<i>These schedules contain trend information to help the reader understand how the School System's financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	73 - 78
<i>These schedules contain information to help the reader assess the School System's most significant local revenue sources.</i>	
Debt Capacity.....	79 - 82
<i>These schedules present information to help the reader assess the affordability of the School System's current levels of outstanding debt and the School System's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	83 - 86
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School System's financial activities take place.</i>	
Operating Information.....	87 - 97
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the School System's financial report relates to the services the School System provides and the activities it performs.</i>	

CLAYTON COUNTY BOARD OF EDUCATION

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Financial Trends

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

NET ASSETS BY COMPONENT LAST EIGHT FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30,	Invested in capital assets net of related debt	Restricted	Unrestricted	Total Net Assets
<u>Governmental Activities</u>				
2004	\$ 211,503,325	\$ 46,810,178	\$ 57,589,341	\$ 315,902,844
2005	294,769,145	49,730,079	10,276,117	354,775,341
2006	312,268,008	80,930,059	20,233,916	413,431,983
2007	364,805,589	73,348,770	53,352,595	491,506,954
2008	406,113,481	90,559,654	56,830,763	553,503,898
2009	454,722,369	75,170,499	39,738,569	569,631,437
2010	509,655,295	76,436,913	19,633,982	605,726,190
2011	514,975,636	107,326,734	34,102,935	656,405,305
<u>Business type Activities</u>				
2004	\$ 7,926,248	\$ -	\$ 7,222,268	\$ 15,148,516
2005	7,616,988	-	9,056,760	16,673,748
2006	7,534,451	-	10,554,550	18,089,001
2007	7,448,608	-	10,680,978	18,129,586
2008	7,247,134	-	10,020,099	17,267,233
2009	6,745,609	-	5,260,291	12,005,900
2010	6,323,409	-	4,250,447	10,573,856
2011	5,847,343	-	3,670,506	9,517,849
<u>Total</u>				
2004	\$ 219,429,573	\$ 46,810,178	\$ 64,811,609	\$ 331,051,360
2005	302,386,133	49,730,079	19,332,877	371,449,089
2006	319,802,459	80,930,059	30,788,466	431,520,984
2007	372,254,197	73,348,770	64,033,573	509,636,540
2008	413,360,615	90,559,654	66,850,862	570,771,131
2009	461,467,978	75,170,499	44,998,860	581,637,337
2010	515,978,704	76,436,913	23,884,429	616,300,046
2011	520,822,979	107,326,734	37,773,441	665,923,154

Note: Information prior to FY2004 is available but not comparable.

CLAYTON COUNTY BOARD OF EDUCATION

CHANGES IN NET ASSETS LAST EIGHT FISCAL YEARS YEAR ENDED JUNE 30, 2011

	2004	2005	2006	2007	2008
Expenses:					
Governmental activities					
Instructional services	\$ 259,438,818	\$ 279,040,459	\$ 280,507,442	\$ 284,656,120	\$ 315,439,752
Pupil services	8,236,161	7,970,510	9,586,304	12,303,138	16,178,872
Improvement of instructional services	10,932,517	16,019,905	16,447,052	22,658,292	25,400,221
Educational media services	6,504,893	6,856,554	6,579,784	6,930,008	7,491,836
General administration	4,061,884	3,556,380	3,664,557	4,809,647	3,742,791
School administration	19,687,994	20,235,069	21,061,645	21,414,697	24,287,809
Business administration	1,300,253	1,465,535	2,016,911	2,722,265	2,890,990
Maintenance and operations	25,318,187	25,770,642	27,537,489	28,614,235	32,548,593
Pupil transportation	14,880,892	14,985,960	17,795,290	22,222,626	22,975,264
Support services - central	8,439,183	8,347,455	8,514,016	15,059,973	11,291,357
Other support services	1,119,304	1,211,974	2,508,914	2,730,189	4,013,534
Non-instructional services	1,169,936	1,451,483	1,295,127	1,158,476	988,288
Community services	9,114,684	9,744,508	10,554,673	10,279,962	10,535,333
Interest	159,034	110,996	62,593	15,605	2,030
Food Services	-	-	-	-	-
Total governmental activities expenses	370,363,740	396,767,430	408,131,797	435,575,233	477,786,670
Business-type activities					
School food service	20,263,101	21,231,337	23,772,468	25,031,796	27,611,912
Performing arts center	407,573	277,398	301,175	328,682	370,864
Total business-type activities expenses	20,670,674	21,508,735	24,073,643	25,360,478	27,982,776
Total primary government expenses	\$ 391,034,414	\$ 418,276,165	\$ 432,205,440	\$ 460,935,711	\$ 505,769,446
Program Revenues:					
Governmental activities					
Charges for services:					
Instructional services	\$ 13,226,303	\$ 11,551,965	\$ 10,366,020	\$ 189,571	\$ 9,333,417
Pupil services	158,853	-	116,125	78,415	-
Instructional staff	-	-	-	10,455	-
Support services	-	-	-	140	-
Other support services	498,875	598	37,633	566	1,614
Non-instructional services	484,437	438,088	423,368	13,396,684	309,240
Community services	6,563,909	7,279,101	8,166,405	5,388,630	8,529,620
Operating grants and contributions					
Instructional services	158,614,569	172,660,606	175,822,013	194,953,512	203,773,082
Pupil services	3,672,957	3,757,727	3,847,847	5,656,282	4,507,765
Improvement of instructional services	5,680,955	10,763,481	10,723,888	10,056,464	15,581,205
Educational media services	3,633,262	4,029,657	4,277,109	4,769,039	5,308,086
General administration	1,938,392	1,830,776	2,025,376	2,158,239	1,436,808
School administration	7,434,084	7,967,269	8,275,510	8,769,853	9,545,589
Business administration	336,467	363,600	613,185	684,838	694,299
Maintenance and operations	12,639,197	12,875,167	12,964,693	13,186,473	13,603,315
Pupil transportation	2,854,252	3,095,062	3,122,515	4,153,936	5,335,415
Support services-central	5,324,195	2,456,442	2,333,145	2,269,802	2,935,988
Other support services	590,162	641,769	826,234	-	553,095
Non-instructional services	21,085	456,145	139,523	425,063	-
Community services	-	2,303,024	2,073,423	2,518,975	2,787,765
Capital grants and contributions					
Instructional services	13,330,193	1,703,636	7,130,175	7,375,103	17,412,902
Total governmental activities revenue	237,002,147	244,174,113	253,284,187	276,042,040	301,649,205

	2009	2010	2011
\$	326,173,396	\$ 299,228,401	\$ 289,659,696
	16,664,267	16,355,400	13,464,906
	25,553,694	23,188,322	11,912,843
	7,789,435	7,839,592	5,277,130
	5,008,540	4,429,848	3,537,595
	24,529,652	23,897,928	22,068,201
	3,490,943	2,816,870	2,574,738
	35,601,121	32,152,942	29,342,130
	22,484,075	22,035,391	18,493,121
	11,774,644	9,325,934	9,666,757
	4,436,898	5,464,771	3,550,816
	1,293,256	1,398,357	858,066
	11,956,697	10,737,821	9,783,485
	2,995	-	-
	-	-	-
	496,759,613	458,871,577	420,189,484
	32,860,220	28,756,695	28,142,446
	426,702	352,312	271,104
	33,286,922	29,109,007	28,413,550
\$	530,046,535	\$ 487,980,584	\$ 448,603,034

\$	8,073,750	\$ 7,360,729	\$ 7,268,417
	-	-	-
	5,624	8,416	-
	-	-	-
	2,620	3,233	1,851
	272,591	300,636	4,574,055
	9,610,775	8,425,266	7,982,611
	185,098,116	179,348,500	191,262,473
	3,681,184	3,840,784	3,870,407
	15,719,475	14,652,112	8,241,160
	4,980,672	5,048,222	5,250,269
	1,906,241	2,245,639	1,736,626
	8,822,397	9,417,316	10,105,190
	726,203	770,916	807,810
	12,346,817	12,530,318	12,616,895
	4,020,197	3,106,713	3,195,117
	2,508,607	2,482,733	2,678,889
	7,487	1,294,178	1,209,526
	360,911	-	-
	2,447,997	2,494,785	2,303,110
	11,322,264	13,158,977	5,521,459
	271,913,928	266,489,473	268,625,865

