

GREENE COUNTY
BOARD OF EDUCATION
GREENSBORO, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011
(Including Independent Auditor's Reports)

GREENE COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

Page

SECTION I

FINANCIAL

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

EXHIBITS

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

A	STATEMENT OF NET ASSETS	1
B	STATEMENT OF ACTIVITIES	2

FUND FINANCIAL STATEMENTS

C	BALANCE SHEET GOVERNMENTAL FUNDS	4
D	RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS	7
E	STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS	8
F	RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	10
G	STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS	11
H	NOTES TO THE BASIC FINANCIAL STATEMENTS	12

SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION

1	SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND	31

SUPPLEMENTARY INFORMATION

2	SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	32
3	SCHEDULE OF STATE REVENUE	34

GREENE COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

Page

SECTION I

FINANCIAL

SCHEDULES

SUPPLEMENTARY INFORMATION

4 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS 35
5 ALLOTMENTS AND EXPENDITURES
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS (QBE)
BY PROGRAM 37

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION IV

FINDINGS AND QUESTIONED COSTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I

FINANCIAL

DEPARTMENT OF AUDITS AND ACCOUNTS

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

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

July 6, 2012

Honorable Nathan Deal, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
Greene 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 H) of the Greene County Board of Education, as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Greene County Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Lake Oconee Academy, Inc., which represent 96 percent, 100 percent, and 100 percent, respectively, of the assets, net assets, and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lake Oconee Academy, Inc., is based on the report of other auditors.

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 Board'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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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 Greene County Board of Education, as of June 30, 2011, 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.

The Greene County Board of Education has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2012, on our consideration of the Greene 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.

The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, as presented on page 31, is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors 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 Greene County Board of Education's financial statements as a whole. The accompanying supplementary information consists of Schedules 2 through 5, which includes the Schedule of Federal Awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and in our opinion, based on our audit and the report of other auditors, is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

GSG:as
2011ARL-12

GREENE COUNTY BOARD OF EDUCATION

GREENE COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2011

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 10,687,725.22
Investments	4,256,347.82
Accounts Receivable, Net	
Taxes	951,354.06
State Government	584,087.68
Federal Government	406,097.97
Other	68,989.89
Inventories	43,468.04
Prepaid Items	4,653.00
Capital Assets, Non-Depreciable	2,457,079.80
Capital Assets, Depreciable (Net of Accumulated Depreciation)	45,349,155.61
Total Assets	$ 64,808,959.09
LIABILITIES	
Accounts Payable	$ 111,990.96
Salaries and Benefits Payable	2,275,508.37
Interest Payable	130,192.29
Contracts Payable	334,279.00
Retainages Payable	66,095.98
Long-Term Liabilities	
Due Within One Year	2,870,003.04
Due in More Than One Year	16,594,683.75
Total Liabilities	$ 22,382,753.39
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	$ 29,360,541.34
Restricted for	
Continuation of Federal Programs	536,843.21
Debt Service	275,534.22
Capital Projects	4,459,787.04
Unrestricted	7,793,499.89
Total Net Assets	$ 42,426,205.70
Total Liabilities and Net Assets	$ 64,808,959.09

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

GREENE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

	EXPENSES	CHARGES FOR SERVICES
GOVERNMENTAL ACTIVITIES		
Instruction	$ 15,588,155.49	$ 210,603.47
Support Services		
Pupil Services	1,135,697.33	
Improvement of Instructional Services	1,678,524.73	
Educational Media Services	587,677.37	
General Administration	1,131,865.20	
School Administration	1,540,780.50	
Business Administration	562,044.46	
Maintenance and Operation of Plant	2,517,188.45	
Student Transportation Services	1,367,404.85	
Central Support Services	140,208.17	
Other Support Services	375,805.13	
Operations of Non-Instructional Services		
Enterprise Operations	193,399.13	
Food Services	1,388,322.02	47,865.65
Interest on Short-Term and Long-Term Debt	880,622.41	
Total Governmental Activities	$ 29,087,695.24	$ 258,469.12
General Revenues		
Taxes		
Property Taxes		
For Maintenance and Operations		
Railroad Cars		
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects		
Other Sales Tax		
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.

