

**CAMDEN COUNTY BOARD OF EDUCATION
KINGSLAND, GEORGIA**

**REPORT ON AUDIT
OF THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**



STATE OF GEORGIA

DEPARTMENT OF AUDITS AND ACCOUNTS

**Russell W. Hinton
State Auditor**

CAMDEN COUNTY BOARD OF EDUCATION

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SECTION I
FINANCIAL



DEPARTMENT OF AUDITS AND ACCOUNTS

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

August 18, 2009

Honorable Sonny Perdue, 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, 2008, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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 express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, 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, 2008, 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.

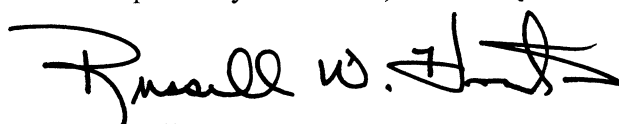
In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2009, on our consideration of the Camden County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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.

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, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Camden County Board of Education's basic financial statements. The accompanying supplementary information which consist 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken 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 stylized and includes a large flourish at the end.

Russell W. Hinton, CPA, CGFM
State Auditor

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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, 2008. 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 2008 are as follows:

- ❑ The School District's financial status improved during fiscal year 2008. In total, net assets increased \$6.3 million from fiscal year 2007. 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 \$133.5 million due in part to the absence of debt. Of this amount, \$23.2 million is unrestricted and available for spending at the School District's discretion.
- ❑ The School District has \$93.4 million in expenses relating to governmental activities; only \$58.9 million of these expenses are offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of \$41.0 million were adequate to provide for these programs.
- ❑ As stated above, general revenues accounted for \$41.0 million or 41.0 percent of all revenues totaling \$99.8 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 \$97.8 million in revenues, \$92.5 million in expenditures. The General Fund's fund balance increased to \$15.6 million from \$10.8 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.

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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.

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 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 uses 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**

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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.

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 2008 compared to fiscal year 2007.

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

| | <u>Governmental Activities</u> | |
|---|--------------------------------|-------------------|
| | <u>Fiscal</u> | <u>Fiscal</u> |
| | <u>Year 2008</u> | <u>Year 2007</u> |
| Assets | | |
| Current and Other Assets | \$ 35,620 | \$ 31,282 |
| Capital Assets, Net | <u>108,772</u> | <u>106,326</u> |
| Total Assets | <u>\$ 144,392</u> | <u>\$ 137,608</u> |
| Liabilities | | |
| Current and Other Liabilities | <u>\$ 10,866</u> | <u>\$ 10,425</u> |
| Net Assets | | |
| Invested in Capital Assets, Net of Related Debt | \$ 108,772 | \$ 106,326 |
| Restricted | 1,601 | 1,550 |
| Unrestricted | <u>23,153</u> | <u>19,307</u> |
| Total Net Assets | <u>\$ 133,526</u> | <u>\$ 127,183</u> |

Total net assets increased \$6.3 million in fiscal year 2008.

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Table 2 shows the changes in net assets for fiscal year 2008 compared to the changes in net assets for fiscal year 2007.

**Table 2
Change in Net Assets
(in Thousands)**

| | <u>Governmental Activities</u> | |
|--|--------------------------------|-----------------------------|
| | <u>Fiscal Year 2008</u> | <u>Fiscal Year 2007</u> |
| Revenues | | |
| Program Revenues: | | |
| Charges for Services and Sales | \$ 3,079 | \$ 3,116 |
| Operating Grants and Contributions | 54,629 | 51,812 |
| Capital Grants and Contributions | <u>1,154</u> | <u>636</u> |
| Total Program Revenues | \$ <u>58,862</u> | \$ <u>55,564</u> |
| General Revenues: | | |
| Taxes | | |
| Property Taxes | | |
| For Maintenance and Operations | \$ 22,778 | \$ 21,140 |
| Railroad Cars | 15 | 27 |
| Sales Taxes | | |
| Special Purpose Local Option Sales Tax | | |
| For Capital Projects | 50 | 41 |
| Intangible Recording Tax | 481 | 611 |
| Real Estate | 255 | 324 |
| Grants and Contributions not Restricted to | | |
| Specific Programs | 15,394 | 10,003 |
| Investment Earnings | 1,041 | 1,222 |
| Miscellaneous | 910 | 757 |
| Special Items | | |
| Loss on Disposal of Building | <u> </u> | <u>-1,350</u> |
| Total General Revenues and Special Items | \$ <u>40,924</u> | \$ <u>32,775</u> |
| Total Revenues | \$ <u>99,786</u> | \$ <u>88,339</u> |
| Program Expenses | | |
| Instruction | \$ 59,922 | \$ 56,898 |
| Support Services | | |
| Pupil Services | 6,099 | 5,635 |
| Improvement of Instructional Services | 3,596 | 2,702 |
| Educational Media Services | 1,714 | 1,736 |
| General Administration | 575 | 599 |
| School Administration | 5,723 | 5,775 |
| Business Administration | 513 | 672 |
| Maintenance and Operation of Plant | 5,180 | 5,244 |
| Student Transportation Services | 3,857 | 4,783 |
| Central Support Services | 575 | 552 |
| Other Support Services | 1,123 | 1,119 |
| Operations of Non-Instructional Services | | |
| Community Services | 656 | 655 |
| Food Services | <u>3,910</u> | <u>3,928</u> |
| Total Expenses | \$ <u>93,443</u> | \$ <u>90,298</u> |
| Increase (Decrease) in Net Assets | \$ <u><u>6,343</u></u> | \$ <u><u>-1,959</u></u> |

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

GOVERNMENTAL ACTIVITIES

Instruction comprised 64.1 percent of governmental program expenses in fiscal year 2008. Camden County incurred no interest expense during fiscal year 2008.

