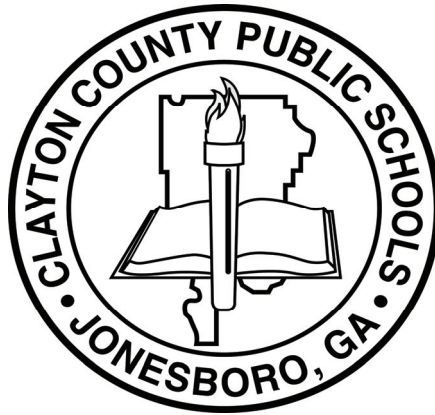


Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008

1058 Fifth Avenue • Jonesboro, Georgia 30236



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008

**Prepared by:
Division of Budgets and Finance
Roger Reese, Chief Financial Officer**

1058 Fifth Avenue • Jonesboro, Georgia 30236

**CLAYTON COUNTY BOARD OF EDUCATION
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**CLAYTON COUNTY BOARD OF EDUCATION
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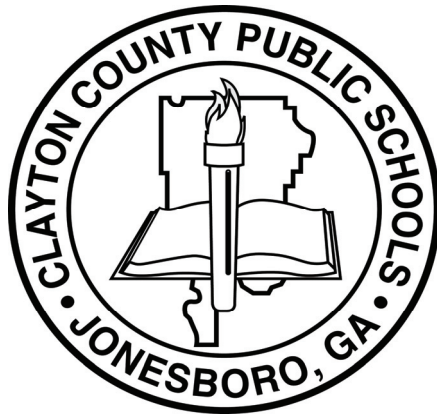
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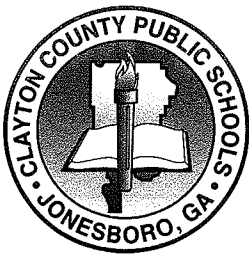
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Introductory Section

**Clayton County
Public Schools**



Clayton County Public Schools

Budgets and Finance

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

JOHN W. THOMPSON, Ph.D.
Superintendent of Schools

January 29, 2009

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, 2008 is submitted herewith. This report was prepared by the Budget and Finance Department. 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 report is divided into sections as described below:

Introductory Section- The introductory section includes this transmittal letter, the Board of Education composition, the organizational chart of the school district, as well as a list of the administrative staff.

Financial Section- The financial section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements, Notes to the Basic Financial Statements, and Supplemental Information. The Basic Financial Statements together with the Independent Auditor's Report, Management's Discussion and Analysis and the Notes to the Basic Financial Statements are designed to provide a financial overview; the Supplemental Information provides more detailed information on a fund by fund basis.

Statistical Section- The statistical section includes financial trend data, information on revenue capacity, debt capacity information and demographic and economic information.

Single Audit Section- The single audit section includes the independent auditor's reports concerning internal controls and compliance, audit findings and recommendations, and a schedule of expenditures of federal awards.

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 indicate that the Clayton County School System as it is known today was formally established by an act of the State Legislature at 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 52,000 students currently enrolled in 36 elementary schools, 14 middle schools, 8 high schools and 4 special entity facilities for the current budget year of 2007-08. The District has also approved two charter schools within the county, The Lewis Academy of Excellence serving students in kindergarten through fifth grade and the Unidos Dual Language Charter School serving students in grades kindergarten through third 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 and Hartsfield-Jackson Atlanta International Airport is within the boundaries of

Clayton County. Because of this location, the School District is impacted by the economy of the airport and the airline industry. Delta Airlines is the largest taxpayer in the County and because of their bankruptcy, the School District has been negatively impacted to the amount of \$13 million during the 2008 fiscal year. However, the past due tax receipts from Delta Airlines were received and recorded in FY 2009.

In addition to the economic conditions of the airport and airline industry, the downturn in the American automobile industry has also impacted Clayton County with the closing of a Ford plant which employed many residents of Clayton County last year. Another major source of local revenue has been the ad valorem tax receipts from the car rental industry at the airport. The relocation of the car rental sites from Clayton County to Fulton County will negatively impact the amount of local revenue by approximately \$5 million annually beginning in FY 2010.

In addition to private industry, the County is also home to a military facility that is scheduled to be 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.

Several cities within the County are pursuing livable communities grants and access to funding through the formation of tax allocation districts in an attempt to breathe new life into certain areas of the county, especially on the northern end that abuts Fulton County and the City of Atlanta.

Major Initiatives

During fiscal year 2007, 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, 2007.

Mission

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

Vision

Clayton County Public Schools aspires to be the highest performing school district in the Metropolitan Atlanta area.

Beliefs

- Learning is most productive when the needs of each child are met through instruction provided by competent teachers.
- Children must be provided the opportunity to reach their full potential in their educational setting.
- Education is the shared responsibility of the home, the school and the community.
- A learning environment where children experience security, care, dignity and respect is essential.
- Fostering a love of learning is necessary for children to become lifelong learners.

- Communication and understanding among all stakeholders of our diverse community are essential to achieving the goals of education.
- Children must accept responsibility for their learning and improvement of their future.
- An involved parent will enhance the educational experience of every child.

In July, 2007 Superintendent Dr. Barbara Pulliam resigned after serving just over three years. Dr. Gloria Duncan, principal of Riverdale High School was selected to serve as interim superintendent until June, 2008. A search team made up of community members, teachers and students worked with a search firm for the next superintendent of Clayton County Public Schools. The goal was to have the new leader in place for the beginning of the FY08-09 school year. In April 2008, Dr. John W. Thompson was appointed Superintendent.

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 inclusive 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.

Cash Management

The Board is authorized by state statutes to invest in obligations of the U.S. Treasury agencies and instrumentalities, repurchase agreements, bank certificates of deposit, and the Georgia Fund 1 administered by the State of Georgia. Board policies and procedures with regard to cash and investments provide guidelines for the daily operations in the cash and investment area. The Chief Financial Officer acts as the investment officer for the Board.

Independent Audit

The Clayton County Board of Education and the State of Georgia require an annual audit of its financial statements by independent certified public accountants. The firm of Mauldin and Jenkins, LLC 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.

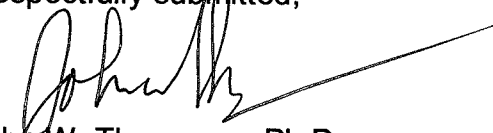
Association of School Business Officials Certificate of Excellence

For the period ending June 30, 2007, 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 financial reporting for the period ending June 20, 2007. The receipt of this award confirmed that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. The 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, 2008 also conforms to the exact same principles and standards.

Acknowledgements

We wish to express our appreciation to the Department of Budgets and Finance staff members whose dedicated efforts have enabled this report to be prepared on a timely basis.

Respectfully submitted,



John W. Thompson, Ph.D.
Superintendent



Roger Reese
Chief Financial Officer

**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, 2007

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

Gnome E. Brendel

President

John D. Mueser

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, 2009 the members of the Board and years of expiration of their terms are as follows:

TITLE	NAME	TERM EXPIRES
Chairperson	Ms. Alieka Anderson	12-31-2010
Vice Chairperson	Ms. Ophelia Burroughs	12-31-2012
Board Member	Dr. Pam Adamson	12-31-2010
Board Member	Ms. Mary Baker	12-31-2012
Board Member	Mr. Charlton Bivins	12-31-2010
Board Member	Ms. Trinia Garrett	12-31-2012
Board Member	Ms. Jessie Goree	12-31-2012
Board Member	Mr. Michael King	12-31-2010
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
Alika Anderson**

**BOARD OF
EDUCATION**

**Vice Chairperson
Ophelia Burroughs**



Dr. Pam Adamson



Mary Baker



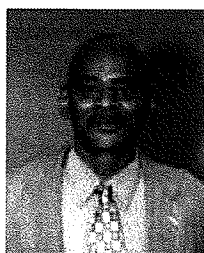
Charlton Bivins



Trinia Garrett



Jessie Goree



Michael King



Wanda Smith



**Superintendent
John W. Thompson Ph.D**

Clayton County Public Schools

Executive Staff

Superintendent's Office

Dr. John Thompson
Dr. Judith Simmons
Mr. Rob Brannon
Mr. Charles White

Superintendent
Deputy Superintendent
Director Athletics
Director Communication (Acting)

Assistant Superintendents

Dr. Janice Davis
Dr. Cephus Jackson
Dr. Anthony Smith
Mr. Derrick Manning

Elementary
Elementary
Middle
High

Division of Teaching & Learning

Ms. Kay Sledge
Ms. Chandra Johnson
Ms. Cindy Lee
Mr. William Greene
Ms. Sharon Brown
Mr. Paul Robbins
Dr. Joe Nail
Dr. Gloria Duncan
Dr. Bobbie Ford
Dr. Chantel Normel
Ms. Betty Jones
Mr. Wayne Rich

Chief Academic Officer
Executive Director Research & Evaluation & Assessment
Executive Director Professional Learning (Acting)
Executive Director Perry Learning Center
Director Federal, State, Local Programs
Director Fine Arts, Magnet Schools, Accreditation
Director Research & Evaluation
Director Professional Develop (Acting)
Director Professional Develop (Acting)
Director English as Second Language
Director CTAE
Director Perry Learning Center

Division of Student Services

Dr. Vayla Lee
Dr. Gwendolyn Jones
Ms. Dorothy Cochran
Ms. Tamera Foley
Ms. Brenda Keegan
Dr. Susan Funderburk

Assistant Superintendent, Student Services
Director Student Services
Director Worktec
Director Secondary Exceptional Students
Director Elementary Exceptional Students
Director Ash Street/South Metro

Division of Information

Dr. Angie Bacon
Mr. Mark Rettig
Ms. Lisa Young

Chief Information Officer
Director Information Services
Director Instructional Technology

Division of Human Resources

Mr. Larry Conner
Dr. John Staten
Dr. Doug Hendrix
Mr. Richard Dickson

Chief Human Resources
Director Certified Personnel
Director Classified Personnel
Director Compensation

Division of Budgets & Finance

Mr. Roger Reese
Ms. Ramona Thurman
Ms. Lonita Collier

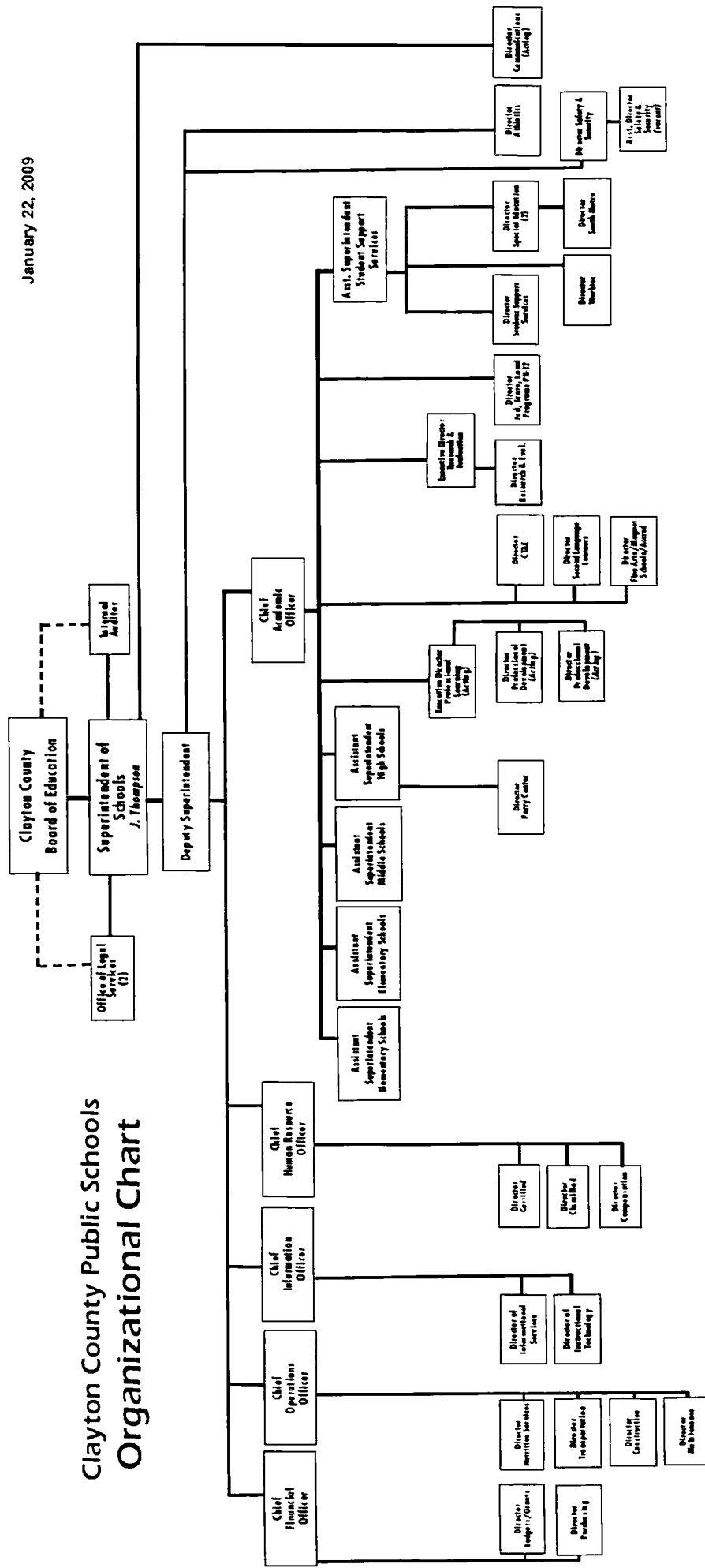
Chief Financial Officer
Director Budgets & Grants
Director Purchasing and Risk Management

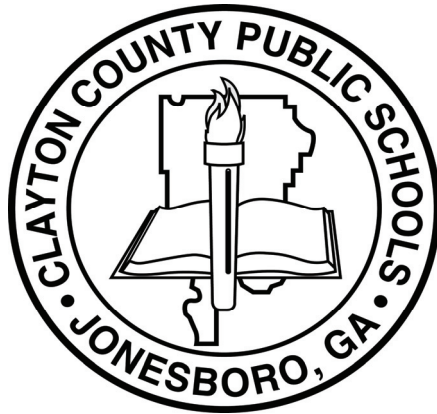
Division of Operations

Mr. Joseph Jones
Mr. Michael Caldwell
Ms. Audrey Hamilton
Mr. John Lyles

Chief Operations Officer
Director Maintenance
Director Nutrition Services
Director Transportation

January 22, 2009





Financial Section

**Clayton County
Public Schools**

INDEPENDENT AUDITOR'S REPORT

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

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, 2008, 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, 2008, 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.

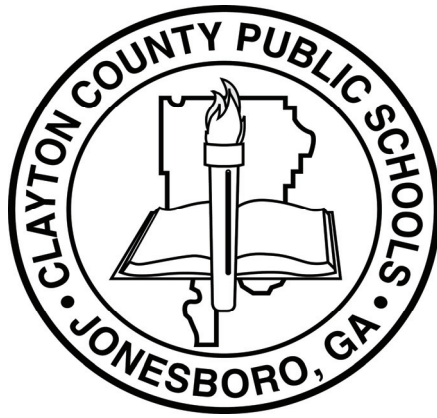
In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2009 on our consideration of the Clayton County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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.

The Management's Discussion and Analysis (on pages 3 through 14) is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 introductory section, combining and individual nonmajor fund financial statements and schedules and statistical tables 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. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Macon, Georgia
January 30, 2009



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, 2008. 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, 2008 and other supplementary information.

As with other sections of this financial report, the information contained with this MD&A should be considered only a 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 2008 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, 2008 by \$570.7 million. Of this amount, \$66.8 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 \$62.0 million. This increase is primarily the result of a net increase in capital assets. The Board experienced an increase of \$41.3 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 \$25.6 million.