PROGRAM REVENUES		NET (EXPENSES)
OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUES AND CHANGES IN NET ASSETS
$ 4,095,818.65		$ -11,281,733.37
238,995.40		-896,701.93
1,210,980.10		-467,544.63
284,483.43		-303,193.94
555,617.67		-576,247.53
826,707.32		-714,073.18
3,915.87		-558,128.59
640,916.71		-1,876,271.74
449,098.65	$ 152,584.00	-765,722.20
536.64		-139,671.53
29,523.74		-346,281.39
		-193,399.13
1,273,494.33		-66,962.04
		-880,622.41
$ 9,610,088.51	$ 152,584.00	$ -19,066,553.61
		$ 17,518,440.68
		11,920.41
		3,182,932.55
		121,537.36
		92,372.87
		466,398.10
		$ 21,393,601.97
		$ 2,327,048.36
		40,099,157.34
		$ 42,426,205.70

GREENE COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND
ASSETS		
Cash and Cash Equivalents	$ 9,446,414.12	$ 731,026.63
Investments		4,256,347.82
Accounts Receivable, Net		
Taxes	655,698.89	295,655.17
State Government	584,087.68	
Federal Government	388,524.97	
Interfund	283,555.00	
Other	8,841.89	
Inventories	43,468.04	
Prepaid Items		
Total Assets	$ 11,410,590.59	$ 5,283,029.62
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ 82,597.40	$ 17,776.56
Salaries and Benefits Payable	2,275,508.37	
Interfund Accounts Payable		
Contracts Payable		334,279.00
Retainages Payable		66,095.98
Deposits and Deferred Revenue	225,329.79	
Total Liabilities	$ 2,583,435.56	$ 418,151.54
FUND BALANCES		
Nonspendable	$ 43,468.04	
Restricted	472,878.17	$ 4,864,878.08
Assigned	5,065,428.58	
Unassigned	3,245,380.24	
Total Fund Balances	$ 8,827,155.03	$ 4,864,878.08
Total Liabilities and Fund Balances	$ 11,410,590.59	$ 5,283,029.62

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

	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL
	$ 635.47	$ 509,649.00	$ 10,687,725.22
			4,256,347.82
			951,354.06
			584,087.68
		17,573.00	406,097.97
			283,555.00
		60,148.00	68,989.89
			43,468.04
		4,653.00	4,653.00
	$ 635.47	$ 592,023.00	$ 17,286,278.68
		$ 11,617.00	$ 111,990.96
			2,275,508.37
		283,555.00	283,555.00
			334,279.00
			66,095.98
			225,329.79
		$ 295,172.00	$ 3,296,759.10
			$ 43,468.04
	$ 635.47	$ 20,497.00	5,358,888.72
			5,065,428.58
		276,354.00	3,521,734.24
	$ 635.47	$ 296,851.00	$ 13,989,519.58
	$ 635.47	$ 592,023.00	$ 17,286,278.68

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GREENE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

EXHIBIT "D"

Total Fund Balances - Governmental Funds (Exhibit "C")		$ 13,989,519.58
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:		
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	$ 1,669,641.54	
Construction in Progress	787,438.26	
Land Improvements	6,881,741.72	
Buildings	47,222,280.35	
Equipment	6,176,981.32	
Accumulated Depreciation	-14,931,847.78	
Total Capital Assets		47,806,235.41
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
Property Taxes		225,329.79
Long-Term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-Term Liabilities at year-end consist of:		
Bonds Payable	$ -1,975,000.00	
Accrued Interest	-130,192.29	
Capital Leases Payable	-217,913.04	
Installment Sales Agreement	-296,303.75	
Intergovernmental Agreement	-16,570,000.00	
Due to Linger Longer Development Company	-405,470.00	
Total Long-Term Liabilities		-19,594,879.08
Net Assets of Governmental Activities (Exhibit "A")		$ 42,426,205.70

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

GREENE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND
REVENUES		
Property Taxes	$ 17,774,504.19	
Sales Taxes	121,537.36	$ 3,182,932.55
State Funds	4,808,049.33	
Federal Funds	4,733,144.18	
Charges for Services	196,270.12	
Investment Earnings	46,741.49	45,628.65
Miscellaneous	302,459.45	9,573.97
Total Revenues	$ 27,982,706.12	$ 3,238,135.17
EXPENDITURES		
Current		
Instruction	$ 13,219,318.44	$ 438,652.95
Support Services		
Pupil Services	1,029,652.70	6,548.52
Improvement of Instructional Services	1,660,054.73	
Educational Media Services	503,921.25	
General Administration	818,347.27	6,361.36
School Administration	1,476,049.62	4,946.64
Business Administration	519,351.79	41,187.24
Maintenance and Operation of Plant	2,020,118.43	96,830.10
Student Transportation Services	1,291,281.79	22,159.01
Central Support Services	71,173.50	
Other Support Services	359,273.68	
Enterprise Operations	139,559.13	
Food Services Operation	1,323,893.96	2,916.00
Capital Outlay	60,433.38	4,870,751.28
Debt Services		
Principal	136,511.20	25,727.92
Interest	14,556.56	369,410.85
Total Expenditures	$ 24,643,497.43	$ 5,885,491.87
Excess of Revenues over (under) Expenditures	$ 3,339,208.69	$ -2,647,356.70
OTHER FINANCING SOURCES (USES)		
Transfers In		
Transfers Out	$ -2,697,709.50	$ -2,041,418.00
Total Other Financing Sources (Uses)	$ -2,697,709.50	$ -2,041,418.00
Net Change in Fund Balances	$ 641,499.19	$ -4,688,774.70
Fund Balances - Beginning	8,185,655.84	9,553,652.78
Prior Period Adjustments		
Fund Balances - Ending	$ 8,827,155.03	$ 4,864,878.08

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

DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL
		$ 17,774,504.19
		3,304,469.91
	$ 63,780.00	4,871,829.33
	157,699.00	4,890,843.18
	62,199.00	258,469.12
$ 2.71		92,372.85
	125,179.00	437,212.42
$ 2.71	$ 408,857.00	$ 31,629,701.00
	$ 985,602.00	$ 14,643,573.39
	92,815.00	1,129,016.22
	18,470.00	1,678,524.73
	79,668.00	583,589.25
	288,840.00	1,113,548.63
	36,983.00	1,517,979.26
		560,539.03
	252,551.00	2,369,499.53
		1,313,440.80
	21,223.00	92,396.50
	850.00	360,123.68
	53,838.00	193,397.13
		1,326,809.96
	70,863.00	5,002,047.66
$ 2,535,000.00		2,697,239.12
496,655.00		880,622.41
$ 3,031,655.00	$ 1,901,703.00	$ 35,462,347.30
$ -3,031,652.29	$ -1,492,846.00	$ -3,832,646.30
$ 3,031,635.50	$ 1,707,492.00	$ 4,739,127.50
		-4,739,127.50
$ 3,031,635.50	$ 1,707,492.00	$ 0.00
$ -16.79	$ 214,646.00	$ -3,832,646.30
652.26	-352,317.00	17,387,643.88
	434,522.00	434,522.00
$ 635.47	$ 296,851.00	$ 13,989,519.58

GREENE 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, 2011

EXHIBIT "F"

Total Net Change in Fund Balances - Governmental Funds (Exhibit "E")		$ -3,832,646.30
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Capital Outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of Capital Assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	$ 5,241,402.44	
Depreciation Expense	-1,563,855.80	
Excess of Capital Outlay over Depreciation Expense		3,677,546.64
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		-244,143.10
Repayment of Long-Term Debt is reported as an expenditure in Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Assets. In the current year, these amounts consist of:		
Bond Principal Retirements	$ 1,900,000.00	
Intergovernmental Agreement	635,000.00	
Capital Lease Payments	136,511.20	
Installment Sales Agreement	25,727.92	
Total Long-Term Debt Repayments		2,697,239.12
Long-Term Liabilities that are not due and payable in the current period and therefore are not reported as liabilities in the funds. During the current fiscal year, a Long-Term Liability was reduced by the creditor and recorded as income in the Statement of Activities, however, the liability is not recorded in the Governmental Funds and therefore no income would be recorded. The liability reduced was:		
Due to Linger Longer Development Company		29,052.00
Change in Net Assets of Governmental Activities (Exhibit "B")		$ 2,327,048.36

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

GREENE COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

EXHIBIT "G"

	AGENCY FUNDS
ASSETS	
Cash and Cash Equivalents	$ 25,319.61
LIABILITIES	
Funds Held for Others	$ 25,319.61

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 Greene 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.

BLENDED COMPONENT UNIT

The non-profit organization, Lake Oconee Academy, Inc., operates a charter school, Lake Oconee Academy. The Lake Oconee Academy, Inc., (Charter School) is a legally separate tax-exempt component unit of Greene County Board of Education (School District). The Charter School was created through a contract between the School District and the Charter School whereby the School District provides funds to the Charter School to cover the cost of its operations.

Although the Charter School is legally separate from the School District, it is reported as a Special Revenue Fund of the School District because it is located in Greene County and almost exclusively provides benefits to the School District in that it is responsible for the public education of the students attending its school. Complete financial statements for the Charter School can be obtained from the Lake Oconee Academy, 1021 Titan Circle, Greensboro, Georgia 30642.

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 Greene 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. All remaining governmental funds are aggregated and reported as nonmajor funds.

The School District reports the following major governmental funds:

- General Fund is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- District-wide Capital Projects Fund accounts for and reports financial resources including Special Purpose Local Option Sales Tax (SPLOST), Bond Proceeds, proceeds from an installment sales agreement, and proceeds from an intergovernmental agreement that are restricted, committed or assigned to the expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (sales) legally restricted for the payment of general long-term principal and interest.

The School District reports the following fiduciary fund type:

- 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, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

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

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

NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2011, the School District adopted the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The provisions of this Statement establish accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds.

PRIOR PERIOD ADJUSTMENT

The financial statements for the year ended June 30, 2010, included a loan from Linger Longer Development Company on the Governmental Funds Balance Sheet. Accounting standards dictate that proceeds from loans and the associated principal repayments are reflected as sources of revenues and as expenditures, respectively in the Statement of Revenues, Expenditures and Changes in Fund Balances, and not as a liability on the Balance Sheet. The Governmental Funds, specifically the Nonmajor Governmental Fund, have been adjusted to increase the fund balance in the amount owed at the beginning of the year.

CASH AND CASH EQUIVALENTS

Composition of Deposits

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

INVESTMENTS

Composition of Investments

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

1. Obligations issued by the State of Georgia or by other states,
2. Obligations issued by the United States government,
3. Obligations fully insured or guaranteed by the United States government or a United States government agency,

4. Obligations of any corporation of the United States government,
5. Prime banker's acceptances,
6. The Georgia Fund 1 administered by the State of Georgia, Office of the State Treasurer,
7. Repurchase agreements, and
8. Obligations of other political subdivisions of the State of Georgia.

The School District does not have a formal policy regarding investment policies that address

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 Greene County Board of Commissioners fixed the property tax levy for the 2010 tax digest year (calendar year) on August 19, 2010 (levy date). Taxes were due on December 1, 2010 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2010 tax digest are reported as revenue in the governmental funds for fiscal year 2011. The Greene 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, 2011, for maintenance and operations amounted to $17,774,504.19.

Tax millage rate levied for the 2010 tax year (calendar year) for the Greene County Board of Education was as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	10.204 mills

SALES TAXES

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $3,182,932.55 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 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.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods subsequent to June 30, 2011, are recorded as prepaid items.

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	All	N/A
Land Improvements	$ 5,000.00	20 to 80 years
Buildings and Improvements	$ 5,000.00	25 to 80 years
Equipment	$ 5,000.00	5 to 25 years
Intangible Assets	$ 350,000.00	10 to 20 years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives, with the exception of intangible assets which are amortized.

Amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, copyrights and internally generated software is computed using the straight-line method over the estimated useful lives of the assets, generally 10 to 20 years.

For the Lake Oconee Academy, Inc., (Charter School), equipment, furniture, and other capital assets are generally funded by the Greene County Board of Education. The Charter School has purchased some furniture and equipment and made improvements to its facilities out of other funds which are reflected as capital assets on the District-wide financial statements. In the event that the Lake Oconee Academy, Inc. ceases to be a public charter school, all equipment, furniture and property purchased by Federal, state and/or local tax dollars will be returned to the Greene County Board of Education unless a purchase-option is developed by the local board of education. Additionally, the Lake Oconee Academy, Inc. will retain any equipment, furniture or property purchased with non-public funds unless a purchase-option is developed by the Charter School's Board. Costs are capitalized when they provide a specific future useful benefit of greater than one year and their cost exceeds $500.00. For the District-wide financial statements, capital assets are depreciated using the straight-line depreciation method over the useful lives of the assets which are estimated by management.

GENERAL OBLIGATION BONDS

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In the District-wide and fund financial statements, the School District recognizes bond premiums and discounts, as well as bond issuance costs during the fiscal year bonds are issued. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs,

whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. To conform to generally accepted accounting principles, bond premiums and discounts, as well as bond issuance costs should be amortized over the life of the bonds on the District-wide statements. The effect of this deviation is deemed to be immaterial to the fair presentation of the basic financial statements. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The outstanding amount of these bonds is recorded in the Statement of Net Assets.

NET ASSETS

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

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

Restricted net assets - These represent resources for which the School District is legally or contractually obligated to spend resources for continuation of Federal programs, debt service 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.

FUND BALANCES

The School District's fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Constraints are placed on the use of resources are either (1) externally imposed conditions by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The Board of Education is the School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (1) the Board of Education or (2) the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

Unassigned – The residual classification for the General Fund. This classification represents fund balances that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Fund Balances of the Governmental Funds at June 30, 2011, are as follows:

Nonspendable		
Inventories		$ 43,468.04
Restricted		
Continuation of Federal Programs	$ 493,375.17	
Capital Projects	4,459,787.04	
Debt Service	405,726.51	5,358,888.72
Assigned		
School Activity Accounts	$ 101,192.90	
Subsequent Period Expenditures	4,964,235.68	5,065,428.58
Unassigned		3,521,734.24
Fund Balance, June 30, 2011		$ 13,989,519.58

When multiple categories of fund balance are available for expenditure, the School District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

USE OF ESTIMATES

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

NOTE 3: DEPOSITS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

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

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

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
2. Insurance on accounts provided by the Federal Deposit Insurance Corporation,
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

7. Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2011, the bank balances were $11,498,097.33. The bank balances were entirely covered by Federal depository insurance or collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.

The Lake Oconee Academy, Inc., (Charter School) maintains its cash in deposit accounts which may, at times, exceed Federally insured limits. The Charter School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. As of June 30, 2011, the Charter School had $534,683.00 in one commercial bank which exceeded the FDIC insurance limit by $284,683.00. The Charter School considers all highly liquid accounts with an original maturity of three months or less as cash equivalents.

CATEGORIZATION OF INVESