



CAMDEN COUNTY BOARD OF EDUCATION KINGSLAND, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2010

(Including Independent Auditor's Reports)



CAMDEN COUNTY BOARD OF EDUCATION

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FINANCIAL



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Russell W. Hinton
STATE AUDITOR
(404) 656-2174

August 5, 2011

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Camden County Board of Education

INDEPENDENT AUDITOR'S COMBINED REPORT ON BASIC FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION - SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

Ladies and Gentlemen:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information (Exhibits A through I) of the Camden County Board of Education, as of and for the year ended June 30, 2010, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Camden 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, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Camden County Board of Education, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2011, on our consideration of the Camden 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

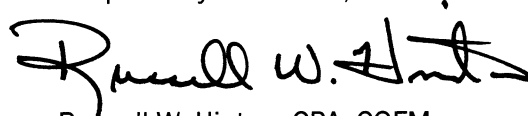
that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, as presented on pages i through vii and page 25 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Camden County Board of Education's financial statements as a whole. The accompanying supplementary information consists of Schedules 2 through 5, which includes the Schedule of Expenditures of Federal Awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

A copy of this report has been filed as a permanent record in the office of the State Auditor and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Russell W. Hinton". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping underline.

Russell W. Hinton, CPA, CGFM
State Auditor

RWH:as
2010ARL-11

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

INTRODUCTION

The discussion and analysis of Camden County Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2010 are as follows:

- ❑ The School District's financial status changed slightly during fiscal year 2010. In total, net assets increased \$7.8 million from fiscal year 2009. This total increase was due to governmental activities since the Board has no business-type activities.
- ❑ On the District-wide financial statements, the net assets of the School District exceeded liabilities by \$138.5 million due in part to the absence of debt. Of this amount, \$10.0 million is unrestricted and available for spending at the School District's discretion.
- ❑ The School District has \$88.0 million in expenses relating to governmental activities; only \$53.8 million of these expenses are offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of \$42.0 million were adequate to provide for these programs.
- ❑ General revenues and special items accounted for \$42.0 million or 43.8% of all revenues totaling \$95.8 million. Program specific revenues in the form of charges for services, grants and contributions accounted for the rest.
- ❑ Among major funds, the General Fund has \$87.8 million in revenues, \$85.2 million in expenditures. The General Fund's fund balance decreased to \$5.86 million from \$6.27 million.

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 levels of statements that present different views of the School District. These include the District-wide and fund financial statements.

The District-wide financial statements include the 'Statement of Net Assets' and 'Statement of Activities'. These statements provide information about activities of the School District presenting both short-term and long-term information about the School District's overall financial status.

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The 'Governmental Funds' statements disclose how basic services are financed in the short-term as well as what remains for future spending. The 'Fiduciary Funds' statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. The fund financial statements reflect the School District's most significant funds. In the case of the Camden County School District, the General Fund and District-wide Capital Projects Fund are the most significant funds.

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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. Additionally, other supplementary information (not required) is also presented that further supplements understanding of the financial statements.

DISTRICT-WIDE FINANCIAL STATEMENTS

Since Camden County School District has no operations that have been classified as "Business Activities", the District-wide financial statements are basically a consolidation of all the School District's operating funds into one column called governmental activities. In reviewing the District-wide financial statements, a reader might ask the question, are we in a better financial position than last year? The 'Statement of Net Assets' and the 'Statement of Activities' provides the basis for answering this question. These financial statements include all School District's assets and liabilities and use the **accrual basis of accounting** similar to the accounting used by most private-sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and any changes in those assets. The change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the results of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

The 'Statement of Net Assets' and the 'Statement of Activities' reflects the School District's governmental activities.

FUND FINANCIAL STATEMENTS

The School District uses many funds to account for a multitude of financial transactions during the fiscal year. However, the fund financial statements presented in this report provide detail information about only the School District's significant or major funds.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the **modified accrual method of 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 School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The difference between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for fiscal year 2010 compared to fiscal year 2009.

**Table 1
Net Assets
(In Thousands)**

	Governmental Activities	
	Fiscal Year 2010	Fiscal Year 2009
Assets		
Current and Other Assets	\$ 28,192	\$ 23,904
Capital Assets, Net	121,547	119,327
Total Assets	\$ 149,739	\$ 143,231
Liabilities		
Current and Other Liabilities	\$ 11,186	\$ 12,514
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 121,547	\$ 119,327
Restricted	6,981	1,193
Unrestricted	10,025	10,197
Total Net Assets	\$ 138,553	\$ 130,717

Total net assets increased \$7.8 million in fiscal year 2010.

Table 2 shows the changes in net assets for fiscal year 2010 compared to the changes in net assets for fiscal year 2009.

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Table 2
Change in Net Assets
(In Thousands)

	Governmental Activities	
	Fiscal Year	Fiscal Year
	2010	2009
Revenues		
Program Revenues:		
Charges for Services and Sales	\$ 1,984	\$ 2,198
Operating Grants and Contributions	51,133	49,605
Capital Grants and Contributions	680	226
Total Program Revenues	\$ 53,797	\$ 52,029
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	\$ 31,015	\$ 24,276
Railroad Cars		13
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	6,684	32
Intangible Recording Tax	344	288
Real Estate		67
Grants and Contributions not		
Restricted to Specific Programs	2,696	12,300
Investment Earnings	65	406
Miscellaneous	2,050	1,450
Special Item	-853	
Total General Revenues and Special Item	\$ 42,001	\$ 38,832
Total Revenues	\$ 95,798	\$ 90,861
Program Expenses:		
Instruction	\$ 56,027	\$ 60,198
Support Services		
Pupil Services	5,231	6,034
Improvement of Instructional Services	2,578	3,017
Educational Media Services	1,641	1,596
General Administration	598	494
School Administration	5,637	5,805
Business Administration	522	553
Maintenance and Operation of Plant	5,783	5,513
Student Transportation Services	3,749	4,034
Central Support Services	405	540
Other Support Services	1,123	1,209
Operations of Non-Instructional Services		
Community Services	451	548
Food Services	4,218	4,129
Total Expenses	\$ 87,963	\$ 93,670
Increase (Decrease) in Net Assets	\$ 7,835	\$ -2,809

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Governmental Activities

Instruction comprised 63.7 percent of governmental program expenses in fiscal year 2010. Camden County incurred no interest expense during fiscal year 2010.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services comparing fiscal year 2010 with fiscal year 2009. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3
Governmental Activities
(In Thousands)**