- Program revenues of the governmental activities accounted for \$301 million, or 56 % of the \$539.7 million in total revenues of the governmental activities. General revenues of the governmental activities accounted for \$238 million, or 44% of the total.
- The Board reported \$477.7 million in expenses for the governmental activities. \$301 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 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 \$27.6 million, while expenses of the Performing Arts Center were \$370,864. Program revenues, operating grants and contributions, and capital contributions for these business type activities totaled \$26.6 million. This revenue, along with general revenues of interest earnings in the amount of \$350,446 resulted in the decrease in net assets referenced above of \$1 million.
- The General Fund (the primary operating fund), presented on a current financial resources basis, ended the year with a fund balance of \$54,331,556, an increase of \$7,172,696 from June 30, 2007.
- The Capital Projects Fund ended the year with a fund balance of \$90,559,654, an increase of \$17,210,884.
- The Board increased its outstanding long-term indebtedness by \$923,601.

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. 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 funds 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-1 shows how the various parts of this annual report are arranged and related to one another.

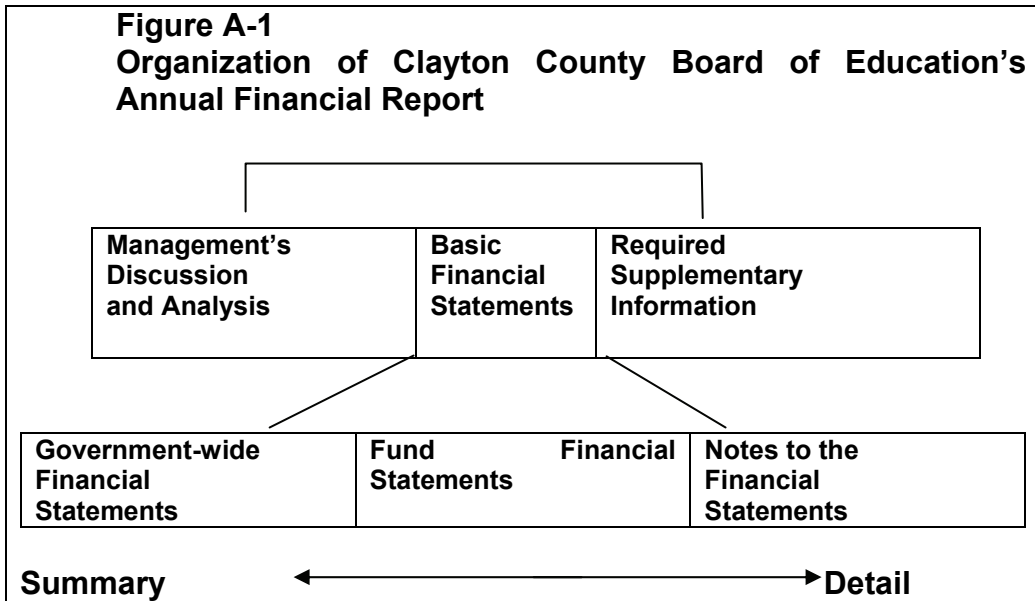


Figure A-2 summarizes the major features of the Board's financial statements, including the portion of the Board's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

	Government-wide Statements	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

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 15, 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) is the same as its business-type activities but provide more detail and additional information, such as cash flows. The Board uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The Board currently has an internal service fund for the employee dental benefit program.

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, 2008 compared to June 30, 2007

Table A-1 Condensed Summary of Net Assets (in millions of dollars)								
	Governmental Activities		Business-type Activities		Total		Percentage Change 2007-2008	
	2008	2007	2008	2007	2008	2007		
Current and other assets	\$ 211.0	190.5	12.1	12.4	223.1	202.9	9.9%	
Net capital assets	406.1	364.9	7.2	7.4	413.3	372.3	11.0%	
Total assets	617.1	555.4	19.3	19.8	636.4	575.2	10.6%	
Current and other liabilities	57.5	58.6	2.0	1.6	59.5	60.2	-1.3%	
Long-term liabilities	6.1	5.2	-	-	6.1	5.2	19.2%	
Total Liabilities	63.6	63.8	2.1	1.6	65.7	65.4	0.3%	
Net Assets								
Invested in capital assets, net of related debt	406.1	364.8	7.2	7.4	413.3	372.2	11.0%	
Restricted for capital projects	90.6	73.3	-	-	90.6	73.3	23.6%	
Unrestricted	56.8	53.4	10.0	10.7	66.8	64.1	4.2%	
Total net assets	\$ 553.5	491.5	17.2	18.1	570.7	509.6	12.0%	

The Board's combined net assets increased by 12.0% to \$570.7 million. Most of this improvement in the financial position came from governmental activities, the net assets of which grew by \$62 million. The net assets of the Board's business -type activities decreased \$1 million or 5%. 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 \$90.6 million. This is an increase of 23.6% from the restricted amount reported as of June 30, 2007. The change is due to the increased activity in the capital projects fund and cash reserves being drawn down 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, 2008

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
	2008	2007	2008	2007	2008	2007	2007-2008
Revenues:							
Program revenues:							
Charges for services	\$ 18.2	19.1	3.2	3.3	21.4	22.4	-4.5%
Operating grants and contributions	266.1	249.6	23.4	21.5	289.5	271.1	6.8%
Capital grants and contributions	17.4	7.4	-	-	17.4	7.4	135.1%
General revenues:							
Property taxes	151.4	148.5	-	-	151.4	148.5	2.0%
Sales taxes	54.4	53.5	-	-	54.4	53.5	1.7%
Other taxes	8.9	7.1	-	-	8.9	7.1	25.4%
Non-program specific							
state and federal aid	14.1	17.4	-	-	14.1	17.4	-19.0%
Local school activity	3.6	4.0	-	-	3.6	4.0	-10.0%
Interest and investment earnings	5.6	7.0	.4	.5	6.0	7.5	-20.0%
Total Revenues	539.7	513.6	27.0	25.3	566.7	538.9	5.2%
Expenses:							
Instruction	315.4	284.6	-	-	315.4	284.6	10.8%
Pupil services	16.2	12.3	-	-	16.2	12.3	31.7%
Instructional staff	25.4	22.7	-	-	25.4	22.7	11.9%
Educational media services	7.5	6.9	-	-	7.5	6.9	8.7%
General administration	3.7	4.8	-	-	3.7	4.8	-22.9%
School administration	24.3	21.4	-	-	24.3	21.4	13.6%
Business administration	2.9	2.7	-	-	2.9	2.7	7.4%
Maintenance and operations	32.5	28.6	-	-	32.5	28.6	13.6%
Pupil transportation	23.0	22.2	-	-	23.0	22.2	3.6%
Support services - central	11.3	15.1	-	-	11.3	15.1	-25.2%
Other support services	4.0	2.7	-	-	4.0	2.7	48.1%
Non-instructional services	1.0	1.2	-	-	1.0	1.2	-16.7%
Community services	10.5	10.3	-	0.3	10.5	10.6	-0.9%
Food Services & Performing Arts Center	-	-	28.0	25.0	28.0	25.0	12.0%
Total Expenses	477.7	435.5	28.0	25.3	505.7	460.8	9.7%
Increase in net assets	\$ 62.0	78.1	-1.0	-	61.0	78.1	-21.9%

Table A-2 on the previous page shows that revenues from governmental activities for 2008 were \$539.7 million, while total expenses were \$477.7 million. Governmental activities contributed \$62.0 million to the total increase in net assets, while business-type net assets resulted in a decrease of \$1.0 million in net assets.

Program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions increased \$27.4 million. This increase was primarily the result of an increase in state and federal grants received for instructional programs.

Property taxes comprise the largest percentage of the general revenues for the Board with 26.7% of total revenues coming from this source. The increase of 2.0% from the previous year is the result of the growth in the digest that required the school district to roll-back its millage to 19.836 mills. Sales tax revenues generated by the Special Purpose Local Option Sales Tax (SPLOST) increased slightly \$.9 million to a total of \$54.4 million. Interest and investment earnings decreased by 20% as interest rates continued to decline over the course of the year even though collections from tax revenues provided more cash throughout the year for investment.

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; support services; 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.

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

	Total Cost of Services		Percentage Change 2007-2008	Net Cost of Services		Percentage Change 2007-2008
	2008	2007		2008	2007	
Instruction	\$315.4	284.6	10.8%	84.9	71.9	18.1%
Pupil, Instructional and Media Services	49.1	41.9	17.2%	23.7	21.3	11.3%
General and Business Administration	6.6	7.5	-12.0%	4.5	4.7	-4.3%
School Administration	24.3	21.4	13.6%	14.7	12.6	16.7%
Maintenance and Operations	32.5	28.6	13.6%	18.9	15.4	22.7%
Pupil Transportation	23.0	22.2	3.6%	17.6	18.1	-2.8%
Central Support and other support	15.3	17.8	-14.0%	11.8	15.5	-23.9%
Community Services and non-instructional	11.5	11.5	-	-	-	-%
Interest Expense	-	-	-	-	-	-%
Total Governmental Activities	\$477.7	435.5	9.7%	176.1	159.5	10.4%
Less: Unrestricted federal and state aid:				14.1	17.4	-19.0%
Total needs from local taxes and other revenues:				<u>\$ 162.0</u>	<u>142.1</u>	14.0%

The total cost of governmental activities increased 9.7%, while the net cost of services increased 10.4%.

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 excluded revenues during the year for a decrease of \$1.0 million in net assets.
- Charges for services represent \$3.2 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 \$23.4 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, 2008, the Board's governmental funds reported a combined fund balance of \$149,693,367. This is an increase of \$25,589,871. The primary reasons for this increase are attributed to the Capital Projects Fund which had an increase of \$17,210,884 while the General Fund reflected an increase of \$7,172,696.

The fund balance of the General Fund was \$54,331,556 at June 30, 2008. The Capital Projects ending fund balance was \$90,559,654 while all other Governmental Funds had a total fund balance of \$4,802,157 at June 30, 2008.

The fund balance of General Fund improved significantly primarily because of improvements portion of its past due taxes collection rate of property taxes. Delta Airlines paid a significant portion of taxes due to the school district for FY2008 and this was not an event that was anticipated. Approximately, \$11 million in taxes for fiscal year 2006 from Delta is still outstanding.

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 \$8.4 million. This was due to a reduction in instructional staff because of lower enrollment.

The total revenue was over the total budget by \$14.3 million. Local sources experienced a positive variance in the amount of \$13.8 million primarily because of unbudgeted tax revenues due from Delta Airlines being received.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2008, the Board had \$406,138,274 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, 2004. The maximum amount of collections approved by this referendum was \$269.6 million. The sales tax revenue, along with state capital outlay grants will fund the program through 2009.

Table A-4 Capital Assets (net of depreciation) (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2007-2008
Land	\$ 33.6	33.6	-	-	33.6	33.6	0.0%
Construction in progress	24.1	23.7	-	-	24.1	23.7	1.7%
Buildings and improvements	333.4	294.2	4.6	4.8	338.0	298.9	13.1%
Equipment and furniture	<u>15.0</u>	<u>13.4</u>	<u>2.6</u>	<u>2.7</u>	<u>17.6</u>	<u>16.1</u>	9.3%
Total capital assets							
net of depreciation	\$ <u>406.1</u>	<u>364.9</u>	<u>7.2</u>	<u>7.5</u>	<u>413.3</u>	<u>372.3</u>	11.0%

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, 2008, the Board had no outstanding long-term bonded 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 bonded debt.

Economic Factors

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

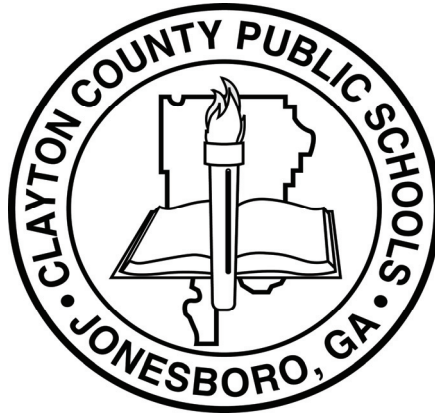
- The bankruptcy of Delta Airlines has cause tremendous challenges for the state and local economy. Delta Airlines is the largest single taxpayer for the County and generates approximately 10% of the school district's tax revenue. For the budget year 2007-2008, the school district experienced a decrease in enrollment which reduced the district staffing requirement for instructional personnel.
- The County has seen significant changes in the demographic makeup of its population. The percentage of students that now qualify for free or reduced priced lunches now exceeds approximately 73% district-wide.

As a result, the district 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, 2004.

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, contact Mr. Roger Reese, Chief Financial Office, Department of Budgets and Finance, 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, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 39,632,474	\$ 11,413,403	\$ 51,045,877
Investments	99,431,262	-	99,431,262
Receivables:			
Accounts	5,399,759	-	5,399,759
Intergovernmental	65,799,294	210,001	66,009,295
Internal balances	565,851	(565,851)	-
Inventories	-	1,027,115	1,027,115
Other current assets	203,045	-	203,045
Capital assets, nondepreciable	57,723,389	-	57,723,389
Capital assets, depreciable (net of accumulated depreciation)	348,414,885	7,247,134	355,662,019
Total assets	617,169,959	19,331,802	636,501,761
LIABILITIES			
Accounts payable	3,090,838	320,720	3,411,558
Contracts payable	6,978,991	-	6,978,991
Retainage payable	2,814,794	-	2,814,794
Accrued payroll and payroll withholdings	43,115,316	1,663,434	44,778,750
Accrued dental claims	275,000	-	275,000
Other current liabilities	1,070	-	1,070
Unearned revenue	1,235,116	-	1,235,116
Claims payable due within one year	1,037,408	-	1,037,408
Claims payable due in more than one year	253,865	-	253,865
Capital leases due within one year	24,793	-	24,793
Compensated absences due within one year	2,726,960	59,661	2,786,621
Compensated absences due in more than one year	2,111,910	20,754	2,132,664
Total liabilities	63,666,061	2,064,569	65,730,630
NET ASSETS			
Invested in capital assets, net of related debt	406,113,481	7,247,134	413,360,615
Restricted for capital projects	90,559,654	-	90,559,654
Unrestricted	56,830,763	10,020,099	66,850,862
Total net assets	\$ 553,503,898	\$ 17,267,233	\$ 570,771,131

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, 2008

<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	\$ 315,439,752	\$ 9,333,417	\$ 203,773,082	\$ 17,412,902
Pupil services	16,178,872	-	4,507,765	-
Improvement of instructional services	25,400,221	-	15,581,205	-
Educational media services	7,491,836	-	5,308,086	-
General administration	3,742,791	-	1,436,808	-
School administration	24,287,809	-	9,545,589	-
Business services	2,890,990	-	694,299	-
Maintenance and operations	32,548,593	-	13,603,315	-
Student transportation	22,975,264	-	5,335,415	-
Central support services	11,291,357	-	2,935,988	-
Other support services	4,013,534	1,614	553,095	-
Other non-instructional services	988,288	309,240	-	-
Community services	10,535,333	8,529,620	2,787,765	-
Interest on long-term debt	2,030	-	-	-
Total governmental activities	<u>477,786,670</u>	<u>18,173,891</u>	<u>266,062,412</u>	<u>17,412,902</u>
Business-type activities:				
School food service	27,611,912	2,861,587	23,411,943	-
Performing arts center	370,864	298,144	-	-
Total business-type activities	<u>27,982,776</u>	<u>3,159,731</u>	<u>23,411,943</u>	<u>-</u>
Total	<u>\$ 505,769,446</u>	<u>\$ 21,333,622</u>	<u>\$ 289,474,355</u>	<u>\$ 17,412,902</u>
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Grants and contributions not restricted to specific programs				
Local school activity				
Unrestricted investment earnings				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year, as restated				
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
\$ (84,920,351)	\$ -	\$ (84,920,351)
(11,671,107)	-	(11,671,107)
(9,819,016)	-	(9,819,016)
(2,183,750)	-	(2,183,750)
(2,305,983)	-	(2,305,983)
(14,742,220)	-	(14,742,220)
(2,196,691)	-	(2,196,691)
(18,945,278)	-	(18,945,278)
(17,639,849)	-	(17,639,849)
(8,355,369)	-	(8,355,369)
(3,458,825)	-	(3,458,825)
(679,048)	-	(679,048)
782,052	-	782,052
(2,030)	-	(2,030)
(176,137,465)	-	(176,137,465)
-	(1,338,382)	(1,338,382)
-	(72,720)	(72,720)
-	(1,411,102)	(1,411,102)
(176,137,465)	(1,411,102)	(177,548,567)
151,424,563	-	151,424,563
54,423,793	-	54,423,793
8,917,565	-	8,917,565
14,142,824	-	14,142,824
3,632,980	-	3,632,980
5,534,144	350,446	5,884,590
58,300	-	58,300
240	(240)	-
238,134,409	350,206	238,484,615
61,996,944	(1,060,896)	60,936,048
491,506,954	18,328,129	509,835,083
\$ 553,503,898	\$ 17,267,233	\$ 570,771,131