CLAYTON COUNTY BOARD OF EDUCATION

CHANGES IN NET ASSETS LAST EIGHT FISCAL YEARS YEAR ENDED JUNE 30, 2011

	2004	2005	2006	2007	2008
Business-type activities					
Charges for services					
School food service	\$ 4,757,462	\$ 4,030,613	\$ 3,744,923	\$ 3,134,147	\$ 2,861,587
Performing Arts center	220,566	208,909	188,838	213,115	298,144
Operating grants and contributions					
School food service	16,699,129	18,628,126	20,975,820	21,527,062	23,411,943
Total business-type activities program revenues	21,677,157	22,867,648	24,909,581	24,874,324	26,571,674
Total primary government program revenues	258,679,304	267,041,761	278,193,768	300,916,364	328,220,879
Net (Expense) Revenue					
Governmental activities	(133,361,593)	(152,593,317)	(154,847,610)	(159,533,193)	(176,137,465)
Business-type activities	1,006,483	1,358,913	835,938	(486,154)	(1,411,102)
Total primary government net expense	\$ (132,355,110)	\$ (151,234,404)	\$ (154,011,672)	\$ (160,019,347)	\$ (177,548,567)
General revenues and other changes in net assets					
Property taxes	\$ 114,127,752	\$ 123,958,375	\$ 122,894,927	\$ 148,448,796	\$ 151,424,563
Sales taxes	46,165,205	50,642,568	54,411,505	53,538,851	54,423,793
Other taxes	6,909,348	6,903,391	6,973,978	7,109,991	8,917,565
Non-program specific state and federal aid	6,905,282	9,298,139	16,894,461	17,409,359	14,142,824
Local school activity	1,279,122	841,901	2,649,154	4,036,302	3,632,980
Interest and investment earnings	574,743	1,483,671	3,690,941	6,991,393	5,534,144
Gain on sale of assets	-	-	622	73,472	58,300
Transfers	-	-	-	-	-
Total government activities	175,961,452	193,128,045	207,515,588	237,608,164	238,134,169
Business-type activities:					
Interest and investment earnings	62,839	166,319	356,087	526,739	350,446
Transfers	-	-	-	-	-
Total business-type activities	62,839	166,319	356,087	526,739	350,446
Total primary government	\$ 176,024,291	\$ 193,294,364	\$ 207,871,675	\$ 238,134,903	\$ 238,484,615
Change in Net Assets					
Governmental activities	\$ 42,599,859	\$ 40,534,728	\$ 52,667,978	\$ 78,074,971	\$ 61,996,704
Business-type activities	1,069,322	1,525,232	1,186,025	40,585	(1,060,656)
Total primary government	\$ 43,669,181	\$ 42,059,960	\$ 53,854,003	\$ 78,115,556	\$ 60,936,048

Note: FY2003 Statement of Government Activities was restated in FY2004

Note: FY2005 Statement of Government Activities was restated in FY2006

Note: Information prior to FY2004 is available but not comparable.

* In fiscal year 2011, various revenues were reclassified from general revenues to program revenues - charges for services.

2009	2010	2011
\$ 2,684,373	\$ 2,321,346	\$ 2,050,732
249,268	236,175	187,542
25,159,432	25,084,941	25,085,843
28,093,073	27,642,462	27,324,117
300,007,001	294,131,935	295,949,982
(224,845,685)	(192,382,104)	(151,563,619)
(5,193,849)	(1,466,545)	(1,089,433)
\$ (230,039,534)	\$ (193,848,649)	\$ (152,653,052)
\$ 161,522,560	\$ 148,094,346	\$ 131,696,730
49,121,173	53,669,034	48,353,695
1,377,987	983,594	859,735
26,847,151	20,855,861	20,855,861
5,361,901	4,229,182 *	-
1,790,719	396,312	412,878
14,390	268,841	85,136
137,274	(20,313)	(21,301)
246,173,155	228,476,857	202,242,734
69,790	14,188	12,125
(137,274)	20,313	21,301
(67,484)	34,501	33,426
\$ 246,105,671	\$ 228,511,358	\$ 202,276,160
\$ 21,327,470	\$ 36,094,753	\$ 50,679,115
(5,261,333)	(1,432,044)	(1,056,007)
\$ 16,066,137	\$ 34,662,709	\$ 49,623,108

CLAYTON COUNTY BOARD OF EDUCATION

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CLAYTON COUNTY BOARD OF EDUCATION

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30,	General Fund			
	Reserved	Unreserved Designated	Unreserved Undesignated	Total
2002	\$ 190,233	\$ -	\$ 30,710,086	\$ 30,900,319
2003	492,414	-	16,301,637	16,794,051
2004	-	-	2,064,580	2,064,580
2005	-	-	9,690,850	9,690,850
2006	-	-	14,087,652	14,087,652
2007	2,376,397	-	44,782,464	47,158,861
2008	-	-	49,131,625	49,131,625
2009	-	-	37,015,898	37,015,898
2010	-	-	15,660,602	15,660,602

All Other Governmental Funds				
	Reserved	Unreserved Special Revenue	Capital Projects	Total
2002	\$ -	\$ 5,556,432	\$ 38,067,675	\$ 43,624,107
2003	-	5,968,798	46,042,756	52,011,554
2004	-	3,119,748	46,810,178	49,929,926
2005	-	3,340,797	49,730,079	53,070,876
2006	-	3,093,521	80,930,059	84,023,580
2007	-	3,595,866	73,348,770	76,944,636
2008	-	4,802,157	90,559,654	95,361,811
2009	-	4,944,145	75,170,499	80,114,644
2010	-	5,432,560	76,436,913	81,869,473

General Fund					
	Nonspendable	Restricted	Assigned	Unassigned	Total
2011	\$ 41,250	\$ -	\$ -	\$ 28,247,867	\$ 28,289,117

All Other Governmental Funds					
	Nonspendable	Restricted	Assigned	Unassigned	Total
2011	\$ -	\$ 107,326,734	\$ 6,521,236	\$ -	\$ 113,847,970

Note: In fiscal year 2011, the School System adopted GASB 54 which changed the classifications of fund balance.

CLAYTON COUNTY BOARD OF EDUCATION

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006
Revenues:					
Local sources	\$ 173,681,674	\$ 173,865,444	\$ 183,968,056	\$ 199,988,595	\$ 196,000,977
State sources	206,752,881	215,148,835	203,339,338	197,832,717	215,063,542
Federal sources	27,752,457	33,655,899	24,545,613	38,720,305	39,547,241
Interest earned on investments	-	-	574,743	1,483,671	3,690,941
On behalf payments	-	-	3,150,426	3,311,531	7,622,873
Other sources	-	-	75,179	-	-
Total revenues	408,187,012	422,670,178	415,653,355	441,336,819	520,312,087
Expenditures:					
Current:					
Instructional services	224,390,871	250,693,236	258,625,347	260,960,087	263,210,908
Pupil services	7,454,054	7,865,132	8,188,368	7,966,497	9,578,188
Improvement of instructional services	7,639,490	10,888,732	10,863,587	16,050,498	16,361,601
Educational media services	6,086,938	6,171,007	6,493,723	6,849,810	6,569,947
General administration	3,425,482	3,840,469	3,907,327	3,423,249	3,429,391
School administration	18,583,335	19,341,620	19,569,553	20,107,379	20,911,160
Business services	1,223,830	1,594,999	1,284,832	1,465,963	1,992,348
Maintenance and operations	22,962,626	24,847,734	25,376,816	25,747,334	27,285,453
Student transportation	11,016,544	13,391,076	16,183,916	13,239,495	14,997,106
Central support services	5,496,321	7,828,157	7,840,640	7,164,566	7,565,608
Other support services	1,187,042	737,588	1,117,683	1,210,801	2,500,260
On behalf payments	-	-	3,150,426	3,311,531	7,622,873
Other non-instructional services	-	17,530	1,167,078	1,451,522	1,296,284
Community service	6,407,398	6,719,596	9,099,984	9,733,870	10,549,645
Capital outlay	71,192,588	62,363,856	51,763,317	49,744,718	30,580,662
Food Services	18,572,856	20,000,688			
Debt service:					
Principal retirement	680,000	-	1,980,887	2,031,283	2,077,328
Interest and fiscal charges	18,591	-	159,034	110,996	62,593
Total expenditures	406,337,966	436,301,420	426,772,518	430,569,599	426,591,355
Excess (deficiency) of revenues over (under) expenditures	1,849,046	(13,631,242)	(11,119,163)	10,767,220	35,334,219
Other financing sources (uses):					
Proceeds from capital leases	-	7,900,000	-	-	-
Sale of capital assets	-	-	-	-	15,287
Transfer in	16,741,761	25,619,622	320,749	1,768,836	951,842
Transfers out	(16,719,894)	(25,607,203)	(320,749)	(1,768,836)	(951,842)
Total other financing sources (uses)	21,867	7,912,419	-	-	15,287
Net change in fund balances	1,870,913	(5,718,823)	(11,119,163)	10,767,220	35,349,506
Debt service as a percentage of noncapital expenditures	0.21%	0.00%	0.57%	0.56%	0.54%

Note: FY2003 Statement of Governmental Activities was restated in FY2004

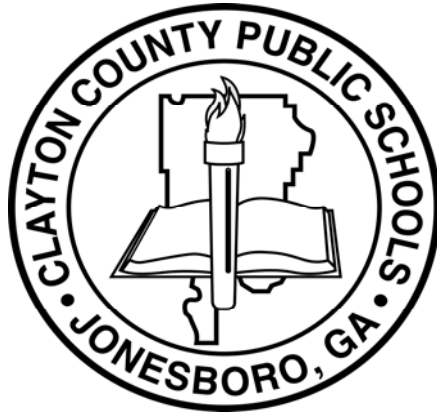
Note: FY2005 Statement of Governmental Activities was restated in FY2006

Note: In fiscal year 2008, the School System began reporting on behalf payments with state sources.

2007	2008	2009	2010	2011
\$ 227,174,904	\$ 236,387,341	\$ 236,158,812	# \$ 224,080,154	\$ 202,005,781
239,246,916	264,830,746	239,563,950	211,161,926	225,951,240
39,671,292	37,089,659	39,790,750	58,901,510	42,691,134
6,991,392	5,534,144	1,790,719	396,312	412,878
7,227,583	-	-	-	-
-	-	-	-	-
520,312,087	543,841,890	517,304,231	494,539,902	471,061,033
276,138,696	304,155,211	300,620,268	291,480,509	276,880,679
12,188,388	16,167,627	16,636,729	16,437,777	13,599,670
22,610,922	25,069,320	25,550,792	23,265,654	12,115,303
6,921,917	7,573,123	7,788,758	7,839,167	5,276,279
4,437,129	3,656,928	4,674,133	4,392,803	3,475,667
21,071,990	23,996,116	24,325,141	23,857,513	21,982,071
2,725,317	2,885,605	3,470,348	2,820,123	2,551,289
28,257,473	32,293,341	35,200,907	32,031,887	29,180,214
20,307,028	23,415,849	20,227,700	19,875,107	15,643,181
14,320,703	11,630,765	11,339,185	9,032,684	8,386,233
2,725,457	3,577,663	4,449,389	5,464,771	3,550,816
7,227,583	-	-	-	-
1,158,911	1,018,735	1,282,815	1,367,078	828,279
10,251,046	10,538,956	11,977,565	10,736,383	9,783,485
62,254,348	57,502,959	77,176,502	65,790,820	23,264,690
1,420,440	26,262	24,793	-	-
15,605	2,030	2,995	-	-
494,032,953	523,510,490	544,748,020	514,392,276	426,517,856
26,279,134	20,331,400	(27,443,789)	(19,852,374)	44,543,177
-	-	-	-	-
104,651	58,300	26,785	272,220	85,136
382,922	1,613,919	734,177	422,824	237,682
(774,442)	(1,613,679)	(680,067)	(443,137)	(258,983)
(286,869)	58,540	80,895	251,907	63,835
25,992,265	20,389,940	(27,362,894)	(19,600,467)	44,607,012
0.33%	0.01%	0.01%	0.00%	0.00%

CLAYTON COUNTY BOARD OF EDUCATION

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Revenue Capacity

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (UNAUDITED - IN THOUSANDS) MAINTENANCE AND OPERATIONS

Fiscal Year	Real & Personal Property		Privately Owned Public Utilities		Motor Vehicles and Mobile Homes		Total School Board		Tax payer Exemptions	Net Assessed Value	Millage Rate	Total Tax Levy	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value					
2002	\$ 5,238,649	\$ 13,096,623	\$ 702,964	\$ 1,757,410	\$ 696,730	\$ 1,741,825	\$ 6,638,343	\$ 16,595,858	\$ 888,093	\$ 5,750,250	0.0179	103,021	40.00%
2003	6,018,206	15,045,515	759,616	1,899,040	699,494	1,748,735	7,477,316	18,693,290	912,706	6,564,610	0.0189	124,176	40.00%
2004	6,207,454	15,518,635	788,279	1,970,698	628,532	1,571,330	7,624,265	19,060,663	944,993	6,679,272	0.0189	126,345	40.00%
2005	6,604,086	16,510,215	809,799	2,024,498	656,209	1,640,523	8,070,094	20,175,235	1,000,661	7,069,433	0.0189	133,725	40.00%
2006	7,103,414	17,758,535	903,746	2,259,365	646,348	1,615,870	8,653,508	21,633,770	979,974	7,673,534	0.0200	153,471	40.00%
2007	7,486,980	18,717,450	958,005	2,395,013	725,291	1,813,228	9,170,276	22,925,690	1,024,163	8,146,113	0.0198	161,586	40.00%
2008	7,883,623	19,709,058	918,347	2,295,868	731,920	1,829,800	9,533,890	23,834,725	1,264,115	8,269,775	0.0198	164,039	40.00%
2009	7,788,733	19,471,832	1,004,944	2,512,359	740,214	1,850,534	9,533,891	23,834,725	1,264,115	8,269,776	0.0198	164,039	40.00%
2010	7,549,508	18,873,770	1,007,183	2,517,958	621,749	1,554,373	9,178,440	22,946,101	1,145,096	8,033,344	0.0200	160,667	40.00%
2011	6,533,685	16,334,212	907,396	2,268,490	621,749	1,554,374	8,062,830	20,157,076	1,022,513	7,040,317	0.0200	140,806	40.00%

Source: Property Tax Division, Clayton County Tax Commission

Note: Tax rates are per \$1,000 of assessed value.

Note: Property in Clayton County is reassessed once every three years. The County assesses property at 40% of actual value for all types of property. Estimated Actual Taxable Value is calculated by dividing Total Taxable Assessed Value by this percentage.

CLAYTON COUNTY BOARD OF EDUCATION

DIRECT AND OVERLAPPING PROPERTY TAX RATES, LAST TEN FISCAL YEARS (RATE PER \$1,000 OF ASSESSED VALUE)

Fiscal Year	District Direct Rates			Overlapping Rates				
	School	Debt	Total	State	City of	City of	City	City
	M & O	Service		of Georgia	College Park	Forest Park	of Morrow	of Riverdale
2002	19.916	-	19.916	0.250	9.560	5.043	-	6.500
2003	18.916	-	18.916	0.250	9.560	5.043	-	6.500
2004	18.916	-	18.916	0.250	9.560	4.793	4.000	7.500
2005	18.916	-	18.916	0.250	9.560	4.793	4.000	7.500
2006	18.916	-	18.916	0.250	9.560	6.593	4.000	7.500
2007	20.000	-	20.000	0.250	9.560	6.593	5.000	7.500
2008	19.836	-	19.836	0.250	9.560	10.343	5.000	7.500
2009	19.836	-	19.836	0.250	9.560	10.343	5.000	7.500
2010	20.000	-	20.000	0.250	9.560	12.343	6.000	7.500
2011	20.000	-	20.000	0.250	11.560	13.343	6.000	7.500

Overlapping Rates (continued):

Fiscal Year	City of Jonesboro		City of Lake City	City of LoveJoy Fire District	Clayton County Board of Commissioners		
	M & O	Fire			M & O	Fire	Total
		District				District	
2002	-	-	-	4.207	4.047	-	4.047
2003	-	-	-	3.900	5.882	-	5.882
2004	-	3.900	5.886	3.900	6.882	-	6.882
2005	3.000	3.900	5.886	3.900	7.781	-	7.781
2006	3.000	3.900	5.768	3.900	7.781	-	7.781
2007	1.000	3.900	5.768	3.900	8.764	-	8.764
2008	-	3.900	5.740	3.900	8.535	-	8.535
2009	-	3.900	5.737	3.900	8.962	-	8.962
2010	-	-	5.737	-	11.436	3.900	15.336
2011	-	-	5.737	-	11.327	3.900	15.227

Source: Clayton County Tax Commissioner's Office

CLAYTON COUNTY BOARD OF EDUCATION

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value(1)	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value (1)
Delta Airlines	\$ 708,708,998	1	10.07%	\$ 1,925,166,203	1	33.48%
Atlantic Southeast	107,280,753	2	1.52%	92,932,894	2	1.62%
Air Tran Airways	104,447,459	3	1.48%	-	-	0.00%
Georgia Power Company	101,786,025	4	1.45%	80,760,955	4	1.40%
AMB Partners	95,882,959	5	1.36%	-	-	0.00%
City of Atlanta	51,432,576	6	0.73%	84,974,808	3	1.48%
Clorox Company	35,988,013	7	0.51%	-	-	0.00%
Atlanta Gas Light	33,564,647	8	0.48%	-	-	0.00%
BellSouth	29,352,522	9	0.42%	42,835,530	8	0.74%
Highwoods Realty	29,202,781	10	0.41%	-	-	0.00%
Northwest Airlines	-	11	0.00%	48,967,398	5	0.85%
Hertz	-	12	0.00%	46,466,335	6	0.81%
J.C. Penney	-	13	0.00%	45,586,647	7	0.79%
Avis	-	14	0.00%	28,327,352	9	0.49%
National Car Rental	-	15	0.00%	26,025,082	10	0.45%
	<u>\$ 1,297,646,733</u>		<u>15.69%</u>	<u>\$ 2,422,043,204</u>		<u>42.12%</u>