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 2008 with fiscal year 2007. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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

| | <u>Total Cost of Services</u> | | <u>Net Cost of Services</u> | |
|--|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>Fiscal Year 2008</u> | <u>Fiscal Year 2007</u> | <u>Fiscal Year 2008</u> | <u>Fiscal Year 2007</u> |
| Instruction | \$ 59,922 | \$ 56,898 | \$ 18,396 | \$ 16,518 |
| Support Services | | | | |
| Pupil Services | 6,099 | 5,635 | 5,094 | 4,591 |
| Improvement of Instructional Services | 3,596 | 2,702 | 2,625 | 2,156 |
| Educational Media Services | 1,714 | 1,736 | 434 | 648 |
| General Administration | 575 | 599 | -911 | -675 |
| School Administration | 5,723 | 5,775 | 3,035 | 3,614 |
| Business Administration | 513 | 672 | 305 | 672 |
| Maintenance and Operation of Plant | 5,180 | 5,244 | 2,056 | 2,709 |
| Student Transportation Services | 3,857 | 4,783 | 2,282 | 3,161 |
| Central Support Services | 575 | 552 | 344 | 552 |
| Other Support Services | 1,123 | 1,119 | 1,050 | 448 |
| Operations of Non-Instructional Services | | | | |
| Community Services | 656 | 655 | -62 | 314 |
| Food Services | <u>3,910</u> | <u>3,928</u> | <u>-68</u> | <u>26</u> |
| Total Expenses | <u>\$ 93,443</u> | <u>\$ 90,298</u> | <u>\$ 34,580</u> | <u>\$ 34,734</u> |

Although program revenues make up a majority of the revenues, the School District is still dependent upon tax revenues for governmental activities. Over 30.7 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 37.0 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 \$99.3 million and total expenditures and other financing uses of \$96.4 million.

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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 2008, the School District amended its general fund budget as needed.

For the General Fund, the final actual revenues of \$97.8 million exceeded the original budgeted amount of \$85.3 million by \$12.5 million. This difference was primarily due to an increase in property taxes revenues over original budget of \$4.3 million, State funds revenues over original budget of \$1.5 million, Federal revenues over original budget of \$4.0 million, and charges for services revenues over original budget of \$1.0 million. 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.

Final budgeted expenditures and other financing uses of \$94.9 million exceeded the original budgeted amount of \$94.2 million by \$0.7 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year end June 30, 2008, the School District had \$108.8 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2008 balances compared with fiscal year 2007 balances.

**Table 4
Capital Assets at June 30
(Net of Depreciation, in Thousands)**

| | <u>Governmental Activities</u> | |
|-------------------------------------|--------------------------------|-------------------|
| | <u>Fiscal</u> | <u>Fiscal</u> |
| | <u>Year 2008</u> | <u>Year 2007</u> |
| Land | \$ 10,230 | \$ 10,180 |
| Construction in Progress | 2,509 | 17 |
| Buildings and Building Improvements | 91,225 | 92,144 |
| Equipment | 3,961 | 3,228 |
| Land Improvements | <u>847</u> | <u>757</u> |
| Total | <u>\$ 108,772</u> | <u>\$ 106,326</u> |

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

**CAMDEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Debt

At fiscal year end June 30, 2008, the School District had no obligation for debt.

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. Mary's, 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 43,664 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.

Although residents approved a Special Purpose Local Option Sales Tax for Education and associated bond issue in 1997 to meet demands of a rapidly growing population associated with the military, the Board of Education elected not to ask voters for a second SPLOST at its conclusion in 2004. The sales tax rate, in Camden County is 6 percent while the property tax assessment for education is at 14.750 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, 2008

EXHIBIT "A"

| | <u>GOVERNMENTAL ACTIVITIES</u> |
|---|-------------------------------------|
| <u>ASSETS</u> | |
| Cash and Cash Equivalents | \$ 6,107,148.90 |
| Investments | 20,391,663.82 |
| Accounts Receivable, Net | |
| Taxes | 1,336,414.27 |
| State Government | 6,721,634.37 |
| Federal Government | 912,274.96 |
| Other | 80,862.21 |
| Inventories | 70,515.36 |
| Capital Assets, Non-Depreciable | 12,739,336.91 |
| Capital Assets, Depreciable (Net of Accumulated Depreciation) | <u>96,032,983.39</u> |
| | |
| Total Assets | \$ <u><u>144,392,834.19</u></u> |
| <u>LIABILITIES</u> | |
| Accounts Payable | \$ 1,693.03 |
| Salaries and Benefits Payable | 10,509,803.76 |
| Contracts Payable | 685.00 |
| Retainages Payable | 130,719.40 |
| Deposits and Deferred Revenues | <u>223,518.00</u> |
| | |
| Total Liabilities | \$ <u><u>10,866,419.19</u></u> |
| <u>NET ASSETS</u> | |
| Invested in Capital Assets | \$ 108,772,320.30 |
| Restricted for | |
| Continuation of Federal Programs | 1,057,791.17 |
| Capital Projects | 543,460.87 |
| Unrestricted | <u>23,152,842.66</u> |
| | |
| Total Net Assets | \$ <u><u>133,526,415.00</u></u> |
| | |
| Total Liabilities and Net Assets | \$ <u><u>144,392,834.19</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, 2008

| | EXPENSES | CHARGES FOR SERVICES |
|--|------------------|----------------------|
| <u>GOVERNMENTAL ACTIVITIES</u> | | |
| Instruction | \$ 59,922,485.90 | \$ 1,227,675.94 |
| Support Services | | |
| Pupil Services | 6,098,908.42 | |
| Improvement of Instructional Services | 3,596,388.92 | |
| Educational Media Services | 1,713,481.76 | |
| General Administration | 574,516.81 | |
| School Administration | 5,723,030.83 | |
| Business Administration | 512,569.91 | |
| Maintenance and Operation of Plant | 5,180,100.46 | |
| Student Transportation Services | 3,857,066.36 | |
| Central Support Services | 575,295.33 | |
| Other Support Services | 1,123,497.19 | |
| Operations of Non-Instructional Services | | |
| Community Services | 655,847.05 | 661,362.00 |
| Food Services | 3,910,087.87 | 1,190,146.94 |
| | \$ 93,443,276.81 | \$ 3,079,184.88 |
| | | |
| General Revenues | | |
| Taxes | | |
| Property Taxes | | |
| For Maintenance and Operations | | |
| Railroad Cars | | |
| Sales Taxes | | |
| Special Purpose Local Option Sales Tax | | |
| For Capital Projects | | |
| Intangible Recording Tax | | |
| Real Estate | | |
| Grants and Contributions not Restricted to Specific Programs | | |
| Investment Earnings | | |
| Miscellaneous | | |
| Total General Revenues | | |
| 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"

| <u>PROGRAM REVENUES</u> | | <u>NET (EXPENSES)</u> |
|-------------------------|------------------------|--------------------------|
| <u>OPERATING</u> | <u>CAPITAL</u> | <u>REVENUES</u> |
| <u>GRANTS AND</u> | <u>GRANTS AND</u> | <u>AND CHANGES IN</u> |
| <u>CONTRIBUTIONS</u> | <u>CONTRIBUTIONS</u> | <u>NET ASSETS</u> |
| \$ 39,841,895.15 | \$ 456,501.92 | \$ -18,396,412.89 |
| 999,710.64 | 5,111.68 | -5,094,086.10 |
| 967,607.33 | 3,557.46 | -2,625,224.13 |
| 1,245,182.73 | 34,228.12 | -434,070.91 |
| 1,470,563.08 | 15,137.18 | 911,183.45 |
| 2,634,863.94 | 53,121.32 | -3,035,045.57 |
| 207,896.20 | | -304,673.71 |
| 3,054,176.67 | 69,622.43 | -2,056,301.36 |
| 1,164,311.71 | 411,097.50 | -2,281,657.15 |
| 231,007.42 | | -344,287.91 |
| 72,980.74 | 74.36 | -1,050,442.09 |
| 32,596.73 | 24,128.15 | 62,239.83 |
| <u>2,706,368.60</u> | <u>81,791.03</u> | <u>68,218.70</u> |
| \$ <u>54,629,160.94</u> | \$ <u>1,154,371.15</u> | \$ <u>-34,580,559.84</u> |

\$ 22,778,275.96
14,636.61

50,323.37
480,692.88
255,090.25
15,394,047.81
1,040,743.92
909,758.09

\$ 40,923,568.89

\$ 6,343,009.05

127,183,405.95

\$ 133,526,415.00

CAMDEN COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

EXHIBIT "C"

| | <u>GENERAL FUND</u> | <u>DISTRICT- WIDE CAPITAL PROJECTS FUND</u> | <u>TOTAL</u> |
|--|-------------------------|---|-------------------------|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ 5,247,135.97 | \$ 860,012.93 | \$ 6,107,148.90 |
| Investments | 12,915,135.60 | 7,476,528.22 | 20,391,663.82 |
| Accounts Receivable, Net | | | |
| Taxes | 345,496.79 | | 345,496.79 |
| State Government | 6,721,634.37 | | 6,721,634.37 |
| Federal Government | 912,274.96 | | 912,274.96 |
| Other | 80,862.21 | | 80,862.21 |
| Inventories | <u>70,515.36</u> | | <u>70,515.36</u> |
| | | | |
| Total Assets | <u>\$ 26,293,055.26</u> | <u>\$ 8,336,541.15</u> | <u>\$ 34,629,596.41</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 1,693.03 | | \$ 1,693.03 |
| Salaries and Benefits Payable | 10,509,803.76 | | 10,509,803.76 |
| Contracts Payable | | \$ 685.00 | 685.00 |
| Retainages Payable | | 130,719.40 | 130,719.40 |
| Deposits and Deferred Revenues | <u>223,518.00</u> | | <u>223,518.00</u> |
| | | | |
| Total Liabilities | <u>\$ 10,735,014.79</u> | <u>\$ 131,404.40</u> | <u>\$ 10,866,419.19</u> |
| <u>FUND BALANCES</u> | | | |
| Reserved for: | | | |
| Continuation of Federal Programs | \$ 987,275.81 | | \$ 987,275.81 |
| Inventories | 70,515.36 | | 70,515.36 |
| Capital Projects | | \$ 543,460.87 | 543,460.87 |
| Unreserved | | | |
| Designated for Student Activities | 605,486.45 | | 605,486.45 |
| Undesignated Reported in: | | | |
| General Fund | 13,894,762.85 | | 13,894,762.85 |
| Capital Projects | | <u>7,661,675.88</u> | <u>7,661,675.88</u> |
| | | | |
| Total Fund Balances | <u>\$ 15,558,040.47</u> | <u>\$ 8,205,136.75</u> | <u>\$ 23,763,177.22</u> |
| | | | |
| Total Liabilities and Fund Balances | <u>\$ 26,293,055.26</u> | <u>\$ 8,336,541.15</u> | <u>\$ 34,629,596.41</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, 2008

EXHIBIT "D"

Total Fund Balances - Governmental Funds (Exhibit "C") \$ 23,763,177.22

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 | \$ | 10,230,121.00 | |
| Construction in Progress | | 2,509,215.91 | |
| Land Improvements | | 1,952,137.68 | |
| Buildings | | 107,513,499.61 | |
| Equipment | | 10,044,242.19 | |
| Accumulated Depreciation | | <u>-23,476,896.09</u> | |
| Total Capital Assets | | | 108,772,320.30 |

Some of the School District's property tax revenues will be collected after year-end but not available soon enough to pay for the current period's expenditures. 990,917.48

Net Assets of Governmental Activities (Exhibit "A") \$ 133,526,415.00

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

CAMDEN COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

EXHIBIT "E"

| | <u>GENERAL FUND</u> | <u>DISTRICT- WIDE CAPITAL PROJECTS FUND</u> | <u>TOTAL</u> |
|--|--------------------------------|---|--------------------------------|
| <u>REVENUES</u> | | | |
| Property Taxes | \$ 21,801,995.09 | | \$ 21,801,995.09 |
| Sales Taxes | 735,783.13 | \$ 50,323.37 | 786,106.50 |
| State Funds | 57,487,839.39 | 896,807.90 | 58,384,647.29 |
| Federal Funds | 12,742,372.36 | 50,560.25 | 12,792,932.61 |
| Charges for Services | 3,079,184.88 | | 3,079,184.88 |
| Investment Earnings | 1,021,855.62 | 18,888.30 | 1,040,743.92 |
| Miscellaneous | 909,758.09 | | 909,758.09 |
| Total Revenues | \$ <u>97,778,788.56</u> | \$ <u>1,016,579.82</u> | \$ <u>98,795,368.38</u> |
| <u>EXPENDITURES</u> | | | |
| Current | | | |
| Instruction | \$ 59,055,301.32 | | \$ 59,055,301.32 |
| Support Services | | | |
| Pupil Services | 6,095,593.75 | | 6,095,593.75 |
| Improvement of Instructional Services | 3,594,059.02 | | 3,594,059.02 |
| Educational Media Services | 1,657,946.79 | | 1,657,946.79 |
| General Administration | 549,815.17 | | 549,815.17 |
| School Administration | 5,639,665.86 | | 5,639,665.86 |
| Business Administration | 512,569.91 | | 512,569.91 |
| Maintenance and Operation of Plant | 5,257,111.53 | \$ 102,487.96 | 5,359,599.49 |
| Student Transportation Services | 3,957,893.52 | | 3,957,893.52 |
| Central Support Services | 578,269.33 | | 578,269.33 |
| Other Support Services | 1,143,456.77 | | 1,143,456.77 |
| Community Services | 655,847.05 | | 655,847.05 |
| Food Services Operation | 3,784,736.65 | | 3,784,736.65 |
| Capital Outlay | | 3,304,509.35 | 3,304,509.35 |
| Total Expenditures | \$ <u>92,482,266.67</u> | \$ <u>3,406,997.31</u> | \$ <u>95,889,263.98</u> |
| Excess of Revenues over (under) Expenditures | \$ <u>5,296,521.89</u> | \$ <u>-2,390,417.49</u> | \$ <u>2,906,104.40</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In | | \$ 507,091.83 | \$ 507,091.83 |
| Transfers Out | \$ <u>-507,091.83</u> | | <u>-507,091.83</u> |
| Total Other Financing Sources (Uses) | \$ <u>-507,091.83</u> | \$ <u>507,091.83</u> | \$ <u>0.00</u> |
| Net Change in Fund Balances | \$ 4,789,430.06 | \$ -1,883,325.66 | \$ 2,906,104.40 |
| Fund Balances - Beginning | <u>10,768,610.41</u> | <u>10,088,462.41</u> | <u>20,857,072.82</u> |
| Fund Balances - Ending | \$ <u>15,558,040.47</u> | \$ <u>8,205,136.75</u> | \$ <u>23,763,177.22</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, 2008

EXHIBIT "F"

Total Net Change in Fund Balances - Governmental Funds (Exhibit "E") \$ 2,906,104.40

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 | \$ 4,730,946.63 | |
| Depreciation Expense | <u>-2,211,138.86</u> | |
| Excess of Capital Outlay over Depreciation Expense | | 2,519,807.77 |

| | | |
|--|--|------------|
| Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues. | | 990,917.48 |
|--|--|------------|

| | | |
|--|--|-------------------|
| In the Statement of Activities, only the loss on the disposal of the buildings and equipment is reported, whereas in the Governmental Funds, the loss is not reflected. Thus, the change in net assets differs from the change in fund balances by the carrying value of the buildings and equipment disposal. | | <u>-73,820.60</u> |
|--|--|-------------------|

Change in Net Assets of Governmental Activities (Exhibit "B") \$ 6,343,009.05

CAMDEN COUNTY BOARD OF EDUCATION
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2008

EXHIBIT "G"

| | <u>PRIVATE PURPOSE TRUSTS</u> | <u>AGENCY FUNDS</u> |
|--------------------------------------|---------------------------------------|---------------------------------|
| <u>ASSETS</u> | | |
| Cash and Cash Equivalents | | \$ 238,940.71 |
| Investments | | |
| Georgia Fund 1 | \$ <u>19,075.23</u> | <u> </u> |
| Total Assets | \$ <u><u>19,075.23</u></u> | \$ <u><u>238,940.71</u></u> |
| <u>LIABILITIES</u> | | |
| Funds Held for Others | | \$ 238,940.71 |
| <u>NET ASSETS</u> | | |
| Held in Trust for Private Purposes | \$ <u>19,075.23</u> | <u> </u> |
| Total Liabilities and Net Assets | \$ <u><u>19,075.23</u></u> | \$ <u><u>238,940.71</u></u> |

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, 2008

EXHIBIT "H"

| | <u>PRIVATE PURPOSE TRUSTS</u> |
|---------------------------------|---------------------------------------|
| <u>ADDITIONS</u> | |
| Contributions Donors | \$ 19,000.00 |
| Investment Earnings Interest | <u>75.23</u> |
| Total Additions | \$ <u>19,075.23</u> |
| <u>DEDUCTIONS</u> | |
| None Reported | \$ <u>0.00</u> |
| Change in Net Assets | \$ 19,075.23 |
| Net Assets - Beginning | <u>0.00</u> |
| Net Assets - Ending | \$ <u><u>19,075.23</u></u> |

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

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:

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 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), grants from U. S. Department of Education and grants from Georgia State Financing and Investment Commission to be used for the acquisition, construction or renovation of major capital facilities.

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 is 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 authorize 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 Local Government Investment Pool administered by the State of Georgia, Office of Treasury and Fiscal Services,
- (7) Repurchase agreements, and

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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.

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 2007 tax digest year (calendar year) on August 9, 2007 (levy date). Taxes were due on November 30, 2007 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2007 tax digest are reported as revenue in the governmental funds for fiscal year 2008. 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, 2008, for maintenance and operations amounted to \$21,787,358.48.

The tax millage rate levied for the 2007 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 |
|-------------------|--------------------|

SALES TAXES

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to \$50,323.37 and is to be used for capital outlay for educational purposes or debt service. 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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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:

| | Capitalization Policy | Estimated Useful Life |
|----------------------------|--------------------------|--------------------------|
| 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Note 3: DEPOSITS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

Official Code of Georgia Annotated (OCGA) 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 (OCGA 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. At June 30, 2008, \$822,084.27 of deposits were not secured by surety bond, insurance or collateral as specified above. The School District is working with the affected financial institutions to ensure appropriate levels of collateral are maintained for all of the School District's deposits.

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

Note 3: DEPOSITS AND INVESTMENTS

(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

At June 30, 2008, the bank balances were \$10,965,070.73. The amounts of the total uninsured bank balances are classified into three categories of custodial credit risk:

- Category 1 - Uncollateralized,
- Category 2 - Cash collateralized with securities held by the pledging financial institution, or
- Category 3 - Cash collateralized with securities held by the pledging financial institution's trust department or agent but not in the School District's name.

The School District's uninsured deposits are classified by custodial credit risk category at June 30, 2008, as follows:

| <u>Custodial Credit Risk Category</u> | <u>Bank Balance</u> |
|---|-------------------------|
| 1 | \$ 822,084.27 |
| 2 | 9,746,675.10 |
| 3 | <u>0.00</u> |
| Total | <u>\$ 10,568,759.37</u> |

CATEGORIZATION OF INVESTMENTS

At June 30, 2008, the carrying value of the School District's total investments was \$20,292,596.89, 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, 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.state.ga.us/internet/searchRpts.html>.