	Total Cost of Services		Net Cost of Services	
	Fiscal	Fiscal	Fiscal	Fiscal
	Year 2010	Year 2009	Year 2010	Year 2009
Instruction	\$ 56,027	\$ 60,198	\$ 19,838	\$ 28,020
Support Services:				
Pupil Services	5,231	6,034	3,310	3,865
Improvement of Instructional Services	2,578	3,017	1,697	1,673
Educational Media Services	1,641	1,596	304	535
General Administration	598	494	-1,084	-907
School Administration	5,637	5,805	2,888	1,960
Business Administration	522	553	507	374
Maintenance and Operation of Plant	5,783	5,513	2,709	1,324
Student Transportation Services	3,749	4,034	2,507	2,767
Central Support Services	405	540	389	361
Other Support Services	1,123	1,209	1,075	1,150
Operations of Non-Instructional Services:				
Community Services	451	548	-14	-42
Food Services	4,218	4,129	40	561
	<u>\$ 87,963</u>	<u>\$ 93,670</u>	<u>\$ 34,166</u>	<u>\$ 41,641</u>
Total Expenses	<u>\$ 87,963</u>	<u>\$ 93,670</u>	<u>\$ 34,166</u>	<u>\$ 41,641</u>

Although program revenues make up a majority of the revenues, the School District is still dependent upon tax revenues for governmental activities. Over 35.4 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 38.8 percent.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues and other financing sources of \$98.2 million and total expenditures and other financing uses of \$94.0 million.

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund. During the course of fiscal year 2010, the School District amended its general fund budget as needed.

For the General Fund, the final actual revenues of \$87.8 million exceeded the original budgeted amount of \$86.4 million by \$1.4 million. This difference was primarily due to an increase in property taxes revenues over original budget of \$1.0 million, Federal revenues over original budget of \$6.5 million, charges for services revenues over original budget of \$0.1 million and the actual state revenue was \$6.5 million less than the original budget. Federal revenues far exceeded the original budget due to the system's eligibility as a Heavily Federally Impacted district through the U. S. Department of Education Impact Aid program as well as the receipt of Federal ARRA funds.

Final budgeted expenditures and other financing uses of \$89.9 million exceeded the original budgeted amount of \$89.3 million by \$0.6 million. The final budgeted expenditures and other financing uses of \$89.9 million exceeded the actual expenditures and other financing uses of \$88.2 million by \$1.7 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year end June 30, 2010, the School District had \$121.5 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2010 balances compared with fiscal year 2009 balances.

**Table 4
Capital Assets
(In Thousands)**

	Governmental Activities	
	Fiscal	Fiscal
	Year 2010	Year 2009
Land	\$ 10,719	\$ 10,719
Construction In Progress		10,782
Building and Building Improvements	105,755	92,523
Equipment	3,501	3,700
Land Improvements	1,572	1,603
Total	\$ 121,547	\$ 119,327

The School District has numerous construction projects including additions and renovations.

Debt

At fiscal year end June 30, 2010, the School District had no obligation for debt.

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Current Issues

Camden County is located in the southeast corner of Georgia, bordered on the south by Florida and to the east by the Atlantic Ocean. The two major municipalities, Kingsland and St. Marys, are approximately 30 miles from Jacksonville, Florida. Camden County is the home of Kings Bay Naval Submarine Base, homeport to a fleet of Trident Nuclear Submarines. The School District, naval base and associated Federal contractors make up the core of employment opportunities in the county. The dramatic increase in coastal real estate investments by planned community developers will present many opportunities for school and community leaders in the coming years. Military families from every part of the nation, families employed in Florida seeking a quality education for children and retiring baby boomers from northern states will shape the growth of the community. As the ninth largest county in the state of Georgia, Camden County covers an area of approximately 659 square miles. The County has a population of 50,513 residents who reside in one of three municipalities or in a vast unincorporated area.

Anticipated population growth may lead to the expansion of the School District beyond the current nine elementary schools, two middle schools and single high school. The School District's goal for funding this growth will be to use reserves and to capitalize on Federal funds available for impacted school systems.

Residents approved a Special Local Option Sales Tax for Education in March 2009 to meet the capital improvement needs of the School District. The sales tax rate, in Camden County is 7.0 percent while the property tax assessment for education at 14.75 mills.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and show the School District's accountability for the money received. If you have questions about this report or need additional financial information, contact Mrs. Angela C. Eason, Director of Finance at the Camden County Board of Education, 311 S. East Street, Kingsland, Georgia, 31548. You may email your questions to aeason@camden.k12.ga.us.

CAMDEN COUNTY BOARD OF EDUCATION

CAMDEN COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2010

EXHIBIT "A"

		GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>		
Cash and Cash Equivalents	\$	8,434,273.29
Investments		7,998,082.96
Accounts Receivable, Net		
Taxes		4,557,595.08
State Government		5,009,678.80
Federal Government		1,975,105.54
Other		9,244.63
Inventories		208,055.89
Capital Assets, Non-Depreciable		10,718,965.80
Capital Assets, Depreciable (Net of Accumulated Depreciation)		110,827,747.43
 Total Assets	 \$	 <u><u>149,738,749.42</u></u>
<u>LIABILITIES</u>		
Accounts Payable	\$	7,799.48
Salaries and Benefits Payable		10,220,716.28
Claims Payable		14,577.06
Contracts Payable		508,750.00
Retainage Payable		434,465.30
 Total Liabilities	 \$	 <u>11,186,308.12</u>
<u>NET ASSETS</u>		
Invested in Capital Assets	\$	121,546,713.23
Restricted for		
Continuation of Federal Programs		1,051,635.59
Capital Projects		5,928,680.92
Unrestricted		10,025,411.56
 Total Net Assets	 \$	 <u>138,552,441.30</u>
 Total Liabilities and Net Assets	 \$	 <u><u>149,738,749.42</u></u>

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

CAMDEN COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	EXPENSES	CHARGES FOR SERVICES
<u>GOVERNMENTAL ACTIVITIES</u>		
Instruction	\$ 56,027,507.88	\$ 507,656.69
Support Services		
Pupil Services	5,230,735.69	
Improvement of Instructional Services	2,577,964.32	
Educational Media Services	1,640,931.89	
General Administration	597,955.54	
School Administration	5,636,629.27	
Business Administration	522,522.18	
Maintenance and Operation of Plant	5,783,344.33	
Student Transportation Services	3,748,916.07	
Central Support Services	405,173.79	
Other Support Services	1,122,543.27	
Operations of Non-Instructional Services		
Community Services	450,604.68	431,592.00
Food Services	4,217,855.21	1,044,684.07
Total Governmental Activities	\$ 87,962,684.12	\$ 1,983,932.76
General Revenues		
Taxes		
Property Taxes		
For Maintenance and Operations		
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects		
Intangible Recording Tax		
Grants and Contributions not Restricted to Specific Programs		
Investment Earnings		
Miscellaneous		
Special Item		
Loss on Disposal of Building		
Total General Revenues and Special Item		
Change in Net Assets		
Net Assets - Beginning of Year		
Net Assets - End of Year		