Source: Clayton County Tax Commissioner's Office

(1) District's total taxable value for 2011 \$ 7,040,317,000

(2) District's total taxable value for 2002 \$ 5,750,250,000

CLAYTON COUNTY BOARD OF EDUCATION

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CLAYTON COUNTY BOARD OF EDUCATION

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN TAX YEARS

Tax Year	Taxes Levied For The Tax 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
2001	\$	103,021,471	N/A	N/A	N/A	\$ 103,021,471	100.00%
2002		112,319,107	103,992,925	92.59%	8,316,890	112,309,815	99.99%
2003		124,176,153	114,042,199	91.84%	10,130,402	124,172,601	100.00%
2004		133,573,932	119,369,020	89.37%	14,200,143	133,569,163	100.00%
2005		153,470,689	135,543,274	88.32%	1,808,644	137,351,918	89.50%
2006		161,586,307	143,875,651	89.04%	17,585,073	161,460,724	99.92%
2007		164,039,251	147,237,288	89.76%	3,491,519	150,728,807	91.89%
2008		161,250,713	156,339,150	96.95%	4,543,574	160,882,724	99.77%
2009		142,878,841	137,950,010	96.55%	4,907,948	142,857,958	99.99%
2010		124,420,945	117,648,366	94.56%	-	117,648,366	94.56%

N/A Information not available

Source: Clayton County Tax Commissioner's Office

Note: This schedule recognizes collections on a calendar year (tax year) basis, whereas property tax collections reported in the basic financial statements are on a fiscal year basis.

CLAYTON COUNTY BOARD OF EDUCATION

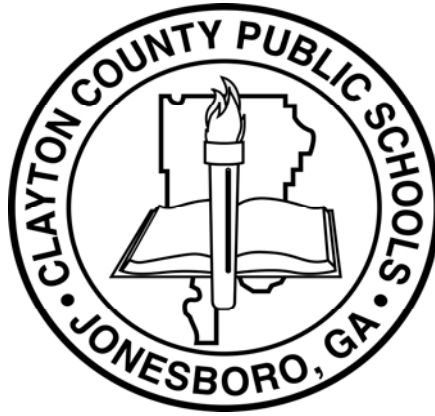
SCHEDULE OF REVENUES BY SOURCE GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006
Revenues:					
Local sources	\$ 173,681,674	\$ 173,865,444	\$ 183,968,056	\$ 199,988,595	\$ 196,000,977
State sources	206,752,881	215,148,835	203,339,338	197,832,717	215,063,542
Federal sources	27,752,457	33,655,899	24,545,613	38,720,305	39,547,241
Interest earned on investments	-	-	574,743	1,483,671	3,690,941
On behalf payments	-	-	3,150,426	3,311,531	7,622,873
Other sources	-	-	75,179	-	-
Total revenues	<u>\$ 408,187,012</u>	<u>\$ 422,670,178</u>	<u>\$ 415,653,355</u>	<u>\$ 441,336,819</u>	<u>\$ 461,925,574</u>

2007	2008	2009	2010	2011
\$ 227,174,904	\$ 236,387,341	\$ 236,387,341	\$ 224,080,154	\$ 202,005,781
239,246,916	264,830,746	264,830,746	211,161,926	225,951,240
39,671,292	37,089,659	37,089,659	58,901,510	42,691,134
6,991,392	5,534,144	5,534,144	396,312	412,878
7,227,583	-	-	-	-
-	-	-	-	-
<u>\$ 520,312,087</u>	<u>\$ 543,841,890</u>	<u>\$ 543,841,890</u>	<u>\$ 494,539,902</u>	<u>\$ 471,061,033</u>

CLAYTON COUNTY BOARD OF EDUCATION

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Debt Capacity

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Capital Lease</u>	<u>General Obligation Bonds</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income*</u>	<u>Per Capita*</u>
2002	\$ 165,487	-	\$ 165,487	0.00%	1
2003	7,560,993	-	7,560,993	0.15%	29
2004	5,580,106	-	5,580,106	0.11%	21
2005	3,548,823	-	3,548,823	0.07%	13
2006	1,471,495	-	1,471,495	0.03%	5
2007	51,055	-	51,055	0.00%	-
2008	24,793	-	24,793	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-

Notes:

*See Schedule of Demographic and Economic Statistics

**The School System had no outstanding General Obligation Bonded Debt after 2001

CLAYTON COUNTY BOARD OF EDUCATION

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CLAYTON COUNTY BOARD OF EDUCATION

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2011

	Estimated Outstanding Debt	Percentage Applicable to Clayton County Board of Education	Amount Applicable to Clayton County Board of Education
Direct Debt			
Clayton County Board of Education	\$ -	-	\$ -
Overlapping Debt			
Clayton County	35,066,615	100%	35,066,615
Landfill Authority	<u>12,245,000</u>	100%	<u>12,245,000</u>
Total Direct and Overlapping Debt	<u>\$ 47,311,615</u>		<u>\$ 47,311,615</u>

Source: Clayton County Board of Education and Clayton County Board of Commissioners

CLAYTON COUNTY BOARD OF EDUCATION

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	\$ 590,613,280	\$ 644,653,196	\$ 676,984,575	\$ 690,157,367	\$ 730,100,335	\$ 793,727,347
Total net debt applicable to limit	<u>27,945,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 618,558,280</u>	<u>\$ 644,653,196</u>	<u>\$ 676,984,575</u>	<u>\$ 690,157,367</u>	<u>\$ 730,100,335</u>	<u>\$ 793,727,347</u>
Total net debt applicable to the limit as a percentage of debt limit	4.73%	0.00%	0.00%	0.00%	0.00%	0.00%

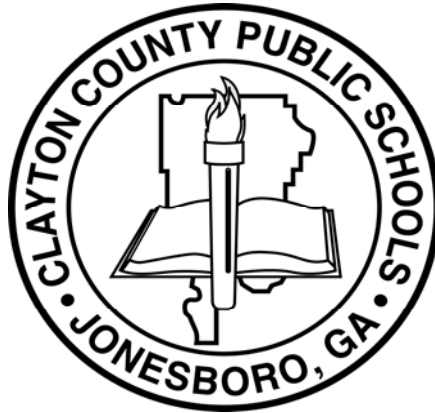
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 843,099,880	\$ 953,389,012	\$ 917,844,000	\$ 806,283,000
-	-	-	-
<u>\$ 843,099,880</u>	<u>\$ 953,389,012</u>	<u>\$ 917,844,000</u>	<u>\$ 806,283,000</u>
0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value*	\$ 8,062,830,000
Debt Limit (10% of assessed value)**	806,283,000
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 806,283,000</u>

CLAYTON COUNTY BOARD OF EDUCATION

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Demographic & Economic Information

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Population	Personal Income* (in thousands)	Per Capita Personal Income	County Unemployment Rate**
2002	253,480	\$ 4,942,960	\$ 19,500	6.6%
2003	259,740	5,127,060	19,739	6.8%
2004	262,930	5,283,080	20,093	4.6%
2005	266,290	5,437,080	20,418	5.9%
2006	272,600	5,460,710	20,032	5.1%
2007	274,220	6,635,480	24,198	4.7%
2008	273,690	5,979,930	21,849	7.9%
2009	275,580	5,960,557	21,629	12.5%
2010	277,463	6,140,280	22,130	12.3%
2011	279,580	6,274,560	22,443	13.0%

* Woods & Poole Economics Data Pamphlet 2010

** Georgia Department of Labor/Clayton County Chamber of Commerce

CLAYTON COUNTY BOARD OF EDUCATION

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2010</u>			<u>2005</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>
Clayton County School System	6,820	1	4.84%	7,010	2	4.80%
Delta Airlines, Inc./Tech Ops	6,200	2	4.40%	23,500	1	16.09%
Clayton County Board of Commissioners	2,484	3	1.76%	1,901	5	1.30%
Southern Regional Medical Center	1,731	4	1.23%	2,250	4	1.54%
Clayton State University	1,500	5	1.06%	950	6	0.65%
Fresh Express, Inc.	1,100	6	0.78%	450	8	0.31%
Wal-Mart, Inc.	800	7	0.57%	650	7	0.44%
Gate Gourmet, Inc.	760	8	0.54%	-	-	0.00%
FedEx Ground	750	9	0.53%	-	-	0.00%
Southern Company	543	10	0.39%	-	-	0.00%
Fort Gillum (U.S. Army)	-	-	0.00%	4,200	3	2.87%
ToTo, USA, Inc.	-	-	0.00%	450	9	0.31%
Hartsfield Jackson International Airport	-	-	0.00%	400	10	0.27%
Totals	<u>22,688</u>		<u>16.09%</u>	<u>41,761</u>		<u>28.59%</u>

Source: Clayton County Chamber of Commerce

Note: Information prior to 2005 is not available. Information for 2011 not yet available

Note: Total employment in Clayton County for 2010 was 141,000 and in 2005 was 146,090.