CAMDEN COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2008

EXHIBIT "I"

Note 3: DEPOSITS AND INVESTMENTS

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, 2008, was 40 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:

| | <u>Balances</u> <u>July 1, 2007</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balances</u> <u>June 30, 2008</u> |
|--|--|------------------------|-----------------------------|---|
| Governmental Activities | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 10,180,006.00 | \$ 50,115.00 | \$ 0.00 | \$ 10,230,121.00 |
| Construction in Progress | <u>16,800.00</u> | <u>2,492,415.91</u> | <u> </u> | <u>2,509,215.91</u> |
| Total Capital Assets Not Being Depreciated | <u>\$ 10,196,806.00</u> | <u>\$ 2,542,530.91</u> | <u>\$ 0.00</u> | <u>\$ 12,739,336.91</u> |
| Capital Assets Being Depreciated | | | | |
| Buildings and Improvements | \$106,991,291.33 | \$ 571,666.07 | \$ 49,457.79 | \$107,513,499.61 |
| Equipment | 9,719,572.68 | 1,435,656.20 | 1,110,986.69 | 10,044,242.19 |
| Land Improvements | 1,771,044.23 | 181,093.45 | | 1,952,137.68 |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | 14,847,238.28 | 1,453,729.56 | 12,094.79 | 16,288,873.05 |
| Equipment | 6,490,922.05 | 666,824.49 | 1,074,529.09 | 6,083,217.45 |
| Land Improvements | <u>1,014,220.78</u> | <u>90,584.81</u> | <u> </u> | <u>1,104,805.59</u> |
| Total Capital Assets, Being Depreciated, Net | <u>\$ 96,129,527.13</u> | <u>\$ -22,723.14</u> | <u>\$ 73,820.60</u> | <u>\$ 96,032,983.39</u> |
| Governmental Activity Capital Assets - Net | <u>\$106,326,333.13</u> | <u>\$ 2,519,807.77</u> | <u>\$ 73,820.60</u> | <u>\$108,772,320.30</u> |

CAMDEN COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2008

EXHIBIT "I"

Note 5: CAPITAL ASSETS

Current year depreciation expense by function is as follows:

| | | | | | |
|--|----|---------------|--|-------------------|------------------------|
| Instruction | | | | | \$ 1,179,404.21 |
| Support Services | | | | | |
| Pupil Services | \$ | 12,603.19 | | | |
| Improvements of Instructional Services | | 4,800.21 | | | |
| Educational Media Services | | 88,362.62 | | | |
| General Administration | | 37,321.71 | | | |
| School Administration | | 135,501.46 | | | |
| Maintenance and Operation of Plant | | 48,092.55 | | | |
| Student Transportation Services | | 503,208.42 | | | |
| Other Support Services | | <u>183.33</u> | | 830,073.49 | |
| Food Services | | | | <u>201,661.16</u> | |
| | | | | | <u>\$ 2,211,138.86</u> |

Note 6: RESTRICTED ASSETS

Special Purpose Local Option Sales Tax (SPLOST) and Federal funds are restricted assets in the Statement of Net Assets because their use is limited by statutory provisions. Restricted assets at June 30, 2008, were as follows:

| | <u>District-wide Capital Projects</u> | |
|---------------------------------------|---------------------------------------|----------------------|
| | <u>SPLOST</u> | <u>Federal Funds</u> |
| Restricted Cash and Cash Equivalents: | | |
| Capital Acquisitions | \$ 4,258.46 | \$ 247,831.72 |
| Restricted Investments: | | |
| Capital Acquisitions | \$ 257,447.44 | |

Note 7: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2008, consisted of the following:

| | <u>Transfers From General Fund</u> |
|--------------------------------|------------------------------------|
| <u>Transfer to</u> | |
| District-wide Capital Projects | <u>\$ 507,091.83</u> |

Note 7: INTERFUND TRANSFERS

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 8: 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 related to this risk in the past three years.

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:

| | <u>Beginning of Year Liability</u> | <u>Claims and Changes in Estimates</u> | <u>Claims Paid</u> | <u>End of Year Liability</u> |
|------|--|--|------------------------|----------------------------------|
| 2007 | \$ <u>7,774.00</u> | \$ <u>9,629.00</u> | \$ <u>14,843.00</u> | \$ <u>2,560.00</u> |
| 2008 | \$ <u>2,560.00</u> | \$ <u>99.00</u> | \$ <u>2,659.00</u> | \$ <u>0.00</u> |

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 \$500,000.00 loss per occurrence, up to \$2,000,000.00.

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

CAMDEN COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2008

EXHIBIT "I"

Note 8: RISK MANAGEMENT

| <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 9: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of \$1,224,755.33 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 \$1,167,757.37

- Paid to the Teachers Retirement System of Georgia
 - For Teachers Retirement System (TRS) Employer's Cost
 - In the amount of \$47,935.96

- 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 \$9,062.00

Note 10: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2008:

| <u>Project</u> | <u>Unearned Executed Contracts</u> |
|----------------------------------|--|
| New St. Mary's Elementary School | \$ 13,892,386.74 |
| Ninth Grade Center Addition | <u>1,833,457.36</u> |
| | <u>\$ 15,725,844.10</u> |

The amounts described in this note are not reflected in the basic financial statements.

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: SUBSEQUENT EVENTS

On March 17, 2009, the voters of Camden County voted in favor of a Special Purpose Local Option Sales Tax referendum for educational purposes. The imposition of the tax approved by the voters, as stated in part of the Official Ballot of Camden County, is as follows:

"Shall a special one percent sales and use tax for education purposes be imposed in Camden County for a period not to exceed twenty (20) calendar quarters and for the purpose of raising not more than \$62,337,000 of net proceeds by said tax, which shall go to the School District for the purpose of (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; (ii) adding to, renovating, repairing, improving, and equipping existing school buildings and school system facilities; (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; (iv) acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including HVAC equipment, information technology equipment and software, safety and security equipment; and (v) acquiring school buses and transportation and maintenance equipment; (vi) purchasing textbooks, the maximum amount sales and use tax proceeds to be spent on projects (i) through (vi) shall not exceed \$62,337,000?"

Note 13: POSTEMPLOYMENT BENEFITS

Georgia Retiree Health Benefit Fund

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

Note 13: POSTEMPLOYMENT BENEFITS

Funding Policy. The contribution requirements of plan members and participating employers are established and may be amended by the Board of Community Health. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. On average, plan members pay approximately twenty-five percent (25%) of the cost of health insurance coverage.

Participating employers are statutorily required to contribute in accordance with the employer contribution rate established by the Board of Community Health. This contribution rate is established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements. The employer contribution rates for the combined active and retiree plans for the fiscal year ended June 30, 2008, were as follows:

| | |
|----------------------------|---------------------------------|
| Teachers | 18.534% of state-based salaries |
| Non-Certificated Employees | \$162.72 per month |

The School District's contribution to the health insurance plans for the fiscal year ended June 30, 2008, was \$8,357,375.04, which equaled the required contribution.

Note 14: RETIREMENT PLANS

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

TRS PLAN DESCRIPTION

Substantially all teachers, administrative and clerical personnel employed by local school systems are covered by the Teachers Retirement System of Georgia (TRS), which is a cost-sharing multiple employer defined benefit pension plan. TRS provides service retirement, disability retirement and survivors benefits for its members in accordance with State statute. 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.