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

EXHIBIT "B"

PROGRAM REVENUES		NET (EXPENSES)
OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUES AND CHANGES IN NET ASSETS
\$ 35,205,259.59	\$ 476,817.19	\$ -19,837,774.41
1,914,323.35	6,743.32	-3,309,669.02
878,638.24	2,339.83	-1,696,986.25
1,301,651.37	34,856.74	-304,423.78
1,670,194.18	12,304.79	1,084,543.43
2,697,565.05	50,786.68	-2,888,277.54
15,026.54	249.85	-507,245.79
3,056,032.25	17,709.52	-2,709,602.56
1,242,062.28		-2,506,853.79
16,039.00		-389,134.79
47,412.81	373.24	-1,074,757.22
33,412.83		14,400.15
<u>3,055,222.28</u>	<u>77,442.84</u>	<u>-40,506.02</u>
\$ <u>51,132,839.77</u>	\$ <u>679,624.00</u>	\$ <u>-34,166,287.59</u>
		\$ 31,014,868.69
		6,684,337.24
		343,623.16
		2,696,299.00
		64,408.41
		2,050,355.82
		<u>-852,716.32</u>
		\$ <u>42,001,176.00</u>
		\$ 7,834,888.41
		<u>130,717,552.89</u>
		\$ <u>138,552,441.30</u>

CAMDEN COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

EXHIBIT "C"

	<u>GENERAL FUND</u>	<u>DISTRICT- WIDE CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 7,007,978.85	\$ 1,426,294.44	\$ 8,434,273.29
Investments	1,453,511.95	6,544,571.01	7,998,082.96
Accounts Receivable, Net			
Taxes	3,861,492.16	696,102.92	4,557,595.08
State Government	5,009,678.80		5,009,678.80
Federal Government	1,975,105.54		1,975,105.54
Other	9,244.63		9,244.63
Inventories	<u>208,055.89</u>		<u>208,055.89</u>
Total Assets	<u>\$ 19,525,067.82</u>	<u>\$ 8,666,968.37</u>	<u>\$ 28,192,036.19</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,749.48	\$ 2,050.00	\$ 7,799.48
Salaries and Benefits Payable	10,220,716.28		10,220,716.28
Claims Payable	14,577.06		14,577.06
Contracts Payable		508,750.00	508,750.00
Retainage Payable		434,465.30	434,465.30
Deposits and Deferred Revenue	<u>3,425,286.49</u>		<u>3,425,286.49</u>
Total Liabilities	<u>\$ 13,666,329.31</u>	<u>\$ 945,265.30</u>	<u>\$ 14,611,594.61</u>
<u>FUND BALANCES</u>			
Reserved for:			
Continuation of Federal Programs	\$ 1,051,635.59		\$ 1,051,635.59
Capital Projects		\$ 5,928,680.92	\$ 5,928,680.92
Unreserved			
Designated for Student Activities	763,759.81		763,759.81
Undesignated Reported in:			
General Fund	4,043,343.11		4,043,343.11
Capital Projects		<u>1,793,022.15</u>	<u>1,793,022.15</u>
Total Fund Balances	<u>\$ 5,858,738.51</u>	<u>\$ 7,721,703.07</u>	<u>\$ 13,580,441.58</u>
Total Liabilities and Fund Balances	<u>\$ 19,525,067.82</u>	<u>\$ 8,666,968.37</u>	<u>\$ 28,192,036.19</u>

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

CAMDEN COUNTY BOARD OF EDUCATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 JUNE 30, 2010

EXHIBIT "D"

Total Fund Balances - Governmental Funds (Exhibit "C") \$ 13,580,441.58

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. These assets consist of:

Land	\$	10,718,965.80	
Land Improvements		2,927,267.78	
Buildings		124,488,833.37	
Equipment		10,328,932.89	
Accumulated Depreciation		<u>-26,917,286.61</u>	
Total Capital Assets			121,546,713.23

Taxes that are not available to pay for current period expenditures are deferred in the funds. 3,425,286.49

Net Assets of Governmental Activities (Exhibit "A") \$ 138,552,441.30

CAMDEN COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2010

EXHIBIT "E"

	<u>GENERAL FUND</u>	<u>DISTRICT- WIDE CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Property Taxes	\$ 23,176,567.78		\$ 23,176,567.78
Sales Taxes	343,623.16	\$ 6,684,337.24	7,027,960.40
State Funds	40,907,084.14		40,907,084.14
Federal Funds	19,291,248.82	679,624.00	19,970,872.82
Charges for Services	1,983,932.76		1,983,932.76
Investment Earnings	59,754.61	4,653.80	64,408.41
Miscellaneous	2,050,355.82		2,050,355.82
	<u>\$ 87,812,567.09</u>	<u>\$ 7,368,615.04</u>	<u>\$ 95,181,182.13</u>
<u>EXPENDITURES</u>			
Current			
Instruction	\$ 54,335,117.01	\$ 375,770.55	\$ 54,710,887.56
Support Services			
Pupil Services	5,216,088.94	6,152.80	5,222,241.74
Improvement of Instructional Services	2,568,493.87		2,568,493.87
Educational Media Services	1,524,280.79	49,279.36	1,573,560.15
General Administration	559,728.39		559,728.39
School Administration	5,459,694.42	30,582.12	5,490,276.54
Business Administration	535,954.63		535,954.63
Maintenance and Operation of Plant	5,644,027.88	8,487.48	5,652,515.36
Student Transportation Services	3,171,258.09		3,171,258.09
Central Support Services	405,173.79		405,173.79
Other Support Services	1,121,472.61		1,121,472.61
Community Services	450,604.68		450,604.68
Food Services Operation	4,238,185.62		4,238,185.62
Capital Outlay		5,334,709.65	5,334,709.65
	<u>\$ 85,230,080.72</u>	<u>\$ 5,804,981.96</u>	<u>\$ 91,035,062.68</u>
Excess of Revenues over (under) Expenditures	<u>\$ 2,582,486.37</u>	<u>\$ 1,563,633.08</u>	<u>\$ 4,146,119.45</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In		\$ 3,001,018.53	\$ 3,001,018.53
Transfers Out	\$ -3,001,018.53		-3,001,018.53
	<u>\$ -3,001,018.53</u>	<u>\$ 3,001,018.53</u>	<u>\$ 0.00</u>
Net Change in Fund Balances	\$ -418,532.16	\$ 4,564,651.61	\$ 4,146,119.45
Fund Balances - Beginning	<u>6,277,270.67</u>	<u>3,157,051.46</u>	<u>9,434,322.13</u>
Fund Balances - Ending	<u>\$ 5,858,738.51</u>	<u>\$ 7,721,703.07</u>	<u>\$ 13,580,441.58</u>

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

CAMDEN COUNTY BOARD OF EDUCATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 JUNE 30, 2010

EXHIBIT "F"

Total Net Change in Fund Balances - Governmental Funds (Exhibit "E") \$ 4,146,119.45

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital Outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of Capital Assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlay	\$ 5,457,931.21	
Depreciation Expense	<u>-2,376,786.25</u>	
Excess of Capital Outlay over Depreciation Expense		3,081,144.96

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,469,106.72
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net assets.	<u>-861,482.72</u>
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Change in Net Assets of Governmental Activities (Exhibit "B") \$ 7,834,888.41

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

CAMDEN COUNTY BOARD OF EDUCATION
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2010

EXHIBIT "G"

	PRIVATE PURPOSE TRUSTS	AGENCY FUNDS
<u>ASSETS</u>		
Cash and Cash Equivalents		\$ 291,841.45
Investments		
Georgia Fund 1	\$ 19,389.31	
 Total Assets	 \$ 19,389.31	 \$ 291,841.45
 <u>LIABILITIES</u>		
Accounts Payable		\$ 2,990.75
Funds Held for Others		288,850.70
 Total Liabilities		 \$ 291,841.45
 <u>NET ASSETS</u>		
Held in Trust for Private Purposes	\$ 19,389.31	
 Total Liabilities and Net Assets	 \$ 19,389.31	 \$ 291,841.45

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

CAMDEN COUNTY BOARD OF EDUCATION
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2010

EXHIBIT "H"

	<u>PRIVATE PURPOSE TRUSTS</u>
<u>ADDITIONS</u>	
Investment Earnings	
Interest	\$ <u>51.28</u>
<u>DEDUCTIONS</u>	
None Reported	\$ <u>0.00</u>
Change in Net Assets	\$ 51.28
Net Assets - Beginning	<u>19,338.03</u>
 Net Assets - Ending	 \$ <u><u>19,389.31</u></u>

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

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NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The School District's basic financial statements are collectively comprised of the District-wide financial statements, fund financial statements and notes to the basic financial statements of the Camden County Board of Education.

District-wide Statements:

The Statement of Net Assets and the Statement of Activities display information about the financial activities of the overall School District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the School District's funds, including fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. Separate statements for each category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

- General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.
- District-wide Capital Projects Fund accounts for financial resources including Special Purpose Local Option Sales Tax (SPLOST) and grants from the U. S. Department of Education to be used for the acquisition, construction or renovation of major capital facilities.

CAMDEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

EXHIBIT "I"

The School District reports the following fiduciary fund types:

- Private Purpose Trust fund reports trust arrangements under which income provides scholarship aid to graduating seniors of the Camden County School District.
- Agency funds account for assets held by the School District as an agent for various funds, governments or individuals.

BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported on the financial statements. The District-wide governmental and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Capital asset acquisitions are reported as expenditures in governmental funds.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the School District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

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

NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2010, the School District adopted the Governmental Accounting and Standards Board (GASB) Statement No. 51, *Accounting and Reporting for Intangible Assets*. The provisions of this Statement generally require retroactive reporting for intangible assets acquired after June 30, 1980, with the exception of those intangible assets that have indefinite useful lives and those that are considered internally generated.

In addition, the School District adopted GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The provisions of this Statement impacts disclosure regarding derivative instruments entered into by the state and local governments. Derivative disclosures, if any, will be identified in Note 3.

CASH AND CASH EQUIVALENTS

Composition of Deposits

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated Section 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

INVESTMENTS

Composition of Investments

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year are reported at fair value. The Official Code of Georgia Annotated Section 36-83-4 authorizes the School District to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following:

1. Obligations issued by the State of Georgia or by other states,
2. Obligations issued by the United States government,
3. Obligations fully insured or guaranteed by the United States government or a United States government agency,
4. Obligations of any corporation of the United States government,
5. Prime banker's acceptances,
6. The Georgia Fund 1 administered by the State of Georgia, Office of Treasury and Fiscal Services,
7. Repurchase agreements, and
8. Obligations of other political subdivisions of the State of Georgia.

The School District does not have a formal policy regarding investment policies that address credit risks, custodial credit risks, concentration of credit risks, interest rate risks or foreign currency risks.

CAMDEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

EXHIBIT "I"

RECEIVABLES

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

PROPERTY TAXES

The Camden County Board of Commissioners fixed the property tax levy for the 2009 tax digest year (calendar year) on October 27, 2009 (levy date). Taxes were due on January 15, 2010 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2009 tax digest are reported as revenue in the governmental funds for fiscal year 2010. The Camden County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2010, for maintenance and operations amounted to \$23,176,567.78.

The tax millage rate levied for the 2009 tax year (calendar year) for the Camden County Board of Education was as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	<u>14.75</u> mills
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SALES TAXES

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to \$6,684,337.24 and is to be used for capital outlay for educational purposes. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

INVENTORIES

Food Inventories

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased foods inventories are reported at cost (first-in, first-out). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

CAPITAL ASSETS

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal

CAMDEN COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010

EXHIBIT "I"

maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School District.

Capitalization thresholds and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
Land	Any Amount	N/A
Land Improvements	\$ 25,000.00	20 years
Buildings and Improvements	\$ 50,000.00	20 to 80 years
Portable Buildings	\$ 5,000.00	10 years
Equipment	\$ 5,000.00	8 to 20 years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives.

NET ASSETS

The School District's net assets in the District-wide Statements are classified as follows:

Invested in capital assets, net of related debt - This represents the School District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net assets - These represent resources for which the School District is legally or contractually obligated to spend resources for continuation of Federal Programs and capital projects in accordance with restrictions imposed by external third parties.

Unrestricted net assets - Unrestricted net assets represent resources derived from property taxes, sales taxes, grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the School District, and may be used at the discretion of the Board to meet current expenses for those purposes.

USE OF ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3: DEPOSITS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

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

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

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
2. Insurance on accounts provided by the Federal Deposit Insurance Corporation,
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
7. Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a formal policy for managing custodial credit risk. At June 30, 2010, the bank balances were \$11,840,548.15. The bank balances were entirely covered by Federal depository insurance.

CATEGORIZATION OF INVESTMENTS

At June 30, 2010, the carrying value of the School District's total investments was \$7,891,577.23, which is materially the same as fair value. This investment consisted entirely of funds invested in the Georgia Fund 1, formerly referred to as LGIP, administered by the State of Georgia, Office of Treasury and Fiscal Services which are not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia,

CAMDEN COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010

EXHIBIT "I"

Office of Treasury and Fiscal Services for the Georgia Fund 1 (Primary Liquidity Portfolio) does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at <http://www.audits.ga.gov/SGD/cafr.html>.

The Primary Liquidity Portfolio consists of Georgia Fund 1 which is not registered with the SEC as an investment company but does operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share. The pool is an AAAM rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2010, was 46 days.

NOTE 4: NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. These commodities are recorded at their Federally assigned value. **See Note 2 - Inventories**

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the Capital Assets during the fiscal year:

	Balances July 1, 2009	Increases	Decreases	Balances June 30, 2010
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 10,718,965.80	\$ 0.00		\$ 10,718,965.80
Construction Work In Progress	10,782,516.69		\$ 10,782,516.69	0.00
Total Capital Assets, Not Being Depreciated	<u>\$ 21,501,482.49</u>	<u>\$ 0.00</u>	<u>\$ 10,782,516.69</u>	<u>\$ 10,718,965.80</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 110,295,585.28	\$ 15,679,511.47	\$ 1,486,263.38	\$ 124,488,833.37
Equipment	10,402,325.10	457,340.11	530,732.32	10,328,932.89
Land Improvements	2,823,671.46	103,596.32		2,927,267.78
Less: Accumulated Depreciation:				
Buildings and Improvements	17,772,317.45	1,595,264.48	633,547.06	18,734,034.87
Equipment	6,702,693.83	647,578.73	521,965.92	6,828,306.64
Land Improvements	1,221,002.06	133,943.04		1,354,945.10
Total Capital Assets, Being Depreciated, Net	<u>\$ 97,825,568.50</u>	<u>\$ 13,863,661.65</u>	<u>\$ 861,482.72</u>	<u>\$ 110,827,747.43</u>
Governmental Activity Capital Assets - Net	<u>\$ 119,327,050.99</u>	<u>\$ 13,863,661.65</u>	<u>\$ 11,643,999.41</u>	<u>\$ 121,546,713.23</u>

CAMDEN COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010

EXHIBIT "I"

Current year depreciation expense by function is as follows:

Instruction		\$ 1,330,747.07	
Support Services			
Pupil Services	\$ 18,819.90		
Improvement of Instructional Services	6,530.21		
Educational Media Services	97,281.53		
General Administration	34,341.39		
School Administration	141,740.34		
Business Administration	697.30		
Maintenance and Operation of Plant	49,425.43		
Student Transportation Services	480,026.52		
Other Support Services	1,041.66	829,904.28	
Food Services		216,134.90	
			\$ 2,376,786.25

NOTE 6: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2010, consisted of the following:

	Transfers From
<u>Transfer to</u>	General Fund
District-wide Capital Projects	\$ 3,001,018.53

Transfers are used to move property tax revenues collected by the General Fund to the District-wide Capital Projects Fund as supplemental funding source for capital construction projects.

NOTE 7: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; acts of God and unemployment compensation.

The School District has obtained commercial insurance for risk of loss associated with torts, assets, and errors or omissions. The School District has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the School District's insurance coverage in any of the past three years.

The School District has elected to self-insure for all losses related to acts of God. The School District has not experienced any losses to this risk in the past three years.

CAMDEN COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010

EXHIBIT "I"

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the General Fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

Changes in the unemployment compensation claims liability during the last two fiscal years are as follows:

		Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2009	\$	0.00	\$ 11,335.00	\$ 3,374.00	\$ 7,961.00
2010	\$	7,961.00	\$ 24,437.06	\$ 17,821.00	\$ 14,577.06

The School District participates in the Georgia Education Workers' Compensation Trust, a public entity risk pool organized on December 1, 1991, to develop, implement and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Trust for its general insurance coverage. Additional insurance coverage is provided through an agreement by the Trust with the Midwest Employers Casualty Company to provide coverage for potential losses sustained by the Trust in excess of \$700,000.00 loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided by Midwest Employers Casualty Company to provide coverage for potential losses sustained by the Fund in excess of \$700,000.00 loss per occurrence, up to \$1,000,000.00, with an aggregate limit of \$2,000,000.00.

The School District has purchased surety bonds to provide additional insurance coverage as follows:

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$ 20,000.00
High School Principal	\$ 100,000.00
Each Middle School Principal	\$ 50,000.00
Each Elementary School Principal	\$ 20,000.00
Alternative School Principal	\$ 10,000.00
Vocational Supervisor	\$ 10,000.00
Athletic Director	\$ 10,000.00

NOTE 8: SHORT-TERM DEBT

The School District obtained a tax anticipation note in advance of property tax collections, depositing the proceeds in its General Fund. This short-term debt is to provide cash for operations until property tax collections are received by the School District. Article IX, Section V, Paragraph V of the Constitution of the State of Georgia limits the aggregate amount of short-term debt to 75 percent of the total gross income from taxes collected in the preceding year and requires all short-term debt to be repaid no later than December 31 of the calendar year in which the debt was incurred.

CAMDEN COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010

EXHIBIT "I"

Short-term debt activity for the fiscal year is as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax Anticipation Notes	\$ 0.00	\$ 3,600,000.00	\$ 3,600,000.00	\$ 0.00

NOTE 9: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of \$165,254.14 for health insurance and retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education

Paid to the Georgia Department of Community Health
 For Health Insurance of Non-Certified Personnel
 In the amount of \$86,518.43

Paid to the Teachers Retirement System of Georgia
 For Teachers Retirement System (TRS) Employer's Cost
 In the amount of \$46,351.04

Office of Treasury and Fiscal Services

Paid to the Public School Employees Retirement System
 For Public School Employees Retirement (PSERS) Employer's Cost
 In the amount of \$32,384.67

NOTE 10: SPECIAL ITEM

In fiscal year 2010, the Camden County Board of Education demolished the original St. Mary's Elementary School and removed the buildings from the School District's Capital Asset listing. These items were removed from the Capital Asset listing at their carrying value of \$852,716.32. This activity is reported as a Special Item on the Statement of Activities. A new building was constructed on the property and is currently serving students in Pre-K thru fifth grade.

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. The School District believes that such disallowances, if any, will be immaterial to its overall financial position.