CLAYTON COUNTY BOARD OF EDUCATION

STUDENT ETHNICITY STATISTICS LAST TEN FISCAL YEARS

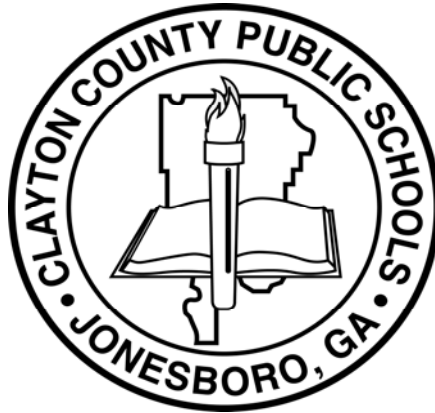
Sex	Race	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Female	American Indian/Alaskan Native	23	23	23	23	22	20	18	18	56	47
	Asian, Pacific Islander	1,050	1,048	1,077	1,067	1,056	1,061	1,030	1,030	1,153	1,159
	Black, not of Hispanic origin	15,980	16,994	17,757	18,269	18,921	18,643	17,408	17,387	17,454	17,667
	Hispanic	1,662	1,958	2,286	2,619	2,962	3,181	3,576	3,582	4,116	4,399
	Multi-racial	737	777	778	841	897	964	904	904	741	744
	White, not of Hispanic origin	4,082	3,371	2,790	2,215	1,790	1,355	1,042	1,043	932	844
	Sub Total	<u>23,534</u>	<u>24,171</u>	<u>24,711</u>	<u>25,034</u>	<u>25,648</u>	<u>25,224</u>	<u>23,978</u>	<u>23,964</u>	<u>24,452</u>	<u>24,860</u>
Male	American Indian/Alaskan Native	23	20	21	16	23	20	30	30	55	56
	Asian, Pacific Islander	1,173	1,176	1,160	1,153	1,155	1,157	1,148	1,147	1,213	1,228
	Black, not of Hispanic origin	16,448	17,511	18,185	18,795	19,605	19,385	18,488	18,514	18,411	18,708
	Hispanic	1,785	2,132	2,534	2,966	3,264	3,367	3,720	3,736	4,256	4,545
	Multi-racial	791	852	861	897	937	930	939	938	767	702
	White, not of Hispanic origin	4,478	3,732	3,083	2,544	2,025	1,514	1,176	1,179	1,050	919
	Sub Total	<u>24,698</u>	<u>25,423</u>	<u>25,844</u>	<u>26,371</u>	<u>27,009</u>	<u>26,373</u>	<u>25,501</u>	<u>25,544</u>	<u>25,752</u>	<u>26,158</u>
System Total		<u>48,232</u>	<u>49,594</u>	<u>50,555</u>	<u>51,405</u>	<u>52,657</u>	<u>51,597</u>	<u>49,479</u>	<u>49,508</u>	<u>50,204</u>	<u>51,018</u>

Source: Georgia Department of Education Website

CLAYTON COUNTY BOARD OF EDUCATION

STUDENT ENROLLMENT STATISTICS LAST TEN YEARS

<u>Year Ended June 30,</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Attendance Percentage</u>	<u>Official State October 1 Enrollment Count</u>
2002	47,716	44,805	93.90%	48,232
2003	48,238	45,344	94.00%	49,594
2004	48,583	45,717	94.10%	50,555
2005	50,914	48,012	94.30%	51,405
2006	51,905	48,947	94.30%	52,657
2007	52,261	50,013	95.70%	51,597
2008	51,955	48,740	93.81%	49,479
2009	48,945	46,478	94.96%	49,508
2010	49,474	47,111	95.22%	50,204
2011	49,474	47,917	96.85%	50,366



Operating Information

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

TEACHERS' BASE SALARIES LAST TEN FISCAL YEARS

FISCAL YEAR	MINIMUM SALARY	MEDIAN SALARY	MAXIMUM SALARY	PERCENT CHANGE
2002	\$32,238	\$49,796	\$67,353	4.21%
2003	\$33,159	\$51,300	\$69,441	3.10%
2004	\$34,059	\$52,200	\$70,341	1.30%
2005	\$34,449	\$53,435	\$72,422	2.96%
2006	\$35,241	\$54,999	\$74,756	3.22%
2007	\$38,859	\$58,130	\$77,400	3.54%
2008	\$39,809	\$59,635	\$79,461	2.66%
2009	\$40,624	\$61,527	\$82,430	3.74%
2010	\$40,624	\$61,452	\$82,280	-0.18%
2011	\$39,555	\$59,908	\$80,261	-2.45%

CLAYTON COUNTY BOARD OF EDUCATION

HISTORY OF HIGH SCHOOL GRADUATES LAST TEN SCHOOL YEARS

School Year	Drew High	Forest Park High	Jonesboro High	Lovejoy High	Morrow High	Mount Zion High	Mundy's Mill High	North Clayton High	Riverdale High	Alternative Programs	Total
2002	-	241	282	456	315	301	-	207	262	2	2,066
2003	-	239	323	485	362	273	-	240	285	2	2,209
2004	-	208	346	475	334	286	4	257	318	5	2,233
2005	-	219	279	321	331	299	319	249	265	5	2,287
2006	-	224	316	350	360	285	406	246	345	1	2,533
2007	-	232	293	374	330	297	374	254	303	8	2,465
2008	-	236	272	360	366	249	387	236	302	105	2,513
2009	-	230	271	361	316	238	355	215	294	234	2,514
2010	-	218	214	297	284	240	305	225	293	279	2,355
2011	34	264	229	365	332	352	375	216	309	34	2,476

CLAYTON COUNTY BOARD OF EDUCATION

RATIO OF PUPILS TO PROFESSIONAL PERSONNEL LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Classroom (1) Teachers</u>	<u>Support (2) Personnel</u>	<u>Administrators (3)</u>	<u>Total Personnel</u>	<u>Average Daily Enrollment</u>	<u>Ratio of Pupils to Classroom Teachers</u>
2002	2,829	3,420	197	6,446	44,805	15.8
2003	3,065	3,525	212	6,802	45,344	14.8
2004	3,333	3,727	219	7,279	45,717	13.7
2005	3,451	3,722	201	7,374	48,012	13.9
2006	3,535	3,791	227	7,553	48,947	13.8
2007	3,535	3,826	263	7,624	50,013	14.1
2008	3,748	3,934	291	7,973	48,740	13.0
2009	3,819	3,482	215	7,516	46,478	12.2
2010	3,576	3,159	219	6,954	49,475	13.8
2011	3,412	2,917	209	6,538	47,917	14.0

Notes:

1. Classroom Teachers- All Teachers, certified and non-certified.
2. Support Personnel- Includes Media Specialist, Counselors, Clerical, Paraprofessionals, Custodians, Maintenance, Transportation, Nutritional Services and other Support Personnel.
3. Administrators- Includes the Superintendent, Asst. Superintendents, Principals, Asst. Principals, Directors, Coordinators and Instructional Supervisors.

CLAYTON COUNTY BOARD OF EDUCATION

COST PER PUPIL ENROLLED LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Expenditures</u>	<u>Average Daily Enrollment</u>	<u>Cost Per Pupil Enrolled</u>	<u>Percentage of Change</u>
2002	\$ 315,971,689	44,805	\$ 7,052	N/A
2003	353,924,007	45,344	7,805	10.68%
2004	370,363,740	45,717	8,101	3.79%
2005	396,767,430	48,012	8,264	2.01%
2006	408,131,797	48,947	8,338	0.90%
2007	435,575,233	50,013	8,709	4.45%
2008	477,786,670	48,740	9,803	12.56%
2009	496,759,613	46,478	10,688	9.03%
2010	458,871,577	47,111	9,740	-8.87%
2011	420,189,484	47,917	8,769	-9.97%