TRS CONTRIBUTIONS REQUIRED AND MADE

Employees of the School District who are covered by TRS are required by State statute to contribute 5% of their gross earnings to TRS. The School District makes monthly employer contributions to TRS at rates adopted by the TRS Board of Trustees in accordance with State statute and as advised by their independent actuary. The required employer contribution rate is 9.28% and employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

CAMDEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

EXHIBIT "I"

Note 14: RETIREMENT PLANS

| <u>Fiscal Year</u> | <u>Percentage Contributed</u> | <u>Required Contribution</u> |
|--------------------|-----------------------------------|----------------------------------|
| 2008 | 100% | \$ 5,234,865.80 |
| 2007 | 100% | \$ 4,987,003.19 |
| 2006 | 100% | \$ 4,597,397.00 |

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CAMDEN COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

SCHEDULE "1"

| | NONAPPROPRIATED BUDGETS | | ACTUAL |
|--|-------------------------|------------------|------------------|
| | ORIGINAL (1) | FINAL (1) | AMOUNTS |
| <u>REVENUES</u> | | | |
| Property Taxes | \$ 17,453,850.52 | \$ 17,453,850.52 | \$ 21,801,995.09 |
| Sales Taxes | | | 735,783.13 |
| State Funds | 55,943,427.36 | 56,047,256.48 | 57,487,839.39 |
| Federal Funds | 8,734,553.17 | 9,068,524.18 | 12,742,372.36 |
| Charges for Services | 2,127,990.00 | 2,127,990.00 | 3,079,184.88 |
| Investment Earnings | 928,000.22 | 928,000.22 | 1,021,855.62 |
| Miscellaneous | 101,823.92 | 121,257.25 | 909,758.09 |
| Total Revenues | \$ 85,289,645.19 | \$ 85,746,878.65 | \$ 97,778,788.56 |
| <u>EXPENDITURES</u> | | | |
| Current | | | |
| Instruction | \$ 61,190,030.80 | \$ 61,517,053.16 | \$ 59,055,301.32 |
| Support Services | | | |
| Pupil Services | 6,089,127.64 | 6,069,412.92 | 6,095,593.75 |
| Improvement of Instructional Services | 3,474,937.24 | 3,775,480.76 | 3,594,059.02 |
| Educational Media Services | 1,597,938.35 | 1,615,736.51 | 1,657,946.79 |
| General Administration | 571,467.36 | 655,350.85 | 549,815.17 |
| School Administration | 5,611,430.15 | 5,630,777.16 | 5,639,665.86 |
| Business Administration | 701,722.16 | 685,858.70 | 512,569.91 |
| Maintenance and Operation of Plant | 5,321,152.26 | 5,186,852.34 | 5,257,111.53 |
| Student Transportation Services | 3,824,908.77 | 3,947,460.26 | 3,957,893.52 |
| Central Support Services | 582,750.21 | 583,512.22 | 578,269.33 |
| Other Support Services | 197,559.64 | 167,507.89 | 1,143,456.77 |
| Community Services | 820,445.00 | 820,345.00 | 655,847.05 |
| Food Services Operation | 4,062,928.41 | 4,068,649.19 | 3,784,736.65 |
| Total Expenditures | \$ 94,046,397.99 | \$ 94,723,996.96 | \$ 92,482,266.67 |
| Excess of Revenues over (under) Expenditures | \$ -8,756,752.80 | \$ -8,977,118.31 | \$ 5,296,521.89 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Other Sources | \$ 196,534.66 | \$ 201,933.66 | |
| Other Uses | -177,933.66 | -177,933.66 | \$ -507,091.83 |
| Total Other Financing Sources (Uses) | \$ 18,601.00 | \$ 24,000.00 | \$ -507,091.83 |
| Net Change in Fund Balances | \$ -8,738,151.80 | \$ -8,953,118.31 | \$ 4,789,430.06 |
| Fund Balances - Beginning | 10,768,809.41 | 10,787,168.36 | 10,768,610.41 |
| Fund Balances - Ending | \$ 2,030,657.61 | \$ 1,834,050.05 | \$ 15,558,040.47 |

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, 2008

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>3,310,669.19</u> |
| Total Child Nutrition Cluster | | | \$ 3,310,669.19 |
| Other Programs | | | |
| Pass-Through From Georgia Department of Education | | | |
| Food Donation (1) | 10.550 | N/A | <u>194,037.20</u> |
| Total U. S. Department of Agriculture | | | \$ <u>3,504,706.39</u> |
| Education, U. S. Department of | | | |
| Special Education Cluster | | | |
| Pass-Through From Georgia Department of Education | | | |
| Special Education | | | |
| Grants to States | 84.027 | N/A | \$ 1,567,102.04 |
| Preschool Grants | 84.173 | N/A | <u>74,654.81</u> |
| Total Special Education Cluster | | | \$ 1,641,756.85 |
| Other Programs | | | |
| Direct | | | |
| Impact Aid | * 84.041 | | (3) |
| Pass-Through From Georgia Department of Education | | | |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 81,668.12 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 341,586.19 |
| State Grants for Innovative Programs | 84.298 | N/A | 13,515.00 |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | <u>1,455,136.12</u> |
| Total U. S. Department of Education | | | \$ <u>3,533,662.28</u> |
| Defense, U. S. Department of | | | |
| Direct | | | |
| Department of the Navy | | | |
| R.O.T.C. Program | | | \$ <u>81,310.91</u> |
| Total Federal Financial Assistance | | | \$ <u>7,119,679.58</u> |

N/A = Not Available

Notes to the Schedule of Expenditures of Federal Awards

- (1) The amount shown for the Food Donation Program represents the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School District during the current fiscal year.
- (2) Expenditures for the funds earned on the School Breakfast Program (\$732,047.52) were not maintained separately and are included in the 2008 National School Lunch Program.
- (3) Funds earned on the Impact Aid Program, in the amount of \$6,696,308.06 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, 2008