NOTE 12: POST-EMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL EMPLOYEES POST-EMPLOYMENT HEALTH BENEFIT FUND

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

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

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

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended June 30, 2010:

For certificated teachers, librarians and regional educational service agencies:

July 2009	18.534% of covered payroll for August Coverage
August 2009 - October 2009	14.492% of covered payroll for September - November Coverage
November 2009 - June 2010	18.534% of covered payroll for December - July Coverage

For non-certificated school personnel:

July 2009 - June 2010	\$162.72 per member per month plus Department of Education contribution of \$22,838,311.00
-----------------------	--

No additional contribution was required by the Board for fiscal year 2010 nor contributed to the State OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the State plan for other post-employment benefits and are subject to appropriation.

CAMDEN COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010

EXHIBIT "I"

The School District's combined active and retiree contributions to the health insurance plans, which equaled the required contribution, for the current fiscal year and the preceding two fiscal years were as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2010	100%	\$ 6,982,236.01
2009	100%	\$ 5,885,642.18
2008	100%	\$ 8,357,375.04

NOTE 13: RETIREMENT PLANS

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

Plan Description. The TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of active and retired members and ex-officio State employees is ultimately responsible for the administration of TRS. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

On October 25, 1996, the Board created the Supplemental Retirement Benefits Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRBP-TRS was established as a qualified excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRBP-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

TRS provides service retirement, disability retirement, and survivor's benefits. The benefit structure of TRS is defined and may be amended by State statute. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service.

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth 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 Consumer Price Index, will be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Death, disability and spousal benefits are also available.

Funding Policy. TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. 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 may be refunded with interest. Member contributions are limited by State law to not less than 5% or more than 6% of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2010, were

CAMDEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

EXHIBIT "I"

5.25% of annual salary. The member contribution rate will increase to 5.53% effective July 1, 2010. Employer contributions required for fiscal year 2010 were 9.74% of annual salary as required by the June 30, 2007, actuarial valuation. The employer contribution rate will increase to 10.28% effective July 1, 2010.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2010	100%	\$ 5,363,785.01
2009	100%	\$ 5,311,225.75
2008	100%	\$ 5,234,865.80

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CAMDEN COUNTY BOARD OF EDUCATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2010

SCHEDULE "1"

	NONAPPROPRIATED BUDGETS		ACTUAL
	ORIGINAL (1)	FINAL (1)	AMOUNTS
<u>REVENUES</u>			
Property Taxes	\$ 22,120,547.52	\$ 22,120,547.52	\$ 23,176,567.78
Sales Taxes	372,430.92	372,430.92	343,623.16
State Funds	47,369,077.80	42,331,785.17	40,907,084.14
Federal Funds	12,828,120.01	14,698,448.67	19,291,248.82
Charges for Services	1,840,350.00	1,840,350.00	1,983,932.76
Investment Earnings	408,930.92	408,930.92	59,754.61
Miscellaneous	1,471,470.49	4,014,762.74	2,050,355.82
Total Revenues	\$ 86,410,927.66	\$ 85,787,255.94	\$ 87,812,567.09
<u>EXPENDITURES</u>			
Current			
Instruction	\$ 58,200,816.96	\$ 58,328,480.64	\$ 54,335,117.01
Support Services			
Pupil Services	5,667,897.97	5,454,810.34	5,216,088.94
Improvement of Instructional Services	2,950,510.35	2,806,133.34	2,568,493.87
Educational Media Services	1,519,125.61	1,524,457.16	1,524,280.79
General Administration	613,699.44	722,030.08	559,728.39
School Administration	5,641,148.82	5,667,366.46	5,459,694.42
Business Administration	674,495.46	661,914.49	535,954.63
Maintenance and Operation of Plant	5,853,969.35	5,819,340.72	5,644,027.88
Student Transportation Services	2,876,344.40	3,543,874.67	3,171,258.09
Central Support Services	381,261.65	412,097.90	405,173.79
Other Support Services	96,872.48	91,165.91	1,121,472.61
Community Services Operation	636,450.00	638,146.00	450,604.68
Food Services Operation	4,130,260.84	4,128,580.54	4,238,185.62
Total Expenditures	\$ 89,242,853.33	\$ 89,798,398.25	\$ 85,230,080.72
Excess of Revenues over (under) Expenditures	\$ -2,831,925.67	\$ -4,011,142.31	\$ 2,582,486.37
<u>OTHER FINANCING SOURCES (USES)</u>			
Other Sources	\$ 105,036.88	\$ 105,036.88	
Other Uses	-105,036.88	-105,036.88	\$ -3,001,018.53
Total Other Financing Sources (Uses)	\$ 0.00	\$ 0.00	\$ -3,001,018.53
Net Change in Fund Balances	\$ -2,831,925.67	\$ -4,011,142.31	\$ -418,532.16
Fund Balances - Beginning	5,970,602.05	5,970,602.05	6,277,270.67
Fund Balances - Ending	\$ 3,138,676.38	\$ 1,959,459.74	\$ 5,858,738.51

Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual

(1) Original and Final Budget amounts do not include budgeted revenues or expenditures of the various principal accounts.

The accompanying schedule of revenues, expenditures and changes in fund balances budget and actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

See notes to the basic financial statements.

CAMDEN COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2010

SCHEDULE "2"

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	* 10.553	N/A	(2)
National School Lunch Program	* 10.555	N/A	\$ <u>4,134,167.07</u> (1)
Total Child Nutrition Cluster			\$ 4,134,167.07
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	<u>46,000.00</u>
Total U. S. Department of Agriculture			\$ <u>4,180,167.07</u>
Education, U. S. Department of			
Impact Aid Cluster			
Direct			
ARRA - Impact Aid - School Construction Formula Grants	* 84.404		(3)
Impact Aid	* 84.041		(4)
Education Technology State Grants Cluster			
Pass-Through From Georgia Department of Education			
Education Technology State Grants	84.318	N/A	\$ <u>27,966.36</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
ARRA - Grants to States	* 84.391	N/A	\$ 789,988.47
ARRA - Preschool Grants	* 84.392	N/A	18,009.54
Grants to States	* 84.027	N/A	1,495,326.31
Preschool Grants	* 84.173	N/A	<u>108,174.43</u>
Total Special Education Cluster			\$ <u>2,411,498.75</u>
State Fiscal Stabilization Fund Cluster			
Pass-Through From Georgia Department of Education			
ARRA - Education State Grants	* 84.394	N/A	\$ <u>4,844,733.00</u>
Title I, Part A Cluster			
Pass-Through From Georgia Department of Education			
ARRA - Title I Grants to Local Educational Agencies	* 84.389	N/A	\$ 362,395.13
Title I Grants to Local Educational Agencies	* 84.010	N/A	<u>1,499,856.46</u>
Total Title I, Part A Cluster			\$ <u>1,862,251.59</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	N/A	\$ 104,524.26
Improving Teacher Quality State Grants	84.367	N/A	358,381.47
Pass-Through From Effingham County Board of Education			
Funds for the Improvement of Education	84.215	N/A	<u>299,817.90</u>
Total Other Programs			\$ <u>762,723.63</u>
Total U. S. Department of Education			\$ <u>9,909,173.33</u>