CLAYTON COUNTY BOARD OF EDUCATION

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2008

ASSETS	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash	\$ 15,712,233	\$ 20,642,681	\$ 3,277,560	\$ 39,632,474
Investments	33,889,842	65,541,420	-	99,431,262
Receivables:				
Accounts	1,828,174	-	3,571,585	5,399,759
Intergovernmental	43,123,944	14,169,338	8,506,012	65,799,294
Due from other funds	7,992,079	-	2,205,815	10,197,894
Other current assets	203,045	-	-	203,045
Total assets	<u>\$ 102,749,317</u>	<u>\$ 100,353,439</u>	<u>\$ 17,560,972</u>	<u>\$ 220,663,728</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,781,969	\$ -	\$ 308,868	\$ 3,090,837
Contracts payable	-	6,978,991	-	6,978,991
Retainage payable	-	2,814,794	-	2,814,794
Due to other funds	2,661,138	-	7,203,903	9,865,041
Accrued payroll and payroll withholdings	37,869,342	-	5,245,974	43,115,316
Other current liabilities	1,000	-	70	1,070
Deferred revenue	5,104,312	-	-	5,104,312
Total liabilities	<u>48,417,761</u>	<u>9,793,785</u>	<u>12,758,815</u>	<u>70,970,361</u>
FUND BALANCES				
Fund balances:				
Reserved for capital projects	-	90,559,654	-	90,559,654
Unreserved, reported in:				
General fund	54,331,556	-	-	54,331,556
Special revenue funds	-	-	4,802,157	4,802,157
Total fund balances	<u>54,331,556</u>	<u>90,559,654</u>	<u>4,802,157</u>	<u>149,693,367</u>
Total liabilities and fund balances	<u>\$ 102,749,317</u>	<u>\$ 100,353,439</u>	<u>\$ 17,560,972</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.	406,138,274
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	3,869,195
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(6,154,936)
Internal service funds are used by management to charge the costs of various benefits and services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(42,002)
Net assets of governmental activities	<u>\$ 553,503,898</u>

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, 2008

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Local sources	\$ 164,041,881	\$ 54,423,793	\$ 17,921,667	\$ 236,387,341
State sources	237,476,646	17,412,902	9,941,198	264,830,746
Federal sources	946,487	-	36,143,172	37,089,659
Interest income	2,651,007	2,877,148	5,989	5,534,144
Total revenues	405,116,021	74,713,843	64,012,026	543,841,890
EXPENDITURES				
Current:				
Instruction	264,364,170	-	34,772,817	299,136,987
Pupil services	12,956,525	-	3,175,179	16,131,704
Improvement of instructional services	11,772,809	-	13,253,083	25,025,892
Educational media services	7,281,260	-	189,507	7,470,767
General administration	2,943,987	-	712,941	3,656,928
School administration	23,995,158	-	958	23,996,116
Business services	2,885,605	-	-	2,885,605
Maintenance and operations	32,174,023	-	119,318	32,293,341
Student transportation	22,824,004	-	591,845	23,415,849
Central support services	11,486,892	-	143,873	11,630,765
Other support services	3,068,184	-	509,479	3,577,663
Other non-instructional services	607,277	-	411,458	1,018,735
Community service	-	-	10,538,956	10,538,956
Capital outlay	-	57,502,959	-	57,502,959
Debt service:				
Principal retirement	26,262	-	-	26,262
Interest and fiscal charges	2,030	-	-	2,030
Total expenditures	396,388,186	57,502,959	64,419,414	518,310,559
Excess (deficiency) of revenues over (under) expenditures	8,727,835	17,210,884	(407,388)	25,531,331
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	58,300	-	-	58,300
Transfers in	240	-	1,613,679	1,613,919
Transfers out	(1,613,679)	-	-	(1,613,679)
Total other financing sources (uses)	(1,555,139)	-	1,613,679	58,540
Net change in fund balances	7,172,696	17,210,884	1,206,291	25,589,871
FUND BALANCE, beginning of year	47,158,860	73,348,770	3,595,866	124,103,496
FUND BALANCE, end of year	\$ 54,331,556	\$ 90,559,654	\$ 4,802,157	\$ 149,693,367

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, 2008

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

Net change in fund balances - total governmental funds	\$	25,589,871
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.		41,281,630
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(4,116,817)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		26,262
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.		(937,870)
Internal service funds are used by management to charge costs of various services and benefits to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.		<u>153,868</u>
Change in net assets - governmental activities	\$	<u><u>61,996,944</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, 2008

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Local sources	\$ 146,635,884	\$ 150,168,931	\$ 164,041,881	\$ 13,872,950
State sources	224,658,048	226,936,024	226,802,176	(133,848)
Federal sources	400,000	400,000	946,487	546,487
Interest income	2,610,000	2,610,000	2,651,007	41,007
Total revenues	<u>374,303,932</u>	<u>380,114,955</u>	<u>394,441,551</u>	<u>14,326,596</u>
EXPENDITURES				
Current:				
Instruction	270,649,845	265,316,070	259,303,404	6,012,666
Pupil services	12,446,343	13,329,026	12,702,722	626,304
Improvement of instructional services	8,140,674	11,632,171	11,613,679	18,492
Educational media services	6,939,473	7,096,588	7,096,588	-
General administration	2,721,790	2,876,886	2,876,886	-
School administration	23,750,311	23,787,832	23,359,770	428,062
Business services	2,762,170	2,839,548	2,839,548	-
Maintenance and operations	30,001,820	32,468,945	31,702,464	766,481
Student transportation	19,132,353	22,405,834	22,405,834	-
Central support services	10,584,964	12,414,641	11,293,597	1,121,044
Other support services	1,489,874	3,083,035	3,044,568	38,467
Other non-instructional services	-	-	607,277	(607,277)
Debt service:				
Principal retirement	26,262	26,262	26,262	-
Interest and fiscal charges	2,030	2,030	2,030	-
Total expenditures	<u>388,647,909</u>	<u>397,278,868</u>	<u>388,874,629</u>	<u>8,404,239</u>
Excess of revenues over expenditures	<u>(14,343,977)</u>	<u>(17,163,913)</u>	<u>5,566,922</u>	<u>22,730,835</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	58,300	58,300
Transfers in	-	233,796	240	(233,556)
Transfers out	<u>(562,763)</u>	<u>(1,856,600)</u>	<u>(1,613,679)</u>	<u>242,921</u>
Total other financing sources (uses)	<u>(562,763)</u>	<u>(1,622,804)</u>	<u>(1,555,139)</u>	<u>67,665</u>
Net change in fund balances	<u>\$ (14,906,740)</u>	<u>\$ (18,786,717)</u>	<u>\$ 4,011,783</u>	<u>\$ 22,798,500</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, 2008

ASSETS	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	School Food Service	Nonmajor Performing Arts Center	Totals	
CURRENT ASSETS				
Cash and cash equivalents	\$ 11,413,403	\$ -	\$ 11,413,403	\$ -
Intergovernmental accounts receivable	210,001	-	210,001	-
Inventories	1,027,115	-	1,027,115	-
Due from other funds	-	222,325	222,325	232,998
Total current assets	12,650,519	222,325	12,872,844	232,998
CAPITAL ASSETS				
Buildings	-	7,308,375	7,308,375	-
Furniture and equipment	5,365,165	6,167	5,371,332	-
Total depreciable assets	5,365,165	7,314,542	12,679,707	-
Less accumulated depreciation	(2,725,083)	(2,707,490)	(5,432,573)	-
Total fixed assets	2,640,082	4,607,052	7,247,134	-
Total assets	15,290,601	4,829,377	20,119,978	232,998
LIABILITIES				
Accounts payable	319,200	1,520	320,720	-
Accrued payroll and payroll withholdings	1,738,705	5,144	1,743,849	-
Due to other funds	788,176	-	788,176	-
Accrued dental claims	-	-	-	275,000
Total liabilities	2,846,081	6,664	2,852,745	275,000
NET ASSETS (DEFICIT)				
Invested in capital assets	2,640,082	4,607,052	7,247,134	-
Unrestricted	9,804,438	215,661	10,020,099	(42,002)
Total net assets	\$ 12,444,520	\$ 4,822,713	\$ 17,267,233	\$ (42,002)

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, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	School Food Service	Nonmajor Performing Arts Center	Totals	
OPERATING REVENUES				
Local sources	\$ 2,861,587	\$ 298,144	\$ 3,159,731	\$ 3,525,714
Total operating revenues	2,861,587	298,144	3,159,731	3,525,714
OPERATING EXPENSES				
Food service operations	26,842,150	-	26,842,150	-
Enterprise operation	-	224,079	224,079	-
Maintenance and operations	393,132	-	393,132	-
Depreciation	376,630	146,785	523,415	-
Other support services	-	-	-	3,371,846
Total operating expenses	27,611,912	370,864	27,982,776	3,371,846
Operating income (loss)	(24,750,325)	(72,720)	(24,823,045)	153,868
NONOPERATING REVENUES				
Intergovernmental revenues	23,411,943	-	23,411,943	-
Interest earned on investments	350,446	-	350,446	-
Total nonoperating revenues	23,762,389	-	23,762,389	-
Income (loss) before transfers	(987,936)	(72,720)	(1,060,656)	153,868
TRANSFERS OUT	-	(240)	(240)	-
Change in net assets	(987,936)	(72,960)	(1,060,896)	153,868
NET ASSETS, beginning of year (as restated)	13,432,456	4,895,673	18,328,129	(195,870)
NET ASSETS (DEFICIT), end of year	<u>\$ 12,444,520</u>	<u>\$ 4,822,713</u>	<u>17,267,233</u>	<u>\$ (42,002)</u>

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, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	School Food Service	Nonmajor Performing Arts Center	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from local sources	\$ 2,911,378	\$ 221,299	\$ 3,132,677	\$ -
Receipts from interfund services provided	-	-	-	3,441,432
Payments to suppliers	(16,428,748)	(61,558)	(16,490,306)	(3,441,432)
Payments to employees	(8,998,966)	(145,674)	(9,144,640)	-
Payments on behalf of employees	(1,927,384)	(13,827)	(1,941,211)	-
Net cash provided by (used in) operating activities	(24,443,720)	240	(24,443,480)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subsidy from federal and state grants	23,411,943	-	23,411,943	-
Transfers to other funds	-	(240)	-	-
Net cash provided by (used in) noncapital financing activities	23,411,943	(240)	23,411,943	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	350,446	-	350,446	-
Net cash provided by investing activities	350,446	-	350,446	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(321,941)	-	(321,941)	-
Net cash used in capital and related financing activities	(321,941)	-	(321,941)	-
Net decrease in cash and cash equivalents	(1,003,272)	-	(1,003,272)	-
Cash and cash equivalents, beginning of year	12,416,675	-	12,416,675	-
Cash and cash equivalents, end of year	\$ 11,413,403	\$ -	\$ 11,413,403	\$ -

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	School Food Service	Nonmajor Performing Arts Center	Totals	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (24,750,325)	\$ (72,720)	\$ (24,823,045)	\$ 153,868
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	376,630	146,785	523,415	-
Decrease in intergovernmental receivables	49,791	-	49,791	-
Increase in due from other funds	-	(76,845)	(76,845)	(84,282)
Increase in inventories	(179,720)	-	(179,720)	-
Increase in accounts payable	197,821	1,520	199,341	-
Decrease in due to other funds	(368,994)	-	(368,994)	-
Increase in accrued payroll and payroll withholdings	231,077	1,500	232,577	-
Decrease in accrued dental claims	-	-	-	(69,586)
Net cash provided by (used in) operating activities	<u>\$ (24,443,720)</u>	<u>\$ 240</u>	<u>\$ (24,443,480)</u>	<u>\$ -</u>

SCHEDULE OF NONCASH ACTIVITIES

During the year ended June 30, 2008, the School Food Service Fund received \$2,363,175 in commodities from the United States Department of Agriculture.

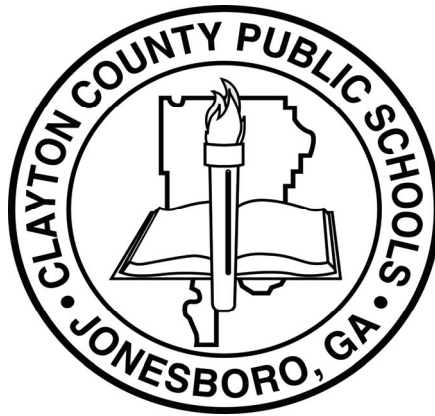
The accompanying notes are an integral part of these financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUND JUNE 30, 2008

	<u>Agency Fund</u>
	<u>Student</u>
ASSETS	Activities
Cash	\$ 428,629
Total assets	<u>\$ 428,629</u>
LIABILITIES	
Due to others	\$ 428,629
Total liabilities	<u>\$ 428,629</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, 2008

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 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.

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 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 ***Internal Service Fund*** accounts for dental insurance services that are provided to other departments or funds of the School System on a cost-reimbursement basis.

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, 2008 was \$9,284,142.

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 \$2,363,175 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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 \$6,154,936 difference are as follows:

Capital leases payable	\$ 24,793
Workers' compensation claims payable	1,291,273
Compensated absences	<u>4,838,870</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u><u>\$ 6,154,936</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 \$42,281,630 difference are as follows:

Capital outlay	\$ 52,527,222
Depreciation expense	<u>(11,245,592)</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>\$ 41,281,630</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 \$937,870 difference are as follows:

Compensated absences	\$ 488,384
Claims payable	<u>449,486</u>
funds	-
to arrive at <i>change in net assets - governmental activities</i>	<u>\$ 937,870</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 function 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	\$ 7,172,696
Adjustments for:	
State QBE revenue	(1,390,328)
Salaries and employee benefits	(1,770,585)
State paid employee benefit revenue	(9,284,142)
State paid employee benefit expenditures	<u>9,284,142</u>
Budget basis net change in fund balance	<u>\$ 4,011,783</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 and 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, 2008, the School System's investment in Georgia Fund 1 was rated AAAM by Standard & Poor's.