CLAYTON COUNTY BOARD OF EDUCATION

NUTRITION SERVICES - FACTS AND FIGURES LAST TEN FISCAL YEARS

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of schools participating in:											
	Lunch - regular schedule	50	52	54	57	58	59	59	60	61	61
	Lunch - year round										
	Breakfast program	50	52	54	57	58	59	59	60	61	61
Student lunches served:											
	Free	3,353,373	3,548,170	3,988,217	4,361,509	4,964,652	5,094,162	5,019,989	5,163,769	5,523,779	5,742,787
	Reduced	953,130	1,075,147	1,041,779	1,022,892	873,018	864,873	899,588	793,806	683,265	501,529
	Fully paid	2,164,857	2,138,718	1,951,825	1,762,341	1,598,251	1,431,720	1,356,064	1,198,349	1,007,164	910,669
	Total	<u>6,471,360</u>	<u>6,762,035</u>	<u>6,981,821</u>	<u>7,146,742</u>	<u>7,435,921</u>	<u>7,390,755</u>	<u>7,275,641</u>	<u>7,155,924</u>	<u>7,214,208</u>	<u>7,154,985</u>
Adult lunches served		265,811	277,827	288,583	251,685	236,721	359,700	337,678	337,667	300,910	248,644
Student breakfasts served:											
	Free	1,398,556	1,464,613	1,681,764	1,901,633	2,182,362	2,325,198	2,403,475	2,611,826	2,766,691	2,855,986
	Reduced	243,955	281,371	277,304	292,261	269,025	272,792	308,777	299,277	271,852	213,274
	Fully paid	289,618	300,474	297,873	290,479	301,172	293,284	333,376	322,811	285,175	263,094
	Total	<u>1,932,129</u>	<u>2,046,458</u>	<u>2,256,941</u>	<u>2,484,373</u>	<u>2,752,559</u>	<u>2,891,274</u>	<u>3,045,628</u>	<u>3,233,914</u>	<u>3,323,718</u>	<u>3,332,354</u>
Number of serving days:											
	Regular schedule	180	180	179	196	197	195	180	185	179	175
	Year-round schedule					-	-	-	-	-	-
	Weighted average	180.00	180.00	179.00	196.00	197.30	194.70	180.00	185.00	179.00	175.00
Average daily participation:											
	Student lunch	35,952	37,567	39,005	36,463	37,688	37,960	40,420	38,681	40,303	41,703
	Adult lunch	1,477	1,543	1,612	1,284	1,200	1,847	1,876	1,825	1,681	778
	Student breakfast	10,734	11,369	12,609	12,675	13,951	14,850	16,920	17,481	18,568	19,649
October 1 pupil count (Kindergarten not included)		48,232	49,594	50,555	51,405	52,657	49,479	48,814	45,399	45,579	50,366
Percentage of students daily eating school lunch		74.54%	75.75%	77.15%	70.93%	71.57%	76.72%	82.80%	85.20%	88.42%	82.80%
October 1 count of benefits											
	Students on free lunch	18,957	20,040	22,869	24,623	27,803	28,538	32,535	32,807	37,773	38,395
	Student on reduced lunch	5,488	6,273	6,029	5,939	5,038	5,092	6,393	5,459	3,746	3,896
Percentage of students on:											
	Free lunch	39.30%	40.41%	45.24%	47.90%	52.80%	57.68%	66.65%	72.26%	82.87%	76.23%
	Reduced lunch	11.38%	12.65%	11.93%	11.55%	9.57%	10.29%	13.10%	12.02%	8.22%	7.74%
	Total	<u>50.68%</u>	<u>53.06%</u>	<u>57.16%</u>	<u>59.45%</u>	<u>62.37%</u>	<u>67.97%</u>	<u>79.75%</u>	<u>84.29%</u>	<u>91.09%</u>	<u>83.97%</u>

CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
School										
Elementary										
Anderson (1971)										
Square feet	54,221	54,221	54,221	54,221	54,221	54,221	54,221	54,221	54,221	54,221
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	509	455	449	450	507	519	484	482	497	490
Arnold (1963)										
Square feet	57,177	57,177	57,177	57,177	57,177	57,177	57,177	57,177	57,177	57,177
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	467	478	508	506	510	520	467	469	477	481
Brown (1975)										
Square feet	81,615	81,615	81,615	81,615	81,615	81,615	81,615	81,615	81,615	81,615
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	953	1,014	1,030	843	815	796	743	745	789	790
Callaway (2002)										
Square feet	91,014	91,014	91,014	91,014	91,014	105,494	105,494	105,494	105,494	105,494
Capacity	725	725	725	725	725	900	900	900	900	900
Enrollment	777	872	892	866	896	921	821	844	855	816
Church St (1966)										
Square feet	78,651	78,651	78,651	78,651	78,651	78,651	78,651	78,651	78,651	78,651
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	1,001	1,018	906	896	929	949	813	868	832	817
East Clayton (1958)										
Square feet	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	862	915	967	570	601	649	592	615	632	608
Edmonds (1957)										
Square feet	57,307	57,307	57,307	57,307	57,307	57,307	57,307	57,307	57,307	57,307
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	478	476	468	446	418	470	515	560	587	547
Fountain (1952)										
Square feet	68,965	68,965	68,965	68,965	68,965	68,965	68,965	68,965	68,965	68,965
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	915	980	584	569	537	499	496	549	626	553
Harper (2002)										
Square feet	91,014	91,014	91,014	91,014	91,014	91,014	91,014	91,014	91,014	105,994
Capacity	725	725	725	725	725	725	725	725	725	900
Enrollment	784	784	800	811	831	817	748	728	812	810

Note: "X" represents the year the building did not exist.

CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Hawthorne (1998)										
Square feet	89,226	89,226	89,226	89,226	89,226	102,500	102,500	102,500	102,500	102,500
Capacity	738	738	738	738	738	900	900	900	900	900
Enrollment	880	942	914	886	949	868	913	943	964	950
Haynie (1969)										
Square feet	72,107	72,107	72,107	72,107	72,107	72,107	72,107	72,107	72,107	72,107
Capacity	738	738	738	738	738	738	738	738	738	738
Enrollment	1,007	738	776	764	780	801	745	712	663	681
Hendrix (1955)										
Square feet	54,748	54,748	54,748	54,748	54,748	54,748	54,748	54,748	54,748	54,748
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	411	419	354	338	338	254	124	119	27	27
Huie (1966)										
Square feet	71,569	71,569	71,569	71,569	71,569	71,569	71,569	71,569	71,569	71,569
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	709	696	708	666	611	633	597	655	658	614
Jackson (2003)										
Square feet	x	90,229	90,229	90,229	90,229	90,229	90,229	90,229	90,229	90,229
Capacity	-	-	725	725	725	725	725	900	900	900
Enrollment	-	-	822	885	956	947	734	736	882	837
Kemp (1981)										
Square feet	71,882	71,882	71,882	71,882	71,882	71,882	71,882	71,882	71,882	71,882
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	990	1,067	1,160	733	754	742	706	718	699	689
Kemp Primary (2004)										
Square feet	x	x	90,229	90,229	90,229	90,229	90,229	90,229	90,229	90,229
Capacity	-	-	663	663	663	663	663	663	663	650
Enrollment	-	-		688	720	741	605	718	693	624
Kilpatrick (1973)										
Square feet	67,727	67,727	75,379	75,379	75,379	75,379	75,379	75,379	75,379	75,379
Capacity	575	575	650	650	650	650	650	650	650	650
Enrollment	805	808	715	672	672	618	550	562	611	606
King (2003)										
Square feet	x	92,044	92,044	92,044	92,044	92,044	92,044	92,044	92,044	92,044
Capacity		700	700	700	700	700	700	700	700	700
Enrollment	-	-	910	972	1,048	993	870	906	957	935
Lake City (1957)										
Square feet	51,245	51,245	51,245	51,245	51,245	51,245	51,245	51,245	51,245	51,245
Capacity	463	463	463	463	463	463	463	463	463	463
Enrollment	574	492	540	479	456	490	501	510	535	516
Lake Ridge (1994)										
Square feet	85,000	85,000	85,000	85,000	85,000	94,662	94,662	94,662	94,662	94,662
Capacity	650	650	650	650	650	788	788	650	788	788
Enrollment	673	754	780	839	841	866	729	750	730	694

Note: "X" represents the year the building did not exist.

CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Lee St (1960)										
Square feet	54,220	54,220	54,220	54,220	54,220	54,220	54,220	54,220	54,220	54,220
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	724	707	495	515	580	622	541	596	562	509
Marshall (2004)										
Square feet	x	x	89,854	89,854	89,854	89,854	89,854	89,854	89,854	89,854
Capacity	-	-	725	725	725	725	725	725	725	725
Enrollment	-	-	-	852	950	901	852	826	828	818
McGarrah (1967)										
Square feet	73,782	73,782	73,782	73,782	73,782	73,782	73,782	73,782	73,782	73,782
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	946	914	925	708	684	705	608	621	641	631
Morrow (1952)										
Square feet	54,382	54,382	54,382	54,382	54,382	54,382	54,382	54,382	54,382	54,382
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	603	586	611	546	523	509	481	515	505	467
Mt Zion (1976)										
Square feet	85,815	85,815	85,815	450	85,815	85,815	85,815	85,815	85,815	85,815
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	1,004	1,108	961	905	975	927	558	550	575	589
Mt Zion Primary (2008)										
Square feet	x	x	x	x	x	x	93,275	93,275	93,275	93,275
Capacity	-	-	-	-	-	-	750	750	750	750
Enrollment	-	-	-	-	-	-	540	548	660	629
Northcutt (1970)										
Square feet	78,013	78,013	78,013	78,013	78,013	78,013	78,013	78,013	78,013	78,013
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	815	772	732	610	615	568	628	658	699	686
Oliver (1976)										
Square feet	67,194	67,194	67,194	67,194	67,194	67,194	67,194	67,194	67,194	67,194
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	993	1,075	816	832	842	884	784	739	664	672
Pointe South (1981)										
Square feet	57,441	57,441	57,441	57,441	57,441	57,441	57,441	57,441	57,441	57,441
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	795	761	807	827	736	775	643	697	674	662
River's Edge (1994)										
Square feet	85,000	85,000	85,000	85,000	85,000	100,300	100,300	100,300	100,300	100,300
Capacity	650	650	650	650	650	863	863	863	863	863
Enrollment	776	823	825	807	978	1,153	1,102	1,142	604	573
Riverdale (1954)										
Square feet	65,084	65,084	65,084	65,084	65,084	65,084	65,084	65,084	65,084	65,084
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	715	677	637	667	708	660	608	606	669	643
Smith (2000)										
Square feet	95,132	95,132	95,132	95,132	95,132	95,132	95,132	109,612	109,612	109,612
Capacity	725	725	725	725	725	725	725	900	900	900
Enrollment	985	1,043	917	954	922	937	938	938	871	851
Suder (1966)										
Square feet	72,115	79,783	79,783	79,783	79,783	79,783	79,783	79,783	79,783	79,783
Capacity	675	775	775	775	775	775	775	775	765	765
Enrollment	736	693	713	739	781	804	662	683	665	640

Note: "X" represents the year the building did not exist.

CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
School										
Elementary										
Swint (1968)										
Square feet	71,785	71,785	71,785	71,785	71,785	71,785	71,785	71,785	71,785	71,785
Capacity	788	788	788	788	788	788	788	788	776	776
Enrollment	827	821	706	638	649	565	524	571	642	605
Tara (1964)										
Square feet	76,224	76,224	76,224	76,224	76,224	76,224	76,224	76,224	76,224	76,224
Capacity	735	735	735	735	735	735	735	735	725	725
Enrollment	1,031	614	626	591	609	590	598	667	601	547
West Clayton (1964)										
Square feet	66,917	66,917	66,917	66,917	66,917	66,917	66,917	66,917	66,917	66,917
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	666	676	516	537	507	527	499	510	462	436
White Academy (2010)										
Square feet	x	x	x	x	x	x	x	x	201,679	201,679
Capacity	-	-	-	-	-	-	-	-	1,425	1,425
Enrollment	-	-	-	-	-	-	-	-	-	1,414
Middle										
Adamson (1977)										
Square feet	120,015	120,015	120,015	120,015	120,015	120,015	120,015	120,015	120,015	120,015
Capacity	775	775	775	775	775	775	775	775	775	775
Enrollment	1,076	1,186	1,223	1,239	1,273	787	654	656	658	649
Babb (1966)										
Square feet	103,443	103,443	103,443	103,443	103,443	103,443	103,443	103,443	103,443	103,443
Capacity	775	775	775	775	775	775	775	775	775	775
Enrollment	1,044	1,092	1,120	1,057	891	869	793	783	766	796
Forest Park (1940)										
Square feet	84,964	84,964	84,964	84,964	84,964	84,964	84,964	84,964	84,964	84,964
Capacity	570	570	570	570	570	570	570	570	600	600
Enrollment	808	788	736	767	655	593	505	510	674	683
Jonesboro (2004)										
Square feet	x	x	128,170	128,170	128,170	128,170	128,170	128,170	128,170	128,170
Capacity	-	-	875	875	875	875	875	875	875	875
Enrollment	593	585	609	928	973	938	883	834	743	753
Kendrick (1996)										
Square feet	123,458	123,458	123,458	123,458	123,458	123,458	143,828	143,724	143,724	143,828
Capacity	850	850	850	850	850	850	1,075	1,100	1,100	1,100
Enrollment	1,262	1,318	1,429	1,506	936	921	770	787	852	883
Lovejoy (1990)										
Square feet	123,731	123,731	123,731	123,731	123,731	123,731	123,731	123,731	123,731	123,731
Capacity	738	738	738	738	738	738	738	738	725	725
Enrollment	1,011	1,050	1,068	1,131	1,312	1,280	1,175	1,172	584	578

Note: "X" represents the year the building did not exist.

CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>School</u>										
Middle										
Morrow (1967)										
Square feet	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	1,062	1,042	1,036	782	791	824	704	681	725	737
Mundy's Mill (1973)										
Square feet	116,822	116,822	116,822	116,822	116,822	116,822	116,822	116,822	116,822	116,822
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	843	887	916	959	983	961	887	869	804	818
N. Clayton Middle (1969)										
Square feet	99,989	99,989	99,989	99,989	99,989	99,989	118,794	99,989	99,989	118,794
Capacity	738	738	738	738	738	738	1,000	738	738	1,000
Enrollment	1,022	1,035	960	929	920	961	949	920	843	860
Pointe South (1978)										
Square feet	141,792	141,792	141,792	141,792	141,792	141,792	141,792	141,792	141,792	160,835
Capacity	875	875	875	875	875	875	875	875	875	925
Enrollment	1,067	1,115	1,134	1,144	968	954	814	803	822	838
Rex Mill (2007)										
Square feet	x	x	x	x	x	152,570	152,570	152,570	152,570	152,570
Capacity	-	-	-	-	-	1,100	1,100	1,100	1,100	1,100
Enrollment	-	-	-	-	-	578	981	953	1,035	1,042
Riverdale (1968)										
Square feet	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738	139,581
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	1,109	1,027	1,063	1,070	853	859	841	833	741	752
Roberts (2000)										
Square feet	123,458	123,458	123,458	123,458	123,458	123,458	144,014	146,007	146,007	146,007
Capacity	838	838	838	838	838	838	1,100	1,100	1,100	1,100
Enrollment	1,112	1,141	1,167	1,064	1,053	815	644	649	699	667
Sequoyah (2004)										
Square feet	x	x	128,170	128,170	128,170	128,170	128,170	128,170	128,170	128,170
Capacity	-	-	875	875	875	875	875	875	875	875
Enrollment	-	-	-	-	996	926	769	737	808	804

Note: "X" represents the year the building did not exist.

CLAYTON COUNTY BOARD OF EDUCATION

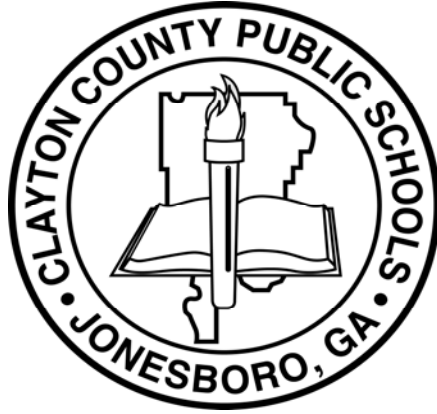
SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>School</u>										
High										
Drew (2009)										
Square feet	x	x	x	x	x	x	x	297,918	297,918	297,918
Capacity	-	-	-	-	-	-	-	1,850	1,850	1,850
Enrollment	-	-	-	-	-	-	-	-	1,132	1,182
Forest Park (1962)										
Square feet	206,766	206,766	206,766	206,766	206,766	206,766	206,766	206,766	206,766	206,766
Capacity	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Enrollment	1,594	1,630	1,567	1,567	1,518	1,626	1,545	1,518	1,626	1,643
Jonesboro (1963)										
Square feet	193,634	193,634	193,634	193,634	193,634	193,634	263,036	193,634	193,634	263,036
Capacity	1,500	1,500	1,500	1,500	1,500	1,500	1,725	1,500	1,500	1,725
Enrollment	1,800	1,723	1,647	1,693	1,828	1,697	1,268	1,153	1,212	1,235
Lovejoy (1989)										
Square feet	217,450	217,450	217,450	217,450	217,450	217,450	217,450	217,450	231,852	231,852
Capacity	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,850	1,850
Enrollment	2,533	1,980	1,886	1,795	1,837	1,903	1,804	1,662	1,815	1,894
Morrow (1970)										
Square feet	183,836	183,836	183,836	183,836	183,836	183,836	183,836	183,836	183,836	183,836
Capacity	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375
Enrollment	1,811	1,920	1,905	2,064	2,149	2,074	1,742	1,534	1,722	1,819
Mt. Zion (1990)										
Square feet	231,952	231,952	231,952	231,952	216,241	231,952	231,952	216,241	231,952	231,952
Capacity	1,350	1,350	1,350	1,350	1,350	1,575	1,575	1,350	1,575	1,580
Enrollment	1,794	1,727	1,778	1,844	1,662	1,731	1,722	1,547	1,563	-
Mundy's Mill (2002)										
Square feet	254,667	254,667	254,667	254,667	254,667	254,667	254,667	292,512	292,512	292,512
Capacity	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,850	1,850	1,850
Enrollment	-	941	1,407	1,970	2,081	2,104	1,815	1,659	1,629	1,719
N. Clayton (1967)										
Square feet	149,727	149,727	149,727	171,755	171,755	171,755	171,755	171,755	115,784	115,784
Capacity	1,075	1,075	1,075	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Enrollment	1,404	1,470	1,477	1,458	1,568	1,527	1,526	1,360	1,068	1,118
Riverdale (1977)										
Square feet	203,067	203,067	203,067	203,067	203,067	203,067	203,067	203,067	130,699	130,699
Capacity	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Enrollment	1,660	1,759	1,857	1,831	1,933	1,961	1,670	1,532	1,053	1,416

Note: "X" represents the year the building did not exist.

CLAYTON COUNTY BOARD OF EDUCATION

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Single Audit Section

**Clayton County
Public Schools**



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

**To the Superintendent and Members of the
Clayton County Board of Education
Jonesboro, Georgia**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clayton County Board of Education as of and for the year ended June 30, 2011, which collectively comprise the Clayton County Board of Education's basic financial statements and have issued our report thereon dated March 21, 2012. As discussed in Note 1, the Clayton County Board of Education implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* effective July 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 11-01 to be a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Clayton County Board of Education in a separate letter dated March 21, 2012.

Clayton County Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Clayton County Board of Education's response and, accordingly, we express no opinion on it.

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

Mauldin & Jenkins, LLC

Macon, Georgia
March 21, 2012

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

**To the Superintendent and Members of the
Clayton County Board of Education**

Compliance

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

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

In our opinion, the Clayton County Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control 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 would not necessarily identify all deficiencies in internal control 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 Superintendent and members of the Clayton County Board of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Macon, Georgia
March 21, 2012

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through Georgia Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	\$ 5,396,068
USDA Commodities	10.555	N/A	1,454,301
National School Lunch Program	10.555	N/A	17,164,089
National School Snack Program	10.555	N/A	258,992
Total Child Nutrition Cluster			24,273,450
 Fresh Fruits and Vegetables	 10.582	 N/A	 65,801
 Total U. S. Department of Agriculture			 24,339,251
U. S. DEPARTMENT OF EDUCATION:			
Passed through Georgia Department of Technical and Adult Education:			
Adult Education	84.002	N/A	254,936
Adult Education/Institutional	84.002	N/A	12,094
English Literacy / Civics Education	84.002	N/A	2,251
			269,281
Passed through Georgia Department of Education:			
Title I, Part A Cluster			
Title I Programs - Improving Academic Achievement	84.010	N/A	10,890,355
Title I Programs - School Improvement Grant	84.010	N/A	222,176
Title I Programs -Distinguished School	84.010	N/A	108,234
ARRA - Improving Academic Achievement	84.389	N/A	4,156,568
ARRA - School Improvement	84.389	N/A	12,335
Total Title I, Part A Cluster			15,389,668
 Reading First	 84.357	 N/A	 4,070
 B3 Even Start	 84.213	 N/A	 191
Title IV-B, Special Education Cluster			
Title VI-B Flowthrough	84.027	N/A	6,035,906
Title VI-B South Metro	84.027	N/A	199,916
Title VI-B Preschool	84.173	N/A	146,609
ARRA - Title VI-B Flowthrough	84.391	N/A	5,848,161
ARRA - Title IV-B Preschool	84.392	N/A	87,456
Total Title IV-B, Special Education Cluster			12,318,048
 Title II - Improving Teacher Quality	 84.367	 N/A	 1,032,349
Title II - Advanced Placement	84.367	N/A	1,550
			1,033,899

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract or Project Number</u>	<u>Total Expenditures</u>
U. S. DEPARTMENT OF EDUCATION (Continued):			
Passed through Georgia Department of Education (Continued):			
Title II - ED Technology	84.318	N/A	\$ 110,555
Title III - Limited English Proficient	84.365	N/A	535,991
Title III - Immigrant	84.365	N/A	103,920
			<u>639,911</u>
Title IV - Safe and Drug Free Schools and Communities	84.186	N/A	<u>68,313</u>
Education for Homeless Children & Youth Cluster			
Education for Homeless Children and Youth	84.196	N/A	51,397
ARRA - Education for Homeless Children and Youth	84.387	N/A	43,789
Total Education for Homeless Children & Youth Cluster			<u>95,186</u>
Vocational Education - Basic Grants to States			
Program Improvement	84.048	N/A	390,374
Perkins Plus	84.048	N/A	21,681
			<u>412,055</u>
State Jobs Fund	84.410	N/A	<u>9,379,880</u>
Charter Schools Implementation Grant	84.282	N/A	<u>107,599</u>
Subtotal - Passed through Georgia Department of Education			<u>39,828,656</u>
Passed through Georgia State University Research Foundation			
Teacher Quality Partnership Grants - Network for Enhancing Teacher Quality	84.336	N/A	<u>56,067</u>
Total U. S. Department of Education			<u>39,884,723</u>
U. S. DEPARTMENT OF DEFENSE:			
Direct Award:			
ROTC	12.unknown	N/A	<u>607,553</u>
U. S. DEPARTMENT OF JUSTICE:			
Direct Award:			
Gang Resistance, Education, and Training	16.737	N/A	<u>31,129</u>
Passed through Governor's Office for Children and Families			
System of Care: Caring Communities	16.540	N/A	<u>70,322</u>
Total U. S. Department of Justice			<u>101,451</u>

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Georgia Department of Human Resources			
Afterschool Program Department			
TANF Cluster			
Hearts to Nourish Hope	93.558	42700-040-4050	\$ 33,588
Passport Program	93.558	42700-040-6964	44,615
Passport Program	93.558	42700-040-4021	18,831
Total TANF Cluster			<u>97,034</u>
Passed through Georgia Department of Early Care and Learning			
Child Care and Development Fund Cluster			
Child Care and Development Fund Block Grant	93.575	N/A	24,357
Total Child Care and Development Fund Cluster			<u>24,357</u>
Total U. S. Department of Health and Human Services			<u>121,391</u>
Total Expenditures of Federal Awards			<u><u>\$ 65,054,369</u></u>

CLAYTON COUNTY BOARD OF EDUCATION

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Clayton County Board of Education and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

Material weaknesses identified?

☒ yes ☐ no

Significant deficiencies identified not considered
to be material weaknesses?

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal Control over major programs:

Material weaknesses identified?

☐ yes ☒ no

Significant deficiencies identified not considered
to be material weaknesses?

☐ yes ☒ none reported

Type of auditor's report issued on compliance for
major programs

Unqualified

Any audit findings disclosed that are required to
be reported in accordance with OMB Circular
A-133, Section 510(a)?

☐ yes ☒ no

Identification of major program:

CFDA Number

Name of Federal Program or Cluster

Child Nutrition Cluster Program:

U.S. Department of Agriculture

School Breakfast Program

National School Lunch Program

Special Education Cluster Program:

U.S. Department of Education:

Special Education - Flowthrough

Special Education - Preschool

Non-Cluster Program:

U.S. Department of Agriculture

Food Distribution Program

10.553

10.555

84.027

84.173

10.550

Dollar threshold used to distinguish between
Type A and Type B programs:

\$1,951,631

Auditee qualified as low-risk auditee?

☐ yes ☒ no

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

B. FINDINGS: FINANCIAL STATEMENTS AUDIT

11-01. Retainage and Contracts Payable

Criteria: Internal controls should be in place to ensure all amounts owed to contractors for construction projects are properly recorded as retainage and contracts payable at year end.

Condition: The School System determined that \$444,317 of expenditures were not properly included in retainage and contracts payable at year end.

Context: We addressed this matter with School System officials who determined the need for a journal entry to record additional amounts due to contractors.

Effect: See above context.

Recommendation: We recommend the School System strengthen internal controls to ensure that all retainage and contracts payable are properly stated.

Views of Responsible Officials and Planned Corrective Action: Management concurs and has implemented steps to ensure that all retainage and contracts payable are properly recorded.

C. FINDINGS AND QUESTIONED COSTS: MAJOR FEDERAL AWARD PROGRAMS AUDIT

None Reported

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2011

10-01. Accounts Payable and Accounts Receivable

Criteria: Internal controls should be in place to ensure all amounts owed to vendors for goods received and/or services provided are properly recorded as accounts payable and any expenditures qualifying for grant reimbursement are properly recorded as accounts receivable at year end.

Condition: The School System determined that \$552,011 of expenditures related to Title I and Title II grants were not properly included in accounts payable at year end. These expenditures were reimbursable under the terms of the grant.

Auditee Response/Status: Resolved.

CLAYTON COUNTY BOARD OF EDUCATION

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