SCHEDULE "3"

| <u>AGENCY/FUNDING</u> | GOVERNMENTAL FUND TYPES | | <u>TOTAL</u> |
|--|-------------------------|-----------------------------|-------------------------|
| | GENERAL FUND | CAPITAL PROJECTS FUND | |
| GRANTS | | | |
| Bright From the Start: | | | |
| Georgia Department of Early Care and Learning | | | |
| Pre-Kindergarten Program | \$ 898,791.73 | | \$ 898,791.73 |
| Education, Georgia Department of | | | |
| Quality Basic Education | | | |
| Direct Instructional Cost | | | |
| Kindergarten Program | 3,425,775.00 | | 3,425,775.00 |
| Kindergarten Program - Early Intervention Program | 136,243.00 | | 136,243.00 |
| Primary Grades (1-3) Program | 7,638,621.00 | | 7,638,621.00 |
| Primary Grades - Early Intervention (1-3) Program | 343,820.00 | | 343,820.00 |
| Upper Elementary Grades (4-5) Program | 3,652,209.00 | | 3,652,209.00 |
| Upper Elementary Grades - Early Intervention (4-5) Program | 202,446.00 | | 202,446.00 |
| Middle School (6-8) Program | 6,316,897.00 | | 6,316,897.00 |
| High School General Education (9-12) Program | 5,781,229.00 | | 5,781,229.00 |
| Vocational Laboratory (9-12) Program | 2,052,632.00 | | 2,052,632.00 |
| Students with Disabilities | | | |
| Category I | 667,185.00 | | 667,185.00 |
| Category II | 971,783.00 | | 971,783.00 |
| Category III | 3,477,329.00 | | 3,477,329.00 |
| Category IV | 249,424.00 | | 249,424.00 |
| Category V | 83,054.00 | | 83,054.00 |
| Gifted Student - Category VI | 1,928,665.00 | | 1,928,665.00 |
| Remedial Education Program | 48,675.00 | | 48,675.00 |
| Alternative Education Program | 524,713.00 | | 524,713.00 |
| English Speakers of Other Languages (ESOL) | 94,122.00 | | 94,122.00 |
| Media Center Program | 1,077,695.00 | | 1,077,695.00 |
| 20 Days Additional Instruction | 338,626.00 | | 338,626.00 |
| Staff and Professional Development | 188,486.00 | | 188,486.00 |
| Indirect Cost | | | |
| Central Administration | 1,229,542.00 | | 1,229,542.00 |
| School Administration | 2,068,753.00 | | 2,068,753.00 |
| Facility Maintenance and Operations | 2,513,179.00 | | 2,513,179.00 |
| Categorical Grants | | | |
| Pupil Transportation | | | |
| Regular | 1,063,866.00 | | 1,063,866.00 |
| Bus Replacement | 207,003.00 | | 207,003.00 |
| Nursing Services | 195,462.00 | | 195,462.00 |
| Education Equalization Funding Grant | 8,748,300.00 | | 8,748,300.00 |
| Food Services | 241,224.00 | | 241,224.00 |
| Vocational Education | 150,327.26 | | 150,327.26 |
| Amended Formula Adjustment | -858,824.00 | | -858,824.00 |
| Other State Programs | | | |
| Graduation Coach | 126,288.00 | | 126,288.00 |
| Health Insurance | 1,167,757.37 | | 1,167,757.37 |
| Middle School Remediation and Intervention Grant | 6,583.00 | | 6,583.00 |
| National Teacher Certification | 140,927.00 | | 140,927.00 |
| Preschool Handicapped Program | 231,137.74 | | 231,137.74 |
| Teachers' Retirement | 47,935.96 | | 47,935.96 |
| Virtual Schools State Grant | 1,250.00 | | 1,250.00 |
| Vocational Construction Related Equipment - State Grant | 99,645.33 | | 99,645.33 |
| Georgia State Financing and Investment | | | |
| Commission | | | |
| Reimbursement on Construction Projects | \$ 896,807.90 | | 896,807.90 |
| Office of Treasury and Fiscal Services | | | |
| Public School Employees Retirement | 9,062.00 | | 9,062.00 |
| | <u>\$ 57,487,839.39</u> | <u>\$ 896,807.90</u> | <u>\$ 58,384,647.29</u> |

See notes to the basic financial statements.

CAMDEN COUNTY BOARD OF EDUCATION
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
 YEAR ENDED JUNE 30, 2008

SCHEDULE "4"

| <u>PROJECT</u> | <u>ORIGINAL ESTIMATED COST (1)</u> | <u>CURRENT ESTIMATED COSTS (2)</u> | <u>AMOUNT EXPENDED IN CURRENT YEAR (3)</u> | <u>AMOUNT EXPENDED IN PRIOR YEAR (3)</u> | <u>PROJECT STATUS</u> |
|---|--|--|--|--|---------------------------|
| The acquisition, construction and equipping of a new elementary school and a new alternative school and psychoeducational center; renovations of and additions to Camden County High School, Camden Middle School, St. Mary's Middle School, St. Mary's Elementary School, Sugarmill Elementary School and Woodbine Elementary School; the acquisition of new technology, equipment and furniture for all schools system-wide; the acquisition, construction and equipping of the science wing and the vocational wing at Camden County High School, which are currently being leased from the Georgia School Boards Association, Inc. and a new middle school; renovations of and additions to St. Mary's Middle School and Camden Middle School; classroom additions as needed for all schools system-wide. | \$ <u>31,000,000.00</u> | \$ <u>33,378,818.60</u> | \$ <u>243,768.60</u> | \$ <u>33,135,050.00</u> | Ongoing |

- (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 project. 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 project. Amounts expended for this project may include sales tax proceeds, state, local property taxes and/or other funds over the life of the project.

See notes to the basic financial statements.

CAMDEN COUNTY BOARD OF EDUCATION
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAM (QBE)
ALLOTMENTS AND EXPENDITURES - BY PROGRAM
YEAR ENDED JUNE 30, 2008

SCHEDULE "5"

| DESCRIPTION | ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2) | ELIGIBLE QBE PROGRAM COSTS | | |
|--|--|----------------------------|------------------------|-------------------------|
| | | SALARIES | OPERATIONS | TOTAL |
| Direct Instructional Programs | | | | |
| Kindergarten Program | \$ 3,845,824.00 | \$ 4,681,547.98 | \$ 195,974.97 | \$ 4,877,522.95 |
| Kindergarten Program-Early Intervention Program | 162,833.00 | 265,257.51 | 2,412.57 | 267,670.08 |
| Primary Grades (1-3) Program | 8,518,243.00 | 8,540,034.38 | 604,126.91 | 9,144,161.29 |
| Primary Grades-Early Intervention (1-3) Program | 396,515.00 | 913,618.54 | 2,807.68 | 916,426.22 |
| Upper Elementary Grades (4-5) Program | 4,093,943.00 | 5,144,770.30 | 346,042.35 | 5,490,812.65 |
| Upper Elementary Grades-Early Intervention (4-5) Program | 246,421.00 | 663,727.18 | 3,348.22 | 667,075.40 |
| Middle School (6-8) Program | 7,098,782.00 | 7,759,025.15 | 430,262.99 | 8,189,288.14 |
| High School General Education (9-12) Program | 6,464,003.00 | 8,013,536.44 | 408,264.89 | 8,421,801.33 |
| Vocational Laboratory (9-12) Program | 2,279,501.00 | 2,156,945.41 | 158,414.11 | 2,315,359.52 |
| Students with Disabilities | 6,113,758.00 | | | |
| Category I | | 10,615.52 | 7,981.07 | 18,596.59 |
| Category II | | 1,004,502.05 | 17,569.07 | 1,022,071.12 |
| Category III | | 3,892,150.43 | 52,164.42 | 3,944,314.85 |
| Category IV | | 43,102.29 | 1,962.88 | 45,065.17 |
| Category V | | 1,373,951.83 | 4,256.36 | 1,378,208.19 |
| Gifted Student - Category VI | 2,151,529.00 | 1,962,140.83 | 23,171.25 | 1,985,312.08 |
| Remedial Education Program | 58,853.00 | 723,527.44 | 4,747.55 | 728,274.99 |
| Alternative Education Program | 587,772.00 | 438,589.35 | 281,217.73 | 719,807.08 |
| English Speakers of Other Languages (ESOL) | <u>105,428.00</u> | <u>142,220.08</u> | <u>1,469.54</u> | <u>143,689.62</u> |
| TOTAL DIRECT INSTRUCTIONAL PROGRAMS | \$ 42,123,405.00 | \$ 47,729,262.71 | \$ 2,546,194.56 | \$ 50,275,457.27 |
| Media Center Program | 1,207,804.00 | 1,426,001.70 | 140,562.86 | 1,566,564.56 |
| Staff and Professional Development | <u>212,792.00</u> | | | <u>217,763.59</u> |
| | | | | |
| TOTAL QBE FORMULA FUNDS | \$ <u>43,544,001.00</u> | \$ <u>49,155,264.41</u> | \$ <u>2,686,757.42</u> | \$ <u>52,059,785.42</u> |

(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 18, 2009

Honorable Sonny Perdue, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Camden County Board of Education

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, 2008, which collectively comprise Camden County Board of Education's basic financial statements and have issued our report thereon dated August 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Camden County Board of Education's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally

accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Camden County Board of Education's financial statements that is more than inconsequential will not be prevented or detected by the Camden County Board of Education's internal control.

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

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

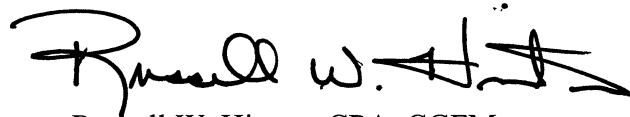
Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 18, 2009.

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 with a large initial "R" and a long horizontal stroke at the end.

Russell W. Hinton, CPA, CGFM
State Auditor

RWH:as
2008YB-10



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 18, 2009

Honorable Sonny Perdue, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Camden County Board of Education

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

Ladies and Gentlemen:

Compliance

We have audited the compliance of Camden County Board of Education with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major Federal program for the year ended June 30, 2008. Camden County Board of Education's major Federal program is 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 its major Federal program 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 requirements referred to above that are applicable to its major Federal program for the year ended June 30, 2008.

Internal Control Over Compliance

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

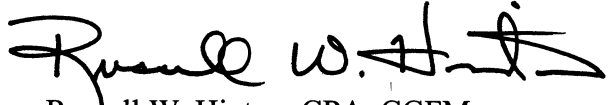
A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of management, members of the Camden County Board of Education, 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 fluid and cursive, with a prominent initial "R" and a long, sweeping tail.

Russell W. Hinton, CPA, CGFM
State Auditor

RWH:as
2008SA-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, 2008

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

| <u>FINDING CONTROL NUMBER</u> | <u>AUDITEE'S RESPONSE/STATUS</u> | <u>SEE AUDITOR'S COMMENTS</u> |
|---------------------------------------|--------------------------------------|---------------------------------------|
| FS-6201-06-01 | Further Action Not Warranted | (1) |
| FS-6201-07-01 | Further Action Not Warranted | (1) |

AUDITOR'S COMMENTS

- (1) Findings/internal control deficiencies of this nature, that are not deemed significant deficiencies or material weaknesses and do not require reporting in the audit report in accordance with *Statements on Auditing Standards* (SAS) 112 or *Governmental Auditing Standards* (Yellow Book), will be communicated in a management letter.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

| <u>FINDING CONTROL NUMBER</u> | <u>AUDITEE'S RESPONSE/STATUS</u> |
|---------------------------------------|--|
| FA-6201-06-01 | Unresolved - See Corrective Action/Responses |

CORRECTIVE ACTION/RESPONSES

ACTIVITIES ALLOWED OR UNALLOWED

U. S. Department of Education
 Through Georgia Department of Education
 Inadequate Internal Control Procedures
 Finding Control Number: FA-6201-06-01

Camden County Schools is waiting for a response from Georgia Department of Education (GDOE). Upon receipt of guidance from GDOE, the School District will resolve the finding.

SECTION IV
FINDINGS AND QUESTIONED COSTS

CAMDEN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

I SUMMARY OF AUDITOR'S RESULTS

1. Type of Report Issued on the Financial Statements

The auditor's opinion on the Camden County Board of Education's financial statements was unqualified.

2. Significant Deficiencies in Internal Control Disclosed by the Audit of the Financial Statements

The audit report for the Camden County Board of Education did not disclose any significant deficiencies related to the financial statements.

3. Noncompliance Material to the Financial Statements

The audit of the Camden County Board of Education disclosed no instances of noncompliance that were deemed to be material to the financial statements.

4. Significant Deficiencies in Internal Control Over Major Programs

The audit report for the Camden County Board of Education did not disclose any significant deficiencies in internal control over major programs.

5. Type of Report Issued on Compliance for Major Programs

The auditor's opinion on the Camden County Board of Education's report on compliance with requirements applicable to major programs was unqualified.

6. Audit Findings Required to be Reported by Section .510(a) of OMB Circular A-133

The Camden County Board of Education's audit did not disclose audit findings required to be reported by section .510(a) of OMB Circular A-133.

7. Major Programs

The Federal award audited as a major program is as follows:
84.041 Impact Aid

8. Type "A" Program Dollar Threshold

The dollar threshold for type "A" programs was \$414,479.63.

9. Low Risk Auditee

The Camden County Board of Education qualified as a low risk auditee as defined by Section .530 of OMB Circular A-133.

CAMDEN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.