At June 30, 2008, the School System had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund 1	40 day weighted average	\$ 99,431,262

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, 2008, School System's bank balance was fully collateralized.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2008, 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	\$ 46,993,140	\$ 14,169,338	\$ 8,677,951	\$ 210,001	\$ 70,050,430
Accounts	1,828,174	-	2,205,815	-	4,033,989
	48,821,314	14,169,338	10,883,766	210,001	74,084,419
Less allowance for uncollectible	(3,869,196)	-	(171,939)	-	(4,041,135)
Net total receivable	<u>\$ 44,952,118</u>	<u>\$ 14,169,338</u>	<u>\$ 10,711,827</u>	<u>\$ 210,001</u>	<u>\$ 70,043,284</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, 2007 and were due November 15, 2007. 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, 2008, 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, 2008, 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	23,713,754	47,771,954	-	(47,399,307)	24,086,401
Total	<u>57,350,742</u>	<u>47,771,954</u>	<u>-</u>	<u>(47,399,307)</u>	<u>57,723,389</u>
Capital assets, being depreciated:					
Buildings	371,417,971	-	-	47,399,307	418,817,278
Improvements	3,774,164	-	-	-	3,774,164
Machinery and equipment	36,013,267	4,755,268	(1,050,734)	-	39,717,801
Total	<u>411,205,402</u>	<u>4,755,268</u>	<u>(1,050,734)</u>	<u>47,399,307</u>	<u>462,309,243</u>
Less accumulated depreciation for:					
Buildings	(79,785,261)	(7,976,248)	-	-	(87,761,509)
Improvements	(1,272,613)	(164,920)	-	-	(1,437,533)
Machinery and equipment	(22,641,626)	(3,104,424)	1,050,734	-	(24,695,316)
Total	<u>(103,699,500)</u>	<u>(11,245,592)</u>	<u>1,050,734</u>	<u>-</u>	<u>(113,894,358)</u>
Total capital assets, being depreciated, net	<u>307,505,902</u>	<u>(6,490,324)</u>	<u>-</u>	<u>47,399,307</u>	<u>348,414,885</u>
Governmental activities capital assets, net	<u>\$ 364,856,644</u>	<u>\$ 41,281,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,138,274</u>
Business-type activities:					
Capital assets, being depreciated:					
Buildings	\$ 7,308,375	\$ -	\$ -	\$ -	\$ 7,308,375
Machinery and equipment	5,049,390	321,941	-	-	5,371,331
Total	<u>12,357,765</u>	<u>321,941</u>	<u>-</u>	<u>-</u>	<u>12,679,706</u>
Less accumulated depreciation for:					
Buildings	(2,557,929)	(146,167)	-	-	(2,704,096)
Machinery and equipment	(2,351,228)	(377,248)	-	-	(2,728,476)
Total	<u>(4,909,157)</u>	<u>(523,415)</u>	<u>-</u>	<u>-</u>	<u>(5,432,572)</u>
Total capital assets, being depreciated, net	<u>7,448,608</u>	<u>(201,474)</u>	<u>-</u>	<u>-</u>	<u>7,247,134</u>
Business-type activities capital assets, net	<u>\$ 7,448,608</u>	<u>\$ (201,474)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,247,134</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	\$ 8,007,417
Pupil services	2,498
Improvement of instructional services	7,530
General administration	127,323
School administration	110,669
Business administration	359
Maintenance and operations	236,410
Student transportation	2,145,882
Central support services	604,619
Other non-instructional services	2,885

Total depreciation expense - governmental activities	\$ 11,245,592
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Business-type activities:

School food services	\$ 376,630
Other activities	146,785

Total depreciation expense - business-type activities	\$ 523,415
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NOTE 8. SHORT-TERM DEBT

Tax Anticipation Note. On July 12, 2007, the School System borrowed \$15,300,000 in the form of a tax anticipation note for cash flow purposes. The interest rate on the tax anticipation note was 4.00%. The note matured on December 21, 2007.

The following is a summary of short-term debt transactions for the School System for the year ended June 30, 2008:

	Beginning Balance	Additions	Reductions	Ending Balance
Tax anticipation note	\$ -	\$ 15,300,000	\$ (15,300,000)	\$ -

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT

Capital Leases. The Board has entered into lease agreements for the purchase of equipment. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is an analysis of assets under capital leases as of June 30, 2008:

	Governmental Activities
Equipment	<u>\$ 220,500</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, are as follows:

	Governmental Activities
Year Ending June 30, 2009	<u>\$ 25,431</u>
Total minimum lease payments	25,431
Less: amount representing interest	(638)
Present value of minimum lease payments	<u>\$ 24,793</u>

Changes in long-term debt related to governmental activities for the year ended June 30, 2008 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	\$ 51,055	\$ -	\$ (26,262)	\$ 24,793	\$ 24,793
Claims payable	841,787	1,854,254	(1,404,768)	1,291,273	1,037,408
Compensated absences	4,350,486	3,104,172	(2,615,788)	4,838,870	2,726,960
Governmental activities Long-term liabilities	<u>\$ 5,243,328</u>	<u>\$ 4,958,426</u>	<u>\$ (4,046,818)</u>	<u>\$ 6,154,936</u>	<u>\$ 3,789,161</u>
Business-type activities:					
Compensated absences	\$ 68,422	\$ 69,222	\$ (57,229)	\$ 80,415	\$ 59,661
Business-type activities Long-term liabilities	<u>\$ 68,422</u>	<u>\$ 69,222</u>	<u>\$ (57,229)</u>	<u>\$ 80,415</u>	<u>\$ 59,661</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from other funds:

Due to	Due from			Total
	General	School Food Service Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 788,176	\$ 7,203,903	\$ 7,992,079
Internal service fund	232,998	-	-	232,998
Nonmajor enterprise fund	222,325	-	-	222,325
Nonmajor governmental governmental funds	2,205,815	-	-	2,205,815
	<u>\$ 2,661,138</u>	<u>\$ 788,176</u>	<u>\$ 7,203,903</u>	<u>\$ 10,653,217</u>

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 Enterprise Funds	
General Fund	\$ -	\$ 240	\$ 240
Nonmajor Governmental Funds	1,613,679	-	1,613,679
	<u>\$ 1,613,679</u>	<u>\$ 240</u>	<u>\$ 1,613,919</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.

NOTES TO FINANCIAL STATEMENTS

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.

Covered employees are required by state law to contribute 5% of their annual covered salary to the plan and the School System is required to contribute 9.28% of current covered payroll. Covered employees' contributions for the years ended June 30, 2008, 2007, and 2006, were \$13,069,352, \$12,058,333, and \$11,598,356, respectively. The School System's contributions to TRS for the years ended June 30, 2008, 2007, and 2006, were \$24,346,925, \$22,441,175, and \$21,433,731, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RETIREMENT PLANS (CONTINUED)

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.

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, 2008, totaled \$49,212.

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, 2008, for School System employees was \$53,311.

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 1,398 employees covered under PSERS for the year ended June 30, 2008.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. OTHER POST EMPLOYMENT BENEFITS

Georgia Retiree Health Benefit Fund

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

Funding Policy. The contribution requirements of plan members and participating employers are established and may be amended by the Board of the State of Georgia Department of Community Health. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election.

Participating State employers, including local Boards of Education, are statutorily required to contribute in accordance with the employer contribution rate established by the Board. The contribution rate is established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements. The combined rate for the active and retiree plans (pay-as-you go basis) for the fiscal year ended June 30, 2008, was 18.534% of covered payroll for certified employees and \$162.72 per non-certified covered employee. Currently the State is requiring that local Boards of Education pay only on active employees. The (Name) Board of Education's contribution to the health insurance plans for the fiscal year ended June 30, 2008, was \$38,262,909, 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 and dental care. 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)

Dental Insurance

The School System is self-insured for employee dental care. The School System has accrued a liability for the estimated costs of claims incurred prior to and during fiscal year 2008, but not paid at year end and for claims settlement costs. Activity is accounted for in an internal service fund.

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 claims liabilities for the past two fiscal years for which the School System is self-insured are as follows:

Workers' Compensation

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Unpaid claims, beginning of fiscal year	\$ 841,787	\$ 515,516
Incurred claims (including IBNRs)	1,854,254	1,589,149
Claim payments and changes in estimates	(1,404,768)	(1,262,878)
Unpaid claims, end of fiscal year	<u>\$ 1,291,273</u>	<u>\$ 841,787</u>

Dental Insurance Fund

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Unpaid claims, beginning of fiscal year	\$ 344,586	\$ 308,467
Incurred claims (including IBNRs)	3,302,260	3,187,245
Claim payments and changes in estimates	(3,371,846)	(3,151,126)
Unpaid claims, end of fiscal year	<u>\$ 275,000</u>	<u>\$ 344,586</u>

NOTES TO FINANCIAL STATEMENTS

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, 2008, 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 \$47,025,669. Construction contracts include new school construction and expansion and renovation of existing facilities.

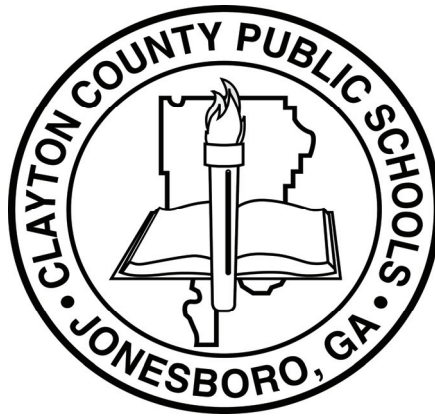
NOTE 15. SUBSEQUENT EVENT

On October 8, 2008, the School System borrowed \$23,000,000 in the form of a tax anticipation note for cash flow purposes. The interest rate on the tax anticipation note was 4.50%. The note has a maturity date of December 31, 2008.

NOTE 16. PRIOR PERIOD ADJUSTMENT

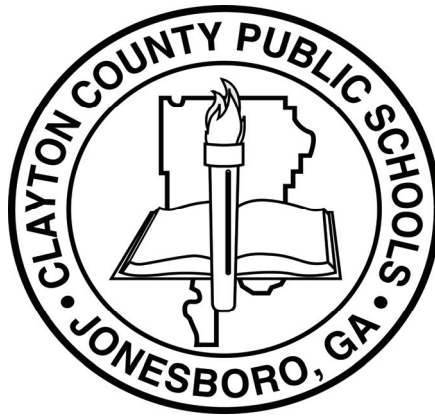
The School System has determined that a restatement of the net assets of the School Food Service fund is required to reflect corrections to beginning balances of inventory. The School System omitted \$198,543 of inventory in the June 30, 2007 financial statements in error, resulting in an understatement of net assets.

Net assets June 30, 2007, as previously reported	\$ 13,233,913
Adjustment for inventory	198,543
Net assets June 30, 2007, as restated	<u>\$ 13,432,456</u>



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 health and education in the area of drug abuse.

Title V 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 continuing innovation and educational improvement in Clayton County schools.

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

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, 2008

Special Revenue Funds				
ASSETS	Adult Education	After School Program	Athletics	Lottery
Cash	\$ -	\$ -	\$ 92,736	\$ -
Receivables:				
Accounts	1,099	-	-	-
Intergovernmental	162,445	-	-	-
Due from other funds	3,379	639,960	-	435,042
Total assets	<u>\$ 166,923</u>	<u>\$ 639,960</u>	<u>\$ 92,736</u>	<u>\$ 435,042</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,140	\$ 19	\$ 204	\$ 6,155
Accrued payroll and payroll withholdings	5,785	-	-	408,487
Other current liabilities	-	-	70	-
Due to other funds	158,539	-	-	-
Total liabilities	<u>166,464</u>	<u>19</u>	<u>274</u>	<u>414,642</u>
FUND BALANCES				
Unreserved:				
Undesignated	<u>459</u>	<u>639,941</u>	<u>92,462</u>	<u>20,400</u>
Total fund balances	<u>459</u>	<u>639,941</u>	<u>92,462</u>	<u>20,400</u>
Total liabilities and fund balances	<u>\$ 166,923</u>	<u>\$ 639,960</u>	<u>\$ 92,736</u>	<u>\$ 435,042</u>

South Metro	Title I	Title II	Title III	Title IV
\$ -	\$ -	\$ -	\$ -	\$ -
-	191	-	-	-
1,498,905	4,015,892	544,449	124,562	70,523
-	636,606	26,742	-	-
<u>\$ 1,498,905</u>	<u>\$ 4,652,689</u>	<u>\$ 571,191</u>	<u>\$ 124,562</u>	<u>\$ 70,523</u>

\$ 41,100	\$ 102,991	\$ 357	\$ -	\$ 16,703
645,122	2,212,104	127,171	83,206	-
-	-	-	-	-
<u>812,683</u>	<u>2,337,594</u>	<u>416,921</u>	<u>41,356</u>	<u>53,820</u>
<u>1,498,905</u>	<u>4,652,689</u>	<u>544,449</u>	<u>124,562</u>	<u>70,523</u>

-	-	26,742	-	-
-	-	26,742	-	-
<u>\$ 1,498,905</u>	<u>\$ 4,652,689</u>	<u>\$ 571,191</u>	<u>\$ 124,562</u>	<u>\$ 70,523</u>

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2008

Special Revenue Funds				
ASSETS	Title V	Title VI-B Preschool	Title VI-B	Vocational Programs
Cash	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Intergovernmental	24,975	104,081	1,069,407	276,587
Due from other funds	-	-	411,637	-
Total assets	<u>\$ 24,975</u>	<u>\$ 104,081</u>	<u>\$ 1,481,044</u>	<u>\$ 276,587</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 7,337	\$ 242
Accrued payroll and payroll withholdings	10,952	31,818	1,473,707	-
Other current liabilities	-	-	-	-
Due to other funds	14,023	72,263	-	276,345
Total liabilities	<u>24,975</u>	<u>104,081</u>	<u>1,481,044</u>	<u>276,587</u>
FUND BALANCES				
Unreserved:				
Undesignated	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	<u>\$ 24,975</u>	<u>\$ 104,081</u>	<u>\$ 1,481,044</u>	<u>\$ 276,587</u>

WorkTec	School Discretionary	All Other Special Revenue	Total Nonmajor Governmental Funds
\$ 341,640	\$ 2,843,184	\$ -	\$ 3,277,560
3,570,295	-	-	3,571,585
-	-	614,186	8,506,012
-	-	52,449	2,205,815
<u>\$ 3,911,935</u>	<u>\$ 2,843,184</u>	<u>\$ 666,635</u>	<u>\$ 17,560,972</u>

\$ 74,761	\$ 48,544	\$ 8,315	\$ 308,868
172,573	-	75,049	5,245,974
-	-	-	70
<u>2,438,439</u>	<u>9,148</u>	<u>572,772</u>	<u>7,203,903</u>
<u>2,685,773</u>	<u>57,692</u>	<u>656,136</u>	<u>12,758,815</u>

<u>1,226,162</u>	<u>2,785,492</u>	<u>10,499</u>	<u>4,802,157</u>
<u>1,226,162</u>	<u>2,785,492</u>	<u>10,499</u>	<u>4,802,157</u>
<u>\$ 3,911,935</u>	<u>\$ 2,843,184</u>	<u>\$ 666,635</u>	<u>\$ 17,560,972</u>

CLAYTON COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2008

	Special Revenue Funds			
	Adult Education	After School Program	Athletics	Lottery
REVENUES				
Local sources	\$ 21,732	\$ 2,443,941	\$ 309,240	\$ -
State sources	290,776	-	-	2,798,412
Federal sources	258,764	-	-	-
Interest earned on investments	-	-	5,331	-
Total revenues	571,272	2,443,941	314,571	2,798,412
EXPENDITURES				
Current:				
Instruction	419,478	-	-	2,448,033
Pupil services	-	-	-	239,771
Improvement of instructional services	160,059	-	-	105,797
Educational media services	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Maintenance and operations	14,633	-	-	3,500
Student transportation	-	-	-	1,182
Central support services	-	-	-	2,072
Other support services	-	-	-	677
Other non-instructional services	-	-	411,458	-
Community service	-	2,329,275	-	-
Total expenditures	594,170	2,329,275	411,458	2,801,032
Excess (deficiency) of revenues over (under) expenditures	(22,898)	114,666	(96,887)	(2,620)
OTHER FINANCING SOURCES				
Transfers in	23,357	-	-	69,703
Net change in fund balances	459	114,666	(96,887)	67,083
FUND BALANCES (DEFICIT), beginning of year	-	525,275	189,349	(46,683)
FUND BALANCES, end of year	\$ 459	\$ 639,941	\$ 92,462	\$ 20,400

South Metro	Title I	Title II	Title III	Title IV
\$ 82,301	\$ -	\$ -	\$ -	\$ -
4,816,588	-	-	-	-
1,068,413	18,577,430	2,073,886	590,745	251,012
-	-	-	-	-
5,967,302	18,577,430	2,073,886	590,745	251,012
4,117,529	8,659,562	73,090	100,723	61,213
792,026	162,649	7,054	-	37,681
253,031	8,601,318	1,788,479	476,891	111,409
21,030	162,621	-	-	-
458,081	166,697	36,120	10,993	4,655
-	958	-	-	-
64,531	-	600	-	36,054
-	575,919	-	2,138	-
-	-	141,801	-	-
261,074	247,706	-	-	-
-	-	-	-	-
-	-	-	-	-
5,967,302	18,577,430	2,047,144	590,745	251,012
-	-	26,742	-	-
-	-	-	-	-
-	-	26,742	-	-
-	-	-	-	-
\$ -	\$ -	\$ 26,742	\$ -	\$ -