CAMDEN COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2010

SCHEDULE "2"

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Health and Human Services, U. S. Department of Child Care and Development Fund Cluster Pass-Through From Bright From the Start: Georgia Department of Early Care and Learning ARRA - Child Care and Development Block Grant	93.713	N/A	\$ <u>4,791.16</u>
Defense, U. S. Department of Direct Department of the Army R.O.T.C. Program			\$ <u>77,294.19</u>
Total Federal Financial Assistance			\$ <u><u>14,171,425.75</u></u>

N/A = Not Available

Notes to the Schedule of Expenditures of Federal Awards

- (1) Includes the Federally assigned value of donated commodities for the Food Donation Program in the amount of \$444,313.35.
- (2) Expenditures for the funds earned on the School Breakfast Program (\$699,332.50) were not maintained separately and are included in the 2010 National School Lunch Program.
- (3) Funds earned on this program in the amount of \$651,418.00, do not require reporting of expenditures.
- (4) Funds earned on this program in the amount of \$6,369,194.19, do not require reporting of expenditures.

Major Programs are identified by an asterisk (*) in front of the CFDA number.

The School District did not provide Federal Assistance to any Subrecipient.

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the Camden County Board of Education and is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

See notes to the basic financial statements.

CAMDEN COUNTY BOARD OF EDUCATION
 SCHEDULE OF STATE REVENUE
 YEAR ENDED JUNE 30, 2010

SCHEDULE "3"

<u>AGENCY/FUNDING</u>	GOVERNMENTAL FUND TYPE <u>GENERAL FUND</u>
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning Pre-Kindergarten Program	\$ 868,853.44
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	3,628,683.00
Kindergarten Program - Early Intervention Program	111,388.00
Primary Grades (1-3) Program	8,187,998.00
Primary Grades - Early Intervention (1-3) Program	338,115.00
Upper Elementary Grades (4-5) Program	3,827,951.00
Upper Elementary Grades - Early Intervention (4-5) Program	227,334.00
Middle School (6-8) Program	5,722,441.81
High School General Education (9-12) Program	5,261,172.94
Vocational Laboratory (9-12) Program	2,147,809.25
Students with Disabilities	4,900,414.00
Gifted Student - Category VI	2,241,404.00
Alternative Education Program	512,987.00
English Speakers of Other Languages (ESOL)	108,874.00
Media Center Program	1,099,597.00
20 Days Additional Instruction	345,056.00
Staff and Professional Development	184,220.00
Indirect Cost	
Central Administration	1,245,107.00
School Administration	2,083,135.00
Facility Maintenance and Operations	2,405,253.00
Categorical Grants	
Pupil Transportation	
Regular	1,102,395.00
Nursing Services	160,923.00
Vocational Supervisors	28,309.85
Education Equalization Funding Grant	2,696,299.00
Food Services	164,232.00
Vocational Education	251,009.18
Amended Formula Adjustment	-9,440,681.00
Other State Programs	
Dual Enrollment	3,720.00
Health Insurance	86,518.43
National Teacher Certification	84,379.74
Preschool Handicapped Program	242,499.79
Teachers' Retirement	46,351.04
Virtual Schools State Grant	950.00
Office of Treasury and Fiscal Services	
Public School Employees Retirement	32,384.67
	\$ 40,907,084.14

See notes to the basic financial statements.

CAMDEN COUNTY BOARD OF EDUCATION
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
 YEAR ENDED JUNE 30, 2010

SCHEDULE "4"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	PROJECT STATUS
(i) Acquiring, constructing, and equipping new schools and facilities useful and desirable, including an elementary school, a middle school, a fine arts academy and physical education/athletic facilities	\$ 45,000,000.00	\$ 45,000,000.00		\$ 0.00	Ongoing
(ii) Adding to, renovating, repairing, improving, and equipping existing school buildings and school system facilities	5,500,000.00	5,500,000.00			Ongoing
(iii) acquiring real property for new school buildings and renovating and improving existing real property owned by the District, including but not limited to paving, landscaping, irrigation and drainage	3,100,000.00	1,695,404.00	\$ 627,476.61		Ongoing
(a) New Middle School Property	900,000.00	900,000.00			Ongoing
(iv) Acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including HVAC equipment, information technology equipment and software, safety and security equipment	5,637,000.00	2,400,000.00			Ongoing
(v) Acquiring school buses and transportation and maintenance equipment	1,200,000.00	1,200,000.00			Ongoing
(vi) Purchasing textbooks	<u>1,000,000.00</u>	<u>1,000,000.00</u>			Ongoing
	<u>\$ 62,337,000.00</u>	<u>\$ 57,695,404.00</u>	<u>\$ 627,476.61</u>	<u>\$ 0.00</u>	

- (1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- (2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.
- (3) The voters of Camden County approved the imposition of a 1% sales tax to fund the above projects. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

See notes to the basic financial statements.

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CAMDEN COUNTY BOARD OF EDUCATION
 GENERAL FUND - QUALITY BASIC EDUCATION PROGRAM (QBE)
 ALLOTMENTS AND EXPENDITURES - BY PROGRAM
 YEAR ENDED JUNE 30, 2010

SCHEDULE "5"

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2)	ELIGIBLE QBE PROGRAM COSTS		
		SALARIES	OPERATIONS	TOTAL
Direct Instructional Programs				
Kindergarten Programs	\$ 4,216,562.00	\$ 3,934,085.65	\$ 90,619.41	\$ 4,024,705.06
Kindergarten Program - Early Intervention Program	135,112.00	206,169.91	1,010.46	207,180.37
Primary Grades (1-3) Program	9,558,959.00	6,808,168.04	297,332.49	7,105,500.53
Primary Grades Early Intervention (1-3) Program	394,463.00	456,622.70	3,804.94	460,427.64
Upper Elementary Grades (4-5) Program	4,460,047.00	4,130,518.79	126,683.73	4,257,202.52
Upper Elementary Grades-Early Intervention (4-5) Program	290,006.00	461,563.79	2,569.70	464,133.49
Middle School (6-8) Program	7,134,722.00	6,824,903.76	200,406.80	7,025,310.56
High School General Education (9-12) Program	6,552,669.00	6,088,084.52	398,833.34	6,486,917.86
Vocational Laboratory (9-12) Program	2,665,780.00	2,065,240.60	144,951.29	2,210,191.89
Students With Disabilities	5,630,842.00			
Category I			14,235.91	14,235.91
Category II		703,787.38	10,317.49	714,104.87
Category III		3,829,222.65	47,062.32	3,876,284.97
Category IV		113,479.09	2,057.82	115,536.91
Category V		1,330,708.60	3,620.01	1,334,328.61
Gifted Student - Category VI	2,604,201.00	2,505,800.71	21,737.91	2,527,538.62
Remedial Education Program		582,148.88	1,818.31	583,967.19
Alternative Education Program	603,629.00		1,009,000.00	1,009,000.00
English Speakers of Other Languages (ESOL)	122,494.00	11,778.26	449.68	12,227.94
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	\$ 44,369,486.00	\$ 40,052,283.33	\$ 2,376,511.61	\$ 42,428,794.94
Media Center Program	1,286,082.00	1,332,591.24	148,668.34	1,481,259.58
Staff and Professional Development	217,216.00			97,466.85
TOTAL QBE FORMULA FUNDS	\$ 45,872,784.00	\$ 41,384,874.57	\$ 2,525,179.95	\$ 44,007,521.37

(1) Comprised of State Funds plus Local Five Mill Share.

(2) Allotments do not include the impact of the State amended formula adjustment.

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Russell W. Hinton
STATE AUDITOR
(404) 656-2174

August 5, 2011

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Camden County Board of Education

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

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Camden County Board of Education as of and for the year ended June 30, 2010, which collectively comprise Camden County Board of Education's basic financial statements and have issued our report thereon dated August 5, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Camden 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 Camden County Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Camden County Board of Education's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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

material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider item FS-6201-10-01 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

Compliance and Other Matters

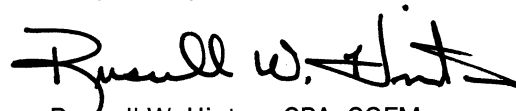
As part of obtaining reasonable assurance about whether Camden County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct 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 have reported to management of Camden County Board of Education in a separate letter dated August 5, 2011.

Camden County Board of Education's response to the findings identified in our audit is described in the accompanying Schedule of Management's Responses. We did not audit Camden County Board of Education's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, members of the Camden County Board of Education, others within the entity, 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.

Respectfully submitted,

A handwritten signature in black ink that reads "Russell W. Hinton". The signature is stylized with a large initial "R" and a long horizontal stroke at the end.

Russell W. Hinton, CPA, CGFM
State Auditor

RWH:as
2010YB-41



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Russell W. Hinton
STATE AUDITOR
(404) 656-2174

August 5, 2011

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Camden County Board of Education

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

Ladies and Gentlemen:

Compliance

We have audited Camden County Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010. Camden 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 Camden County Board of Education's management. Our responsibility is to express an opinion on Camden 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 Camden County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Camden County Board of Education's compliance with those requirements.

In our opinion, the Camden County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

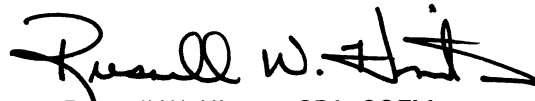
Management of Camden County Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered Camden County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

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

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

This report is intended solely for the information and use of management, members of the Camden County Board of Education, others within the entity, 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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Russell W. Hinton". The signature is stylized and cursive.

Russell W. Hinton, CPA, CGFM
State Auditor

RWH:as
2010SA-10

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

CAMDEN COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV
FINDINGS AND QUESTIONED COSTS

CAMDEN COUNTY BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2010

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issue:
 Governmental Activities; General Fund; Capital Projects Fund;
 Aggregate Remaining Fund Information Unqualified

Internal control over financial reporting:
 ■ Material weakness identified? Yes
 ■ Significant deficiency identified? None Reported

Noncompliance material to financial statements noted: No

Federal Awards

Internal Control over major programs:
 ■ Material weakness identified? No
 ■ Significant deficiency identified? None Reported

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

Any audit findings disclosed that are required to be reported in
 accordance with OMB Circular A-133, Section 510(a)? No

Identification of major programs:

<u>CFDA</u> <u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
	Title I, Part A Cluster
	Special Education Cluster
	State Fiscal Stabilization Fund Cluster
	Impact Aid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$635,761.14

Auditee qualified as low-risk auditee? No

CAMDEN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

CAPITAL ASSETS

Failure to Adequately Maintain Capital Assets

Material Weakness

Finding Control Number: FS-6201-10-01

Condition:

The School District failed to adequately maintain the capital assets records.

Criteria:

Chapter 37 *Implementing a Capital Assets Management System* of the Financial Management for Georgia Local Units of Administration provides that School Districts must establish fixed asset policies, define system requirements, implement a fixed assets system and maintain fixed asset inventory records.

Questioned Cost:

N/A

Information:

The School District did not have adequate procedures in place to ensure that Capital Assets were being properly maintained. Building additions per the subsidiary records presented for audit were incorrect when compared to current year expenditure documentation and prior year Construction in Progress amounts. An audit adjustment was proposed and accepted to correct the Capital Assets in the amount of \$1,218,945.21.

Cause:

The School District failed to ensure that adequate accounting procedures were in place to process, record and report capital assets and related activity.

Effect:

The failure of the School District to maintain a complete and accurate capital assets listing can lead to inaccurate internal and external reporting, as well as noncompliance with generally accepted accounting principles.

Recommendation:

The School District should reassess internal control procedures related to capital assets and make appropriate modifications to ensure that adequate procedures are in place and operating effectively. An administrative review should be performed to ensure the accuracy of capital assets records and make appropriate adjustments to ensure that capital assets records and procedures for maintaining capital assets conform to generally accepted accounting principles.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION V
MANAGEMENT'S RESPONSES

CAMDEN COUNTY BOARD OF EDUCATION
SCHEDULE OF MANAGEMENT'S RESPONSES
YEAR ENDED JUNE 30, 2010

Finding Control Number: FS-6201-10-01

We concur with this finding. The current capital asset process requires the grants bookkeeper and the capital asset clerk to collaborate with regard to entry of all capital project information in the capital asset database. The fiscal year 2010 finding was the result of a clerical oversight. To ensure this situation does not reoccur, the district will implement an additional level of checking. The finance director will review the capital asset database entries as well as the capital project summary to ensure both accurately represent the transactions for the year. The additional review will take place in June of year prior to closing the financial records. The change will be effective June 2011.

Contact Person: Angela Eason, Finance Director
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Fax: (912) 729-1489
Email: aeason@camden.k12.ga.us