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2008

	Special Revenue Funds			
	Title V	Title VI-B Preschool	Title VI-B	Vocational Programs
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	84,187	252,011	9,978,113	609,466
Interest earned on investments	-	-	-	-
Total revenues	84,187	252,011	9,978,113	609,466
EXPENDITURES				
Current:				
Instruction	68,553	252,011	9,341,078	416,362
Pupil services	-	-	1,248,655	-
Improvement of Instructional Services	14,078	-	711,225	193,104
Educational media services	-	-	-	-
General administration	1,556	-	-	-
School administration	-	-	-	-
Maintenance and operations	-	-	-	-
Student transportation	-	-	-	-
Central support services	-	-	-	-
Other support services	-	-	22	-
Other non-instructional services	-	-	-	-
Community service	-	-	-	-
Total expenditures	84,187	252,011	11,300,980	609,466
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,322,867)	-
OTHER FINANCING SOURCES				
Transfers in	-	-	1,322,867	-
Net change in fund balances	-	-	-	-
FUND BALANCES (DEFICIT), beginning of year	-	-	-	-
FUND BALANCES, end of year	\$ -	\$ -	\$ -	\$ -

			Total
			Nonmajor
			Governmental
WorkTec	School	All Other	Funds
	Discretionary	Special Revenue	
\$ 5,955,679	\$ 9,100,487	\$ 8,287	\$ 17,921,667
1,437,911	-	597,511	9,941,198
1,349,854	-	1,049,291	36,143,172
658	-	-	5,989
8,744,102	9,100,487	1,655,089	64,012,026
-	8,666,919	148,266	34,772,817
-	-	687,343	3,175,179
-	-	837,692	13,253,083
-	-	5,856	189,507
-	-	34,839	712,941
-	-	-	958
-	-	-	119,318
-	-	12,606	591,845
-	-	-	143,873
-	-	-	509,479
-	-	-	411,458
8,209,681	-	-	10,538,956
8,209,681	8,666,919	1,726,602	64,419,414
534,421	433,568	(71,513)	(407,388)
125,000		72,752	1,613,679
659,421	433,568	1,239	1,206,291
566,741	2,351,924	9,260	3,595,866
\$ 1,226,162	\$ 2,785,492	\$ 10,499	\$ 4,802,157

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, 2008

	Adult Education		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	\$ -	\$ 21,732	\$ 21,732
State sources	297,296	290,776	(6,520)
Federal sources	268,670	258,764	(9,906)
Interest earned on investments	-	-	-
Total revenues	565,966	571,272	5,306
EXPENDITURES			
Current:			
Instruction	407,504	419,478	(11,974)
Pupil services	-	-	-
Improvement of instructional services	159,464	160,059	(595)
Educational media services	-	-	-
General administration	-	-	-
School administration	-	-	-
Maintenance and operations	22,355	14,633	7,722
Student transportation	-	-	-
Central support services	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	589,323	594,170	(4,847)
Excess (deficiency) of revenues over (under) expenditures	(23,357)	(22,898)	459
TRANSFERS IN	23,357	23,357	-
Net change in fund balances	-	459	459
FUND BALANCES (DEFICIT), beginning of year	-	-	-
FUND BALANCES (DEFICIT), end of year	\$ -	\$ 459	\$ 459

Athletics			Lottery		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ 381,262	\$ 309,240	\$ (72,022)	\$ -	\$ -	\$ -
-	-	-	2,577,885	2,798,412	220,527
-	-	-	-	-	-
10,000	5,331	(4,669)	-	-	-
391,262	314,571	(76,691)	2,577,885	2,798,412	220,527
-	-	-	2,265,603	2,448,033	(182,430)
-	-	-	265,000	239,771	25,229
-	-	-	109,700	105,797	3,903
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,600	3,500	(1,900)
-	-	-	-	1,182	(1,182)
-	-	-	5,685	2,072	3,613
-	-	-	-	677	(677)
391,262	411,458	(20,196)	-	-	-
-	-	-	-	-	-
391,262	411,458	(20,196)	2,647,588	2,801,032	(153,444)
-	(96,887)	(96,887)	(69,703)	(2,620)	67,083
-	-	-	69,703	69,703	-
-	(96,887)	(96,887)	-	67,083	67,083
189,349	189,349	-	(46,683)	(46,683)	-
\$ 189,349	\$ 92,462	\$ (96,887)	\$ (46,683)	\$ 20,400	\$ 67,083

(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, 2008

	South Metro		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	\$ 82,301	\$ 82,301	\$ -
State sources	4,816,588	4,816,588	-
Federal sources	1,129,491	1,068,413	(61,078)
Interest earned on investments	-	-	-
Total revenues	6,028,380	5,967,302	(61,078)
EXPENDITURES			
Current:			
Instruction	4,136,284	4,117,529	18,755
Pupil services	840,872	792,026	48,846
Improvement of instructional services	253,163	253,031	132
Educational media services	-	21,030	(21,030)
General administration	435,069	458,081	(23,012)
School administration	-	-	-
Maintenance and operations	112,992	64,531	48,461
Student transportation	-	-	-
Central support services	-	-	-
Other support services	250,000	261,074	(11,074)
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	6,028,380	5,967,302	61,078
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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
19,942,409	18,577,430	(1,364,979)	2,422,396	2,073,886	(348,510)
-	-	-	-	-	-
19,942,409	18,577,430	(1,364,979)	2,422,396	2,073,886	(348,510)
8,695,317	8,659,562	35,755	144,668	73,090	71,578
76,708	162,649	(85,941)	19,000	7,054	11,946
9,817,548	8,601,318	1,216,230	1,934,981	1,788,479	146,502
135,908	162,621	(26,713)	-	-	-
166,926	166,697	229	43,540	36,120	7,420
-	958	(958)	-	-	-
1,970	-	1,970	4,770	600	4,170
564,211	575,919	(11,708)	-	-	-
-	-	-	275,437	141,801	133,636
483,821	247,706	236,115	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,942,409	18,577,430	1,364,979	2,422,396	2,047,144	375,252
-	-	-	-	26,742	26,742
-	-	-	-	-	-
-	-	-	-	26,742	26,742
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 26,742	\$ 26,742

(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, 2008

	Title III		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	-	-	-
State sources	-	-	-
Federal sources	\$ 614,674	\$ 590,745	\$ (23,929)
Interest earned on investments	-	-	-
Total revenues	614,674	590,745	(23,929)
EXPENDITURES			
Current:			
Instruction	121,557	100,723	20,834
Pupil services	-	-	-
Improvement of instructional services	480,151	476,891	3,260
Educational media services	-	-	-
General administration	10,966	10,993	(27)
School administration	-	-	-
Maintenance and operations	-	-	-
Student transportation	2,000	2,138	(138)
Central support services	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	614,674	590,745	23,929
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 V		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
-	-	-	-	-	-
-	-	-	-	-	-
\$ 251,012	\$ 251,012	\$ -	\$ 86,555	\$ 84,187	\$ (2,368)
-	-	-	-	-	-
251,012	251,012	-	86,555	84,187	(2,368)
87,000	61,213	25,787	70,863	68,553	2,310
-	37,681	(37,681)	-	-	-
97,193	111,409	(14,216)	13,487	14,078	(591)
-	-	-	-	-	-
26,619	4,655	21,964	1,576	1,556	20
-	-	-	-	-	-
40,200	36,054	4,146	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	629	-	629
-	-	-	-	-	-
-	-	-	-	-	-
251,012	251,012	-	86,555	84,187	2,368
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2008

	Title VI-B Preschool		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	-	-	-
State sources	-	-	-
Federal sources	\$ 274,441	\$ 252,011	\$ (22,430)
Interest earned on investments	-	-	-
Total revenues	274,441	252,011	(22,430)
EXPENDITURES			
Current:			
Instruction	274,441	252,011	22,430
Pupil services	-	-	-
Improvement of instructional services	-	-	-
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	274,441	252,011	22,430
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 VI-B			Vocational Programs		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
-	-	-	-	-	-
-	-	-	-	-	-
\$ 9,978,113	\$ 9,978,113	\$ -	\$ 613,630	\$ 609,466	\$ (4,164)
-	-	-	-	-	-
9,978,113	9,978,113	-	613,630	609,466	(4,164)
8,079,669	9,341,078	(1,261,409)	411,173	416,362	(5,189)
1,566,000	1,248,655	317,345	-	-	-
1,655,311	711,225	944,086	202,457	193,104	9,353
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	22	(22)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,300,980	11,300,980	-	613,630	609,466	4,164
(1,322,867)	(1,322,867)	-	-	-	-
1,322,867	1,322,867	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2008

	WorkTec		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	\$ 6,427,721	\$ 5,955,679	\$ (472,042)
State sources	66,000	1,437,911	1,371,911
Federal sources	881,541	1,349,854	468,313
Interest earned on investments	-	658	658
Total revenues	7,375,262	8,744,102	1,368,840
EXPENDITURES			
Current:			
Instruction	1,759,103	-	1,759,103
Pupil services	564,199	-	564,199
Improvement of instructional services	1,009,861	-	1,009,861
Educational media services	-	-	-
General administration	69,919	-	69,919
School administration	-	-	-
Maintenance and operations	4,070,180	-	4,070,180
Student transportation	-	-	-
Central support services	27,000	-	27,000
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	8,209,681	(8,209,681)
Total expenditures	7,500,262	8,209,681	(709,419)
Excess (deficiency) of revenues over (under) expenditures	(125,000)	534,421	659,421
TRANSFERS IN	125,000	125,000	-
Net change in fund balances	-	659,421	659,421
FUND BALANCES (DEFICIT), beginning of year	566,741	566,741	-
FUND BALANCES (DEFICIT), end of year	\$ 566,741	\$ 1,226,162	\$ 659,421

All Other Special Revenue		
Final Budget	Actual	Variance With Final Budget
\$ -	\$ 8,287	\$ 8,287
763,255	597,511	(165,744)
1,498,601	1,049,291	(449,310)
-	-	-
2,261,856	1,655,089	(606,767)
178,329	148,266	30,063
1,055,622	687,343	368,279
882,158	837,692	44,466
5,857	5,856	1
175,893	34,839	141,054
-	-	-
-	-	-
34,749	12,606	22,143
-	-	-
2,000	-	2,000
-	-	-
-	-	-
2,334,608	1,726,602	608,006
(72,752)	(71,513)	1,239
72,752	72,752	-
-	1,239	1,239
9,260	9,260	-
\$ 9,260	\$ 10,499	\$ 1,239

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND JUNE 30, 2008

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
<u>STUDENT ACTIVITY FUND</u>				
ASSETS				
Cash and investments	\$ 388,226	\$ 2,222,152	\$ 2,181,749	\$ 428,629
LIABILITIES				
Due to student organizations				
Elementary Schools:				
Anderson	\$ 135	8,382	8,314	203
Arnold	2,757	3,073	4,511	1,319
Brown	3,880	24,904	23,046	5,738
Callaway	(738)	19,441	16,189	2,514
Church Street	1,031	34,809	34,701	1,139
East Clayton	3,159	8,354	9,169	2,344
Edmonds	897	3,537	3,669	765
Fountain	249	5,253	2,485	3,017
Harper	2,345	8,235	7,308	3,272
Hawthorne	1,931	9,591	10,578	944
Haynie	4,543	8,406	7,288	5,661
Hendrix Drive	4,212	6,129	8,173	2,168
Huie	3,740	10,016	9,872	3,884
Jackson	1,148	10,649	10,280	1,517
Kemp	13	7,270	6,597	686
Kemp Primary	89	2,101	2,152	38
Kilpatrick	1,406	3,903	3,296	2,013
King	1,733	14,937	14,626	2,044
Lake City	797	11,180	8,542	3,435
Lake Ridge	(31)	8,778	5,923	2,824
Lee Street	3,706	9,822	10,144	3,384
Marshall	715	5,997	6,239	473
McGarrah	5,558	31,527	33,366	3,719
Morrow	1,167	4,983	4,812	1,338
Mt. Zion	(4,962)	32,222	27,048	212
Northcutt	2,083	15,827	15,992	1,918
Oliver	715	13,754	13,529	940
Pointe South	353	10,788	10,111	1,030
Riverdale	708	1,394	1,517	585
River's Edge	1,650	21,523	21,241	1,932
Smith	2,181	31,352	31,448	2,085
Suder	5,767	16,248	16,160	5,855
Swint	4,412	12,941	14,491	2,862
Tara	3,824	696	1,143	3,377
Unidos	-	150	-	150
West Clayton	170	2,333	2,600	(97)
Total Elementary Schools	61,343	420,505	406,560	75,288

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND JUNE 30, 2008

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
LIABILITIES (continued)				
Due to student organizations (continued)				
Middle Schools:				
Adamson	\$ 6,354	\$ 40,773	\$ 39,706	\$ 7,421
Babb	7,893	61,967	59,698	10,162
Forest Park	2,390	10,428	10,924	1,894
Jonesboro	22,781	32,090	34,524	20,347
Kendrick	10,489	37,136	37,345	10,280
Lovejoy	3,813	51,743	52,273	3,283
Morrow	9,212	38,816	44,726	3,302
Mundy's Mill	14,234	30,400	31,774	12,860
North Clayton	3,342	66,068	66,564	2,846
Pointe South	4,381	29,284	27,882	5,783
Rex Mill	6,578	137,910	131,294	13,194
Riverdale	2,375	33,174	31,595	3,954
Roberts	10,073	39,519	37,390	12,202
Sequoyah	3,141	14,449	14,768	2,822
Total Middle Schools	107,056	623,757	620,463	110,350
High Schools and Special Purpose Programs:				
Forest Park	\$ 30,448	\$ 91,315	\$ 102,729	\$ 19,034
Jonesboro	25,158	95,545	91,727	28,976
Lovejoy	28,754	177,567	171,317	35,004
Morrow	41,798	158,567	159,139	41,226
Mt. Zion	39,171	176,082	177,094	38,159
Mundy's Mill	11,513	180,507	172,274	19,746
North Clayton	14,937	111,049	111,414	14,572
Riverdale	26,308	186,091	167,813	44,586
Eula W. Ponds Perry Center	-	536	371	165
Alternative	22	381	256	147
South Metro	1,718	250	592	1,376
Total High Schools and Special Purpose Programs	219,827	1,177,890	1,154,726	242,991
Total due to student organizations	388,226	2,222,152	2,181,749	428,629
Total Liabilities	\$ 388,226	\$ 2,222,152	\$ 2,181,749	\$ 428,629



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.

Contents

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Financial Trends67 - 71

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

Revenue Capacity.....72 - 77

These schedules contain information to help the reader assess the School System's most significant local revenue sources.

Debt Capacity.....78 - 81

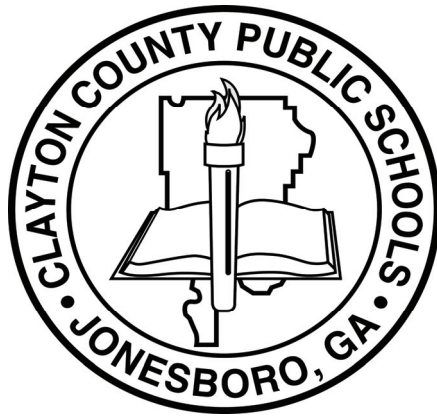
These schedules present information to help the reader assess the affordability of the School System's current levels of outstanding debt and the School System's ability to issue additional debt in the future.

Demographic and Economic Information.....82 - 85

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

Operating Information.....86 - 96

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.



Financial Trends

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30,	Invested in capital assets net of related debt	Restricted	Unrestricted	Total Net Assets
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	364,856,644	73,348,770	10,680,978	448,886,392
2008	406,113,481	90,559,654	56,830,763	553,503,898

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.

CLAYTON COUNTY BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
YEAR ENDED JUNE 30, 2008

	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

CLAYTON COUNTY BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
YEAR ENDED JUNE 30, 2008

	2004	2005	2006	2007	2008
Business-type activities					
Charge 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	<u>\$ (132,355,110)</u>	<u>\$ (151,234,404)</u>	<u>\$ (154,011,672)</u>	<u>\$ (160,019,347)</u>	<u>\$ (177,548,567)</u>
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
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
Total business-type activities	62,839	166,319	356,087	526,739	350,446
Total primary government	<u>\$ 176,024,291</u>	<u>\$ 193,294,364</u>	<u>\$ 207,871,675</u>	<u>\$ 238,134,903</u>	<u>\$ 238,484,615</u>
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	<u>\$ 43,669,181</u>	<u>\$ 42,059,960</u>	<u>\$ 53,854,003</u>	<u>\$ 78,115,556</u>	<u>\$ 60,936,048</u>

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.

**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			Total
	Reserved	Unreserved Designated	Unreserved Undesignated	
1999	\$ 600,000	\$ -	\$ 27,425,290	\$ 28,025,290
2000	65,233	-	23,407,203	23,472,436
2001	190,233	-	25,125,082	25,315,315
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	-	-	54,331,556	54,331,556

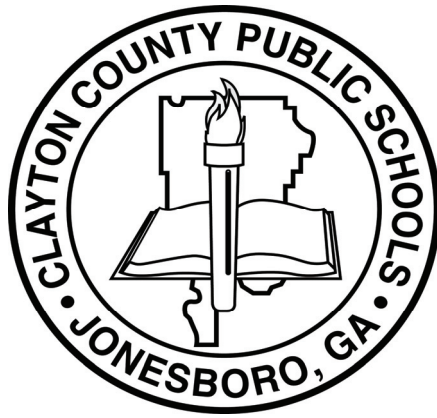
Fiscal Year Ended June 30,	All Other Governmental Funds		
	Reserved	Unreserved - Special Revenue	Total
1999	\$ 38,751,674	\$ 4,257,062	\$ 43,008,736
2000	38,505,613	4,393,764	42,899,377
2001	39,152,208	4,958,341	44,110,549
2002	38,067,675	5,556,432	43,624,107
2003	46,042,756	5,968,798	52,011,554
2004	46,810,178	3,119,748	49,929,926
2005	49,730,079	3,340,797	53,070,876
2006	80,930,059	3,093,521	84,023,580
2007	73,348,770	3,595,866	76,944,636
2008	90,559,654	4,802,157	95,361,811

CLAYTON COUNTY BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
YEAR ENDED JUNE 30, 2008

	2002	2003	2004	2005	2006	2007	2008
Revenues:							
Local sources	\$ 173,681,674	\$ 173,865,444	\$ 183,968,056	\$ 199,988,595	\$ 196,000,977	\$ 227,174,904	\$ 236,387,341
State sources	206,752,881	215,148,835	203,339,338	197,832,717	215,063,542	239,246,916	264,830,746
Federal sources	27,752,457	33,655,899	24,545,613	38,720,305	39,547,241	39,671,292	37,089,659
Interest earned on investments	-	-	574,743	1,483,671	3,690,941	6,991,392	5,534,144
On behalf payments	-	-	3,150,426	3,311,531	7,622,873	7,227,583	-
Other sources	-	-	75,179	-	-	-	-
Total revenues	408,187,012	422,670,178	415,653,355	441,336,819	520,312,087	520,312,087	543,841,890
Expenditures:							
Current:							
Instructional services	224,390,871	250,693,236	258,625,347	260,960,087	263,210,908	276,138,696	299,136,987
Pupil services	7,454,054	7,865,132	8,188,368	7,966,497	9,578,188	12,188,388	16,131,704
Improvement of instructional services	7,639,490	10,888,732	10,863,587	16,050,498	16,361,601	22,610,922	25,025,892
Educational media services	6,086,938	6,171,007	6,493,723	6,849,810	6,569,947	6,921,917	7,470,767
General administration	3,425,482	3,840,469	3,907,327	3,423,249	3,429,391	4,437,129	3,656,928
School administration	18,583,335	19,341,620	19,569,553	20,107,379	20,911,160	21,071,990	23,996,116
Business services	1,223,830	1,594,999	1,284,832	1,465,963	1,992,348	2,725,317	2,885,605
Maintenance and operations	22,962,626	24,847,734	25,376,816	25,747,334	27,285,453	28,257,473	32,293,341
Student transportation	11,016,544	13,391,076	16,183,916	13,239,495	14,997,106	20,307,028	23,415,849
Central support services	5,496,321	7,828,157	7,840,640	7,164,566	7,565,608	14,320,703	11,630,765
Other support services	1,187,042	737,588	1,117,683	1,210,801	2,500,260	2,725,457	3,577,663
On behalf payments	-	-	3,150,426	3,311,531	7,622,873	7,227,583	-
Other non-instructional services	-	17,530	1,167,078	1,451,522	1,296,284	1,158,911	1,018,735
Community service	6,407,398	6,719,596	9,099,984	9,733,870	10,549,645	10,251,046	10,538,956
Capital outlay	71,192,588	62,363,856	51,763,317	49,744,718	30,580,662	62,254,348	57,502,959
Food Services	18,572,856	20,000,688					
Debt service:							
Principal retirement	680,000	-	1,980,887	2,031,283	2,077,328	1,420,440	26,262
Interest and fiscal charges	18,591	-	159,034	110,996	62,593	15,605	2,030
Total expenditures	406,337,966	436,301,420	426,772,518	430,569,599	426,591,355	494,032,953	518,310,559
Excess (deficiency) of revenues over (under) expenditures	1,849,046	(13,631,242)	(11,119,163)	10,767,220	35,334,219	26,279,134	25,531,331
Other financing sources (uses):							
Proceeds from capital leases	-	7,900,000					
Sale of capital assets	-	-	-	-	15,287	104,651	58,300
Transfer in	16,741,761	25,619,622	320,749	1,768,836	951,842	382,922	1,613,919
Transfers out	(16,719,894)	(25,607,203)	(320,749)	(1,768,836)	(951,842)	(774,442)	(1,613,679)
Total other financing sources (uses)	21,867	7,912,419	-	-	15,287	(286,869)	58,540
Net change in fund balances	1,870,913	(5,718,823)	(11,119,163)	10,767,220	35,349,506	25,992,265	25,589,871
Fund balances - beginning of year	72,653,513	74,524,428	63,113,669	51,994,506	62,761,726	98,111,232	124,103,496
Fund balances - end of year	<u>\$ 74,524,426</u>	<u>\$ 68,805,605</u>	<u>\$ 51,994,506</u>	<u>\$ 62,761,726</u>	<u>\$ 98,111,232</u>	<u>\$ 124,103,497</u>	<u>\$ 149,693,367</u>

Note: FY2003 Statement of Governmental Activities was restated in FY2004

Note: FY2005 Statement of Governmental Activities was restated in FY2006



Revenue Capacity

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS
(UNAUDITED - IN THOUSANDS)
MAINTENANCE AND OPERATIONS
DECEMBER 31, 1999 THROUGH 2008

Tax 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					
1999	\$ 4,250,294	\$ 10,625,735	\$ 537,493	\$ 1,343,733	\$ 376,880	\$ 942,200	\$ 5,164,667	\$ 12,911,668	\$ 761,711	\$ 4,402,956	0.0183	\$ 80,750	40.00%
2000	4,490,644	11,226,610	569,809	1,424,523	592,662	1,481,655	5,653,115	14,132,788	755,497	4,897,618	0.0183	89,822	40.00%
2001	4,794,151	11,985,378	568,588	1,421,470	625,793	1,564,483	5,988,532	14,971,330	789,072	5,199,460	0.0179	93,154	40.00%
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%

Source: Property Tax Division, Clayton County Tax Commission

Note: Total Taxable Assessed Values were calculated by reducing the fair market/market value of primary residential property by 40%, representing a partial property tax exemption for such property.

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 of	City of
	M & O	Service		of Georgia	College Park	Forest Park	Morrow	Riverdale
1999	18.340	-	18.340	0.250	7.000	3.040	-	1.000
2000	17.916	-	17.916	0.250	6.930	3.043	-	1.000
2001	17.916	-	17.916	0.250	6.610	3.043	-	5.000
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	20.000	-	20.000	0.250	9.560	6.593	4.000	7.500
2007	20.000	-	20.000	0.250	9.560	6.593	4.000	7.500
2008	19.836	-	19.836	0.250	9.560	6.593	5.000	7.500

Overlapping Rates (continued):

Fiscal Year	City of Jonesboro		City of	City of	City of	Clayton County Board of Commissioners					
	M & O	Fire	Lake	LoveJoy	of	School	Debt	Total	School	Debt	Total
		District	City	Fire District	Riverdale	M & O	Service		M & O	Service	
1999	-	-	-	-	1.000	4.110	-	4.110	4.110	-	4.110
2000	-	-	-	-	1.000	3.913	-	3.913	3.913	-	3.913
2001	-	-	-	-	5.000	4.047	-	4.047	4.047	-	4.047
2002	-	-	-	4.207	6.500	5.882	-	5.882	5.882	-	5.882
2003	-	-	-	3.900	6.500	6.882	-	6.882	6.882	-	6.882
2004	-	3.900	5.886	3.900	7.500	7.781	-	7.781	7.781	-	7.781
2005	3.000	3.900	5.886	3.900	7.500	7.781	-	7.781	7.781	-	7.781
2006	3.000	3.900	5.768	3.900	7.500	8.764	-	8.764	8.764	-	8.764
2007	3.000	3.900	5.768	3.900	7.500	8.764	-	8.764	8.764	-	8.764
2008	3.000	3.900	5.768	3.900	7.500	8.764	-	8.962	8.764	-	8.962

Source: Clayton County Tax Commissioner's Office

CLAYTON COUNTY BOARD OF EDUCATION

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	December 31, 2008			December 31, 1999		
	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	8.57%	\$ 657,567,611	1	14.93%
Air Tran Airlines	107,280,753	2	1.30%	-	-	0.00%
Georgia Power Co	104,447,459	3	1.26%	79,193,910	2	1.80%
Atlantic Southeast Airlines	101,786,025	4	1.23%	-	-	0.00%
City of Atlanta	95,882,959	5	1.16%	26,150,161	10	0.59%
AMB Partners/Prop.	51,432,576	6	0.62%	-	-	0.00%
Atlanta Gas Light	35,988,013	7	0.44%	39,414,192	6	0.90%
BellSouth	33,564,647	8	0.41%	39,444,229	4	0.90%
Southlake Mall	29,352,522	9	0.35%	58,155,810	3	1.32%
DDRTC Southlake Pavilion	29,202,781	10	0.35%	-	-	0.00%
Highwoods Realty	24,662,069	11	0.30%	-	-	0.00%
American Airlines	23,184,508	12	0.28%	-	-	0.00%
J.C. Penney	23,100,000	13	0.28%	42,105,223	5	0.96%
Wal-Mart	22,039,902	14	0.27%	-	-	0.00%
SEC of HUD	21,621,984	15	0.26%	-	-	0.00%
	<u>\$ 1,412,255,196</u>		<u>17.08%</u>	<u>\$ 942,031,136</u>		<u>21.40%</u>

Source: Clayton County Assessor and State Tax Commission

(1) District's total taxable value for 2008 \$ 8,269,775,000

(2) District 's total taxable value for 1999 \$ 4,402,958,000

CLAYTON COUNTY BOARD OF EDUCATION

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN TAX YEARS

Fiscal Year Ended December 31,	Taxes Levied For The Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 84,614,813	\$ 85,823,817	101.43%	-	\$ 85,823,817	101.43% (1)
2000	89,822,312	87,952,570	97.92%	-	87,952,570	97.92%
2001	93,153,516	85,935,697	92.25%	-	85,935,697	92.25%
2002	103,021,471	104,235,822	101.18%	-	104,235,822	101.18% (1)
2003	112,319,107	103,992,925	92.59%	-	103,992,925	92.59%
2004	124,176,153	114,042,199	91.84%	-	114,042,199	91.84%
2005	133,573,932	124,651,272	93.32%	-	119,369,020	89.37%
2006	153,470,689	113,287,628	73.82%	-	135,543,274	88.32%
2007	161,586,307	113,287,628	70.11%	-	143,875,651	89.04%
2008	164,039,251	113,287,628	69.06%	-	147,237,288	89.76%

Source: Clayton County Treasurer's Office (includes property tax and motor vehicle fee in lieu).

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.

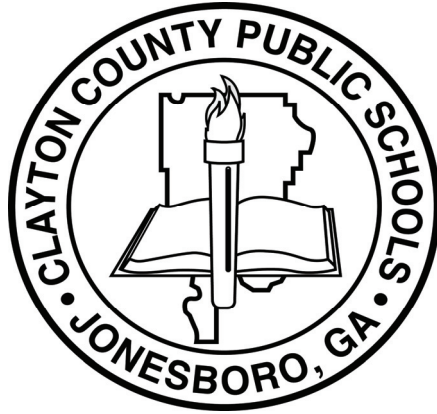
(1) Includes some prior year tax levy

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF REVENUES BY SOURCE GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS YEAR ENDED JUNE 30, 2008

	1999	2000	2001	2002	2003
Revenues:					
Local sources	\$ 146,329,408	\$ 152,988,558	\$ 151,062,736	\$ 173,681,674	\$ 173,865,444
State sources	157,831,402	162,698,380	187,559,435	206,752,881	215,148,835
Federal sources	19,507,975	21,836,142	23,705,622	27,752,457	33,655,899
Interest earned on investments	-	-	-	-	-
On behalf payments	-	-	-	-	-
Other sources	-	-	-	-	-
Total revenues	<u>\$ 323,668,785</u>	<u>\$ 337,523,080</u>	<u>\$ 362,327,793</u>	<u>\$ 408,187,012</u>	<u>\$ 422,670,178</u>

2004	2005	2006	2007	2008
\$ 183,968,056	\$ 199,988,595	\$ 196,000,977	\$ 227,174,904	\$ 236,387,341
203,339,338	197,832,717	215,063,542	239,246,916	264,830,746
24,545,613	38,720,305	39,547,241	39,671,292	37,089,659
574,743	1,483,671	3,690,941	6,991,392	5,534,144
3,150,426	3,311,531	7,622,873	7,227,583	-
75,179	-	-	-	-
<u>\$ 415,653,355</u>	<u>\$ 441,336,819</u>	<u>\$ 461,925,574</u>	<u>\$ 520,312,087</u>	<u>\$ 543,841,890</u>



Debt Capacity

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS AS OF JUNE 30, 2008

Fiscal Year Ended December 31,	Capital Lease	General Obligation Bonds	Total Primary Government	Percentage of Personal Income*	Per Capita*
1999	\$ 1,826,295	\$ 9,870,000	\$ 11,696,295	0.25%	\$ 84
2000	919,919	3,840,000	4,759,919	0.10%	51
2001	356,208	680,000	1,036,208	0.02%	20
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%	0
2008	24,793	-	24,793	0.00%	0

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2008

	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	33,379,272	100%	33,379,272
Landfill Authority	13,835,000	100%	13,835,000
Total Direct and Overlapping Debt	<u>\$ 47,214,272</u>		<u>\$ 47,214,272</u>

Source: Clayton County Board of Commissioners

CLAYTON COUNTY BOARD OF EDUCATION

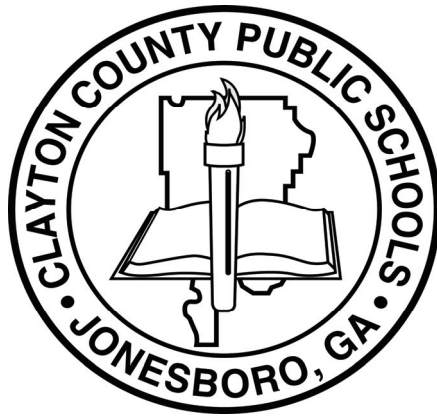
LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt limit	\$ 486,515,552	\$ 500,826,701	\$ 531,787,189	\$ 59,061,328	\$ 644,653,196	\$ 676,984,575
Total net debt applicable to limit	<u>102,395,000</u>	<u>82,015,000</u>	<u>55,560,000</u>	<u>27,945,000</u>	-	-
Legal debt margin	<u>\$ 588,910,552</u>	<u>\$ 582,841,701</u>	<u>\$ 587,347,189</u>	<u>\$ 87,006,328</u>	<u>\$ 644,653,196</u>	<u>\$ 676,984,575</u>
Total net debt applicable to the limit as a percentage of debt limit	21.05%	16.38%	10.45%	47.32%	0.00%	0.00%

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 690,157,367	\$ 730,100,335	\$ 793,727,347	\$ 826,977,500
-	-	-	-
<u>\$ 690,157,367</u>	<u>\$ 730,100,335</u>	<u>\$ 793,727,347</u>	<u>\$ 826,977,500</u>
0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed Value*	\$ 8,269,775,000
Debt Limit (10% of assessed value)**	826,977,500
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 826,977,500</u>



Demographic & Economic Information

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS AS OF JUNE 30, 2008

Year	Population	Personal Income* (in thousands)	Per Capita Personal Income	County Unemployment Rate**
1999	229,970	\$ 4,587,540	\$ 19,948	3.6%
2000	238,500	4,821,540	20,216	3.9%
2001	248,060	4,882,680	19,683	4.0%
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%

* Woods & Poole Economics Data Pamphlet 2008

** 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>December 31, 2008</u>			<u>December 31, 1999</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>
Delta Airlines, Inc	16,515	1	12.48%	23,318	1	20.42%
Clayton County School System	7,300	2	5.52%	5,800	2	5.08%
U.S. Army at Fort Gillem	3,419	3	2.58%	3,161	3	2.77%
Southern Regional Medical Center	2,569	4	1.94%	1,800	5	1.58%
Clayton County Government	1,935	5	1.46%	1,800	6	1.58%
Clayton College & State University	1,500	6	1.13%	-	-	0.00%
Fresh Express	1,050	7	0.79%	-	-	0.00%
ToTo U.S.A., Inc.	450	8	0.34%	-	-	0.00%
Hartsfield-Jackson Atlanta Airport	400	9	0.30%	-	-	0.00%
AT&T (former BellSouth)	390	10	0.29%	-	-	0.00%
Atlanta State Farmers' Market	-	-	0.00%	2,000	4	1.75%
J.C. Penney	-	-	0.00%	1,617	7	1.42%
Southlake Mall	-	-	0.00%	1,500	8	1.31%
Northwest Airlines	-	-	0.00%	1,496	9	1.31%
Georgia Department of Revenue	-	-	0.00%	1,300	10	1.14%
Totals	35,528		26.83%	43,792		38.36%

Source: Clayton County Chamber of Commerce

Total employment in Clayton County for 1999 was 114,185 and 2008 it was 129,434.

CLAYTON COUNTY BOARD OF EDUCATION

**STUDENT ETHNICITY STATISTICS
LAST TEN FISCAL YEARS**

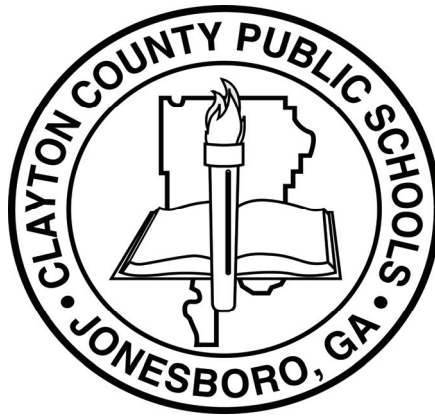
Sex	Race	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Female	American Indian/Alaskan Native	28	30	30	23	23	23	23	22	20	18
	Asian, Pacific Islander	962	1,006	1,021	1,050	1,048	1,077	1,067	1,056	1,061	1,030
	Black, not of Hispanic origin	12,635	13,791	14,966	15,980	16,994	17,757	18,269	18,921	18,643	17,408
	Hispanic	891	1,098	1,350	1,662	1,958	2,286	2,619	2,962	3,181	3,576
	Multi-racial	535	614	670	737	777	778	841	897	964	904
	White, not of Hispanic origin	<u>6,445</u>	<u>5,595</u>	<u>4,837</u>	<u>4,082</u>	<u>3,371</u>	<u>2,790</u>	<u>2,215</u>	<u>1,790</u>	<u>1,355</u>	<u>1,042</u>
	Sub Total	<u>21,496</u>	<u>22,134</u>	<u>22,874</u>	<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>
Male	American Indian/Alaskan Native	30	24	25	23	20	21	16	23	20	30
	Asian, Pacific Islander	1,104	1,134	1,135	1,173	1,176	1,160	1,153	1,155	1,157	1,148
	Black, not of Hispanic origin	12,973	14,136	15,497	16,448	17,511	18,185	18,795	19,605	19,385	18,488
	Hispanic	985	1,186	1,440	1,785	2,132	2,534	2,966	3,264	3,367	3,720
	Multi-racial	567	643	715	791	852	861	897	937	930	939
	White, not of Hispanic origin	<u>6,913</u>	<u>6,009</u>	<u>5,244</u>	<u>4,478</u>	<u>3,732</u>	<u>3,083</u>	<u>2,544</u>	<u>2,025</u>	<u>1,514</u>	<u>1,176</u>
	Sub Total	<u>22,572</u>	<u>23,132</u>	<u>24,056</u>	<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>
System Total		<u>44,068</u>	<u>45,266</u>	<u>46,930</u>	<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>

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>
1999	43,363	40,371	93.10%	44,068
2000	44,807	41,805	93.30%	45,266
2001	46,502	43,433	93.40%	46,930
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



Operating Information

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

TEACHERS' BASE SALARIES LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>MINIMUM SALARY</u>	<u>MEDIAN SALARY</u>	<u>MAXIMUM SALARY</u>	<u>PERCENT CHANGE</u>
1999	\$29,215	\$44,874	\$60,532	5.53%
2000	\$30,228	\$46,525	\$62,821	3.78%
2001	\$31,018	\$47,825	\$64,631	2.88%
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	\$59,684	\$79,461	2.66%

CLAYTON COUNTY BOARD OF EDUCATION

HISTORY OF HIGH SCHOOL GRADUATES LAST TEN SCHOOL YEARS

<u>School Year</u>	<u>Forest Park High</u>	<u>Jonesboro High</u>	<u>Lovejoy High</u>	<u>Morrow High</u>	<u>Mount Zion High</u>	<u>Mundy's Mill High</u>	<u>North Clayton High</u>	<u>Riverdale High</u>	<u>Alternative Programs</u>	<u>Total</u>
1999	198	271	361	226	230	-	172	234		1,692
2000	227	263	338	280	252	-	191	208	1	1,760
2001	231	300	400	276	265	-	191	246	2	1,911
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

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>
1999	2,742	3,375	224	6,341	40,371	14.7
2000	2,823	3,445	228	6,496	41,805	14.8
2001	2,766	3,298	236	6,300	43,433	15.7
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

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>
1999 (1)	N/A	40,371	N/A	N/A
2000 (1)	N/A	41,805	N/A	N/A
2001 (1)	N/A	43,433	N/A	N/A
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%

Notes:

(1) Data not available for years prior to implementation of GASB Statement No. 34

CLAYTON COUNTY BOARD OF EDUCATION

NUTRITION SERVICES - FACTS AND FIGURES LAST TEN FISCAL YEARS

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of schools participating in:										
Lunch - regular schedule	48	49	49	50	52	54	57	58	59	59
Lunch - year round										
Breakfast program	48	49	49	50	52	54	57	58	59	59
Student lunches served:										
Free	2,762,181	2,855,878	3,054,285	3,353,373	3,548,170	3,988,217	4,361,509	4,964,652	5,094,162	5,019,989
Reduced	686,003	780,561	881,771	953,130	1,075,147	1,041,779	1,022,892	873,018	864,873	899,588
Fully paid	2,022,249	2,036,383	2,209,919	2,164,857	2,138,718	1,951,825	1,762,341	1,598,251	1,431,720	1,356,064
Total	<u>5,470,433</u>	<u>5,672,822</u>	<u>6,145,975</u>	<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>
Adult lunches served	234,907	256,744	260,700	265,811	277,827	288,583	251,685	236,721	359,700	337,678
Student breakfasts served:										
Free	1,192,977	1,246,647	1,287,343	1,398,556	1,464,613	1,681,764	1,901,633	2,182,362	2,325,198	2,403,475
Reduced	165,029	191,174	214,339	243,955	281,371	277,304	292,261	269,025	272,792	308,777
Fully paid	199,398	232,546	249,555	289,618	300,474	297,873	290,479	301,172	293,284	333,376
Total	<u>1,557,404</u>	<u>1,670,367</u>	<u>1,751,237</u>	<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>
Number of serving days:										
Regular schedule	228	179	179	180	180	179	196	197	195	180
Year-round schedule								-	-	-
Weighted average	228.00	179.00	179.00	180.00	180.00	179.00	196.00	197.30	194.70	180.00
Average daily participation:										
Student lunch	23,993	31,692	34,335	35,952	37,567	39,005	36,463	37,688	37,960	40,420
Adult lunch	1,030	1,434	1,456	1,477	1,543	1,612	1,284	1,200	1,847	1,876
Student breakfast	6,831	9,332	9,783	10,734	11,369	12,609	12,675	13,951	14,850	16,920
October 1 pupil count (Kindergarten not included)	44,068	45,266	46,232	48,232	49,594	50,555	51,405	52,657	49,479	48,814
Percentage of students daily eating school lunch	54.45%	70.01%	74.27%	74.54%	75.75%	77.15%	70.93%	71.57%	76.72%	82.80%
October 1 count of benefits										
Students on free lunch	15,757	16,305	17,639	18,957	20,040	22,869	24,623	27,803	28,538	32,535
Student on reduced lunch	3,980	4,587	5,122	5,488	6,273	6,029	5,939	5,038	5,092	6,393
Percentage of students on:										
Free lunch	35.76%	36.02%	38.15%	39.30%	40.41%	45.24%	47.90%	52.80%	57.68%	66.65%
Reduced lunch	9.03%	10.13%	11.08%	11.38%	12.65%	11.93%	11.55%	9.57%	10.29%	13.10%
Total	<u>44.79%</u>	<u>46.15%</u>	<u>49.23%</u>	<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>

CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</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	422	422	449	509	455	449	450	507	519	484
Arnold (1963)										
Square feet	50,971	50,971	57,177	57,177	57,177	57,177	57,177	57,177	57,177	57,177
Capacity	413	413	500	500	500	500	500	500	500	500
Enrollment	502	502	482	467	478	508	506	510	520	467
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	846	846	903	953	1,014	1,030	843	815	796	743
Callaway (2002)										
Square feet	x	x	91,014	91,014	91,014	91,014	91,014	91,014	105,494	105,494
Capacity			725	725	725	725	725	725	900	900
Enrollment			-	777	872	892	866	896	921	821
Church St (1966)										
Square feet	69,968	69,968	78,651	78,651	78,651	78,651	78,651	78,651	78,651	78,651
Capacity	688	688	825	825	825	825	825	825	825	825
Enrollment	1,044	1,044	1,083	1,001	1,018	906	896	929	949	813
East Clayton (1958)										
Square feet	61,739	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	746	746	821	862	915	967	570	601	649	592
Edmonds (1957)										
Square feet	50,694	50,694	57,307	57,307	57,307	57,307	57,307	57,307	57,307	57,307
Capacity	413	413	450	450	450	450	450	450	450	450
Enrollment	482	482	494	478	476	468	446	418	470	515
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	859	859	882	915	980	584	569	537	499	496
Harper (2002)										
Square feet	x	x	x	91,014	91,014	91,014	91,014	91,014	91,014	91,014
Capacity				725	725	725	725	725	725	725
Enrollment	-	-	-	784	784	800	811	831	817	748

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

CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Hawthorne (1998)										
Square feet	89,226	89,226	89,226	89,226	89,226	89,226	89,226	89,226	102,500	102,500
Capacity	738	738	738	738	738	738	738	738	900	900
Enrollment	763	763	850	880	942	914	886	949	868	913
Haynie (1969)										
Square feet	62,347	72,107	72,107	72,107	72,107	72,107	72,107	72,107	72,107	72,107
Capacity	625	738	738	738	738	738	738	738	738	738
Enrollment	1,041	1,041	1,059	1,007	738	776	764	780	801	745
Hendrix (1955)										
Square feet	47,794	47,794	47,794	54,748	54,748	54,748	54,748	54,748	54,748	54,748
Capacity	413	413	413	450	450	450	450	450	450	450
Enrollment	457	457	442	411	419	354	338	338	254	124
Huie (1966)										
Square feet	67,085	67,085	67,085	71,569	71,569	71,569	71,569	71,569	71,569	71,569
Capacity	625	625	625	675	675	675	675	675	675	675
Enrollment	776	776	731	709	696	708	666	611	633	597
Jackson (2003)										
Square feet	x	x	x	x	90,229	90,229	90,229	90,229	90,229	90,229
Capacity	-	-	-	-	-	725	725	725	725	725
Enrollment	-	-	-	-	-	822	885	956	947	734
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	675	837	932	990	1,067	1,160	733	754	742	706
Kemp Primary (2004)										
Square feet	x	x	x	x	x	90,229	90,229	90,229	90,229	90,229
Capacity	-	-	-	-	-	663	663	663	663	663
Enrollment	-	-	-	-	-	-	688	720	741	605
Kilpatrick (1973)										
Square feet	67,727	67,727	67,727	67,727	67,727	75,379	75,379	75,379	75,379	75,379
Capacity	575	575	575	575	575	650	650	650	650	650
Enrollment	751	751	832	805	808	715	672	672	618	550
King (2003)										
Square feet	x	x	x	x	92,044	92,044	92,044	92,044	92,044	92,044
Capacity	-	-	-	-	700	700	700	700	700	700
Enrollment	-	-	-	-	-	910	972	1,048	993	870
Lake City (1957)										
Square feet	41,515	41,515	51,245	51,245	51,245	51,245	51,245	51,245	51,245	51,245
Capacity	413	413	463	463	463	463	463	463	463	463
Enrollment	543	543	563	574	492	540	479	456	490	501
Lake Ridge (1994)										
Square feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	94,662	94,662
Capacity	650	650	650	650	650	650	650	650	788	788
Enrollment	1,169	1,169	1,210	673	754	780	839	841	866	729

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CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</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	720	720	725	724	707	495	515	580	622	541
Marshall (2004)										
Square feet	x	x	x	x	x	89,854	89,854	89,854	89,854	89,854
Capacity	-	-	-	-	-	725	725	725	725	725
Enrollment	-	-	-	-	-	-	852	950	901	852
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	1,141	1,141	1,004	946	914	925	708	684	705	608
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	632	632	661	603	586	611	546	523	509	481
Mt Zion (1976)										
Square feet	85,815	85,815	85,815	85,815	85,815	85,815	450	85,815	85,815	85,815
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	892	892	926	1,004	1,108	961	905	975	927	558
Mt Zion Primary (2008)										
Square feet	x	x	x	x	x	x	x	x	x	93,275
Capacity	-	-	-	-	-	-	-	-	-	750
Enrollment	-	-	-	-	-	-	-	-	-	540
Northcutt (1970)										
Square feet	67,988	67,988	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	574	574	550	815	772	732	610	615	568	628
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	960	960	923	993	1,075	816	832	842	884	784
Pointe South (1981)										
Square feet	48,255	57,441	57,441	57,441	57,441	57,441	57,441	57,441	57,441	57,441
Capacity	525	675	675	675	675	675	675	675	675	675
Enrollment	886	886	880	795	761	807	827	736	775	643
River's Edge (1994)										
Square feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	100,300	100,300
Capacity	650	650	650	650	650	650	650	650	863	863
Enrollment	824	824	784	776	823	825	807	978	1,153	1,102
Riverdale (1954)										
Square feet	56,013	56,013	56,013	65,084	65,084	65,084	65,084	65,084	65,084	65,084
Capacity	575	575	575	700	700	700	700	700	700	700
Enrollment	727	727	764	715	677	637	667	708	660	608
Smith (2000)										
Square feet	x	95,132	95,132	95,132	95,132	95,132	95,132	95,132	95,132	95,132
Capacity	-	725	725	725	725	725	725	725	725	725
Enrollment	-	750	896	985	1,043	917	954	922	937	938
Suder (1966)										
Square feet	72,115	72,115	72,115	72,115	79,783	79,783	79,783	79,783	79,783	79,783
Capacity	675	675	675	675	775	775	775	775	775	775
Enrollment	781	781	767	736	693	713	739	781	804	662

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CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
School										
Elementary										
Swint (1968)										
Square feet	64,963	64,963	71,785	71,785	71,785	71,785	71,785	71,785	71,785	71,785
Capacity	688	688	788	788	788	788	788	788	788	788
Enrollment	883	883	927	827	821	706	638	649	565	524
Tara (1964)										
Square feet	63,950	63,950	76,224	76,224	76,224	76,224	76,224	76,224	76,224	76,224
Capacity	588	588	735	735	735	735	735	735	735	735
Enrollment	1,020	1,020	961	1,031	614	626	591	609	590	598
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	937	937	998	666	676	516	537	507	527	499
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	940	940	963	1,076	1,186	1,223	1,239	1,273	787	654
Babb (1966)										
Square feet	85,450	103,443	103,443	103,443	103,443	103,443	103,443	103,443	103,443	103,443
Capacity	575	775	775	775	775	775	775	775	775	775
Enrollment	986	986	985	1,044	1,092	1,120	1,057	891	869	793
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	570	570
Enrollment	797	797	780	808	788	736	767	655	593	505
Jonesboro (2004)										
Square feet	x	x	x	x	x	128,170	128,170	128,170	128,170	128,170
Capacity	-	-	-	-	-	875	875	875	875	875
Enrollment	651	578	558	593	585	609	928	973	938	883
Kendrick (1996)										
Square feet	123,458	123,458	123,458	123,458	123,458	123,458	123,458	123,458	123,458	143,828
Capacity	850	850	850	850	850	850	850	850	850	1,075
Enrollment	1,072	1,072	1,149	1,262	1,318	1,429	1,506	936	921	770
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	738	738
Enrollment	776	776	934	1,011	1,050	1,068	1,131	1,312	1,280	1,175

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CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>School</u>										
<u>Middle</u>										
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	1,047	1,047	1,042	1,062	1,042	1,036	782	791	824	704
Mundy's Mill (1973)										
Square feet	100,316	100,316	116,822	116,822	116,822	116,822	116,822	116,822	116,822	116,822
Capacity	650	650	850	850	850	850	850	850	850	850
Enrollment	759	759	822	843	887	916	959	983	961	887
N. Clayton Middle (1969)										
Square feet	86,320	99,989	99,989	99,989	99,989	99,989	99,989	99,989	99,989	118,794
Capacity	575	738	738	738	738	738	738	738	738	1,000
Enrollment	930	930	976	1,022	1,035	960	929	920	961	949
Pointe South (1978)										
Square feet	126,859	126,859	141,792	141,792	141,792	141,792	141,792	141,792	141,792	141,792
Capacity	675	675	875	875	875	875	875	875	875	875
Enrollment	977	977	1,055	1,067	1,115	1,134	1,144	968	954	814
Rex Mill (2007)										
Square feet	x	x	x	x	x	x	x	x	152,570	152,570
Capacity	-	-	-	-	-	-	-	-	1,100	1,100
Enrollment	-	-	-	-	-	-	-	-	578	981
Riverdale (1968)										
Square feet	91,967	91,967	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738
Capacity	675	675	850	850	850	850	850	850	850	850
Enrollment	1,032	1,032	1,055	1,109	1,027	1,063	1,070	853	859	841
Roberts (2000)										
Square feet	x	123,458	123,458	123,458	123,458	123,458	123,458	123,458	123,458	144,014
Capacity	-	838	838	838	838	838	838	838	838	1,100
Enrollment	-	913	975	1,112	1,141	1,167	1,064	1,053	815	644
Sequoyah (2004)										
Square feet	x	x	x	x	x	128,170	128,170	128,170	128,170	128,170
Capacity	-	-	-	-	-	875	875	875	875	875
Enrollment	-	-	-	-	-	-	-	996	926	769

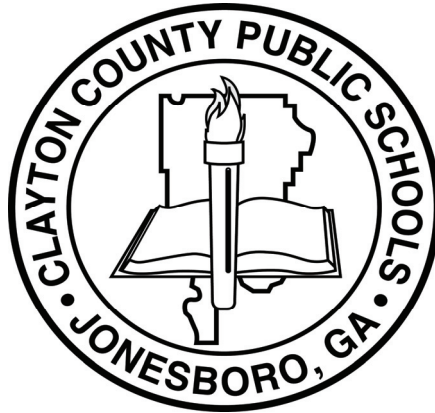
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CLAYTON COUNTY BOARD OF EDUCATION

SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>School</u>										
High										
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	1,668	1,668	1,591	1,594	1,630	1,567	1,567	1,518	1,626	1,545
Jonesboro (1963)										
Square feet	193,634	193,634	193,634	193,634	193,634	193,634	193,634	193,634	193,634	263,036
Capacity	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,725
Enrollment	1,638	1,638	1,735	1,800	1,723	1,647	1,693	1,828	1,697	1,268
Lovejoy (1989)										
Square feet	217,450	217,450	217,450	217,450	217,450	217,450	217,450	217,450	217,450	217,450
Capacity	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625
Enrollment	2,189	2,189	2,342	2,533	1,980	1,886	1,795	1,837	1,903	1,804
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	1,746	1,746	1,785	1,811	1,920	1,905	2,064	2,149	2,074	1,742
Mt. Zion (1990)										
Square feet	231,952	231,952	231,952	231,952	231,952	231,952	231,952	216,241	231,952	231,952
Capacity	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,575	1,575
Enrollment	1,592	1,592	1,738	1,794	1,727	1,778	1,844	1,662	1,731	1,722
Mundy's Mill (2002)										
Square feet	x	x	x	254,667	254,667	254,667	254,667	254,667	254,667	254,667
Capacity	-	-	-	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Enrollment	-	-	-	-	941	1,407	1,970	2,081	2,104	1,815
N. Clayton (1967)										
Square feet	149,727	149,727	149,727	149,727	149,727	149,727	171,755	171,755	171,755	171,755
Capacity	1,075	1,075	1,075	1,075	1,075	1,075	1,325	1,325	1,325	1,325
Enrollment	1,211	1,211	1,327	1,404	1,470	1,477	1,458	1,568	1,527	1,526
Riverdale (1977)										
Square feet	203,067	203,067	203,067	203,067	203,067	203,067	203,067	203,067	203,067	203,067
Capacity	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Enrollment	1,450	1,450	1,619	1,660	1,759	1,857	1,831	1,933	1,961	1,670

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



Single Audit Reports 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**

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, 2008, which collectively comprise the Clayton County Board of Education's basic financial statements and have issued our report thereon dated January 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 would not necessarily disclose all deficiencies in the internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Clayton County Board of Education's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Clayton County Board of Education's financial statements that is more than inconsequential will not be prevented or detected by the Clayton County Board of Education's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 08-01, 08-2, 08-3, and 08-4 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Clayton County Board of Education's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 08-1 and 08-4 to be material weaknesses.

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 January 30, 2009.

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

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.

Macon, Georgia
January 30, 2009

Mauldin & Jenkins, LLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO 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 compliance of the Clayton County Board of Education 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, 2008. 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 of 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, 2008.

Internal Control Over Compliance

The 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 control deficiency in an entity's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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 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.

Macon, Georgia
January 30, 2009

Mauldin & Jenkins, LLC

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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:			
USDA-Food Distribution (noncash)	10.550	N/A	\$ 2,363,175
School Breakfast Program	10.553	N/A	4,425,038
National School Lunch Program	10.555	N/A	15,231,281
Total U. S. Department of Agriculture			<u>22,019,494</u>
U. S. DEPARTMENT OF EDUCATION:			
Passed through Georgia Department of Technical and Adult Education:			
Adult Education	84.002	N/A	233,847
Adult Education/Institutional	84.002	N/A	13,734
Adult Education/TANF	84.002	N/A	11,183
Career and Technical Education	84.048	N/A	35,430
			<u>294,194</u>
Passed through Georgia Department of Education:			
Title I Programs - Improving Academic Achievement	84.010	N/A	14,470,810
Title I Programs - School Improvement Grant	84.010	N/A	445,721
Title I Programs - Delinquent Project	84.010	N/A	5,295
			<u>14,921,826</u>
Reading First	84.357	N/A	<u>3,454,278</u>
Even Start	84.213	N/A	<u>201,326</u>
Title VI-B Flowthrough	84.027	N/A	9,978,113
Title VI-B Special Projects	84.027	N/A	1,068,413
Title VI-B Preschool	84.173	N/A	252,011
			<u>11,298,537</u>
Title II - Part A	84.367	N/A	<u>1,817,659</u>
Title II - Part A, Mathematics and Science Partnerships	84.366	N/A	<u>151,529</u>
Title II - Part D	84.318	N/A	<u>104,698</u>
Title III - Part A	84.365	N/A	<u>590,745</u>
Title V - Innovative Education Program Strategies	84.298	N/A	<u>84,187</u>

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U. S. DEPARTMENT OF EDUCATION (Continued):			
Passed through Georgia Department of Education (Continued):			
Drug Free Schools and Communities - State Grants	84.186	N/A	\$ 251,012
Education for Homeless Children and Youth - Grant for State and Local Activities - State Grants	84.196	N/A	103,330
Vocational Education - Basic Grants to States	84.048	N/A	574,037
Charter Schools Implementation Grant	84.282	N/A	110,011
Hurricane Education Recovery	84.938	N/A	1,331
Subtotal - Passed through Georgia Department of Education			33,664,506
Direct Awards:			
Teaching American History	84.215X	N/A	347,374
Early Reading First	84.359B	N/A	427,960
Impact Aid	84.041	N/A	3,937
Subtotal - Direct Awards			779,271
Total U. S. Department of Education			34,737,971
U. S. DEPARTMENT OF DEFENSE:			
Direct Award:			
ROTC	12.unknown	N/A	737,753
U. S. DEPARTMENT OF JUSTICE:			
Direct Award:			
Gang Resistance, Education, and Training	16.737	N/A	40,806
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:			
Direct Award:			
Learn and Serve America	94.004	N/A	18,479
Total Expenditures of Federal Awards			\$ 57,554,503

CLAYTON COUNTY BOARD OF EDUCATION

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30,2008

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, 2008

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:

\$1,726,635

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, 2008

B. FINDINGS: FINANCIAL STATEMENTS AUDIT

08-01. Accounting for Investments

Criteria: Internal controls should be in place to ensure that all investments are properly recorded at year end.

Condition: Internal controls did not detect misstatements in the balance of investments due the posting of a journal entry in the incorrect fund and the duplicate posting of a receipt.

Context: We addressed these matters with School System officials who determined the appropriate adjustments to the Capital Projects Fund.

Effect: Audit adjustments totaling \$3,949,219 in the Capital Projects Fund were required to properly record investments.

Recommendation: We recommend the School System strengthen internal controls to ensure that investments are properly stated.

Views of Responsible Officials and Planned Corrective Action: Management concurs and has implemented steps to detect misstatements of investments timely.

08-02. Contracts and Retainage Payable Transactions

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

Condition: Internal controls did not detect misstatements in contracts payable and retainage payable due to the failure of the School System to properly record all current year contracts payable and retainage payable as part of the year end closeout process.

Context: We addressed these matters with School System officials who determined the appropriate adjustments to contracts payable and retainage payable in the Capital Projects Fund.

Effect: Audit adjustments totaling \$237,065 in the Capital Projects Fund were required to properly record contracts payable and retainage payable.

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

CLAYTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

B. FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

08-02. Contracts and Retainage Payable Transactions (Continued)

Views of Responsible Officials and Planned Corrective Action: Management concurs and has implemented steps to record current year contracts payable and retainage payable as part of the year end close out process.

08-03. Salaries Payable

Criteria: Internal controls should be in place to ensure that all amounts owed to employees are properly recorded as salaries payable at year end.

Condition: Internal controls did not detect misstatements in payroll liabilities in the School Food Service Fund due to the failure of the School System to properly record all current year salaries payable as part of the year end closeout process.

Context: We addressed these matters with School System officials who determined the appropriate adjustments to salaries payable in the School Food Service Fund.

Effect: An audit adjustment in the amount of \$54,591 in the School Food Service Fund was required to properly record salaries payable.

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

Views of Responsible Officials and Planned Corrective Action: Management concurs and has implemented steps to ensure that salaries payable are properly stated.

08-04. Inventory

Criteria: Internal controls should be in place to ensure that inventory amounts are properly stated at year end.

Condition: Internal controls did not detect misstatements in the balance of inventory in the School Food Service Fund as of June 30, 2007.

Context: We addressed these matters with School System officials who determined the need for a restatement (prior period adjustment) to inventory and net assets in the School Food Service Fund as of June 30, 2007, and to determine the adjustment needed to properly record inventory as of June 30, 2008.

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

B. FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

08-04. Inventory (Continued)

Effect: A prior period adjustment to increase beginning of year inventory and net assets in the amount of \$198,543 was required.

Recommendation: We recommend the School System strengthen internal controls to ensure that all inventory balances are properly stated.

Views of Responsible Officials and Planned Corrective Action: Management concurs and steps have been implemented to ensure that inventory balances are properly stated.

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, 2008

07-1. Accounts Receivable Transactions

Criteria: Internal controls should be in place to ensure that any prior year entries to record accounts receivable are properly reversed upon receipt.

Condition: Internal controls did not detect a misstatement in accounts receivable due to the failure of the School System to properly reverse prior year accounts receivable as part of the year end closeout process.

Auditee Response/Status: Resolved.

07-2. Accounts Payable Transactions

Criteria: Internal controls should be in place to ensure that any prior year entries to record accounts payable are properly reversed when paid, all amounts owed are properly recorded as accounts payable at year end, and amounts due between funds are not included in both accounts payable and interfund payables.

Condition: Internal controls did not detect a misstatement in accounts payable due to the failure of the School System to properly reverse prior year accounts payable and record all current year accounts payable, and failure to detect amounts included in both accounts payable and interfund payables as part of the year end closeout process.

Auditee Response/Status: Resolved.

07-3. Accounting for Claims Incurred But Not Reported (IBNR)

Criteria: Internal controls should be in place to ensure that an estimate for dental claims incurred but not reported is properly recorded in the financial statements.

Condition: Internal controls did not detect a misstatement in claims incurred but not reported due to oversight by the School System as part of the year end closeout process.

Auditee Response/Status: Resolved.

07-4. Under Collateralization of School System Deposits Non-material Noncompliance

Criteria: The Official Code of Georgia (OCGA) Section 45-8-12 (c) requires all depositories of public funds to pledge securities of not less than 110% of the deposited public funds.

Condition: For the year ended June 30, 2007, the School System's deposits held at one financial institution were under collateralized.

Auditee Response/Status: Resolved.

CLAYTON COUNTY BOARD OF EDUCATION

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2008

07-5. Accounting for Revenues in the Title II Fund.

Criteria: Internal controls should be in place to ensure that only revenues associated with the Title II program are recorded in the Title II Fund.

Condition: Internal controls did not detect the posting of local revenues against expenditures of the Title II Fund due to oversight by the School System as part of the year end closeout process.

Auditee Response/Status: Resolved

07-6. Proper Approval of Disbursements in the School Nutrition Program

Criteria: Sound internal controls require policies and procedures to be in place to monitor expenditures under federal programs to ensure grant funds are only spent on allowable expenditures.

Condition: Four (4) of the sixty (60) expenditures tested were not properly approved prior to the disbursement of funds.

Auditee Response/Status: Resolved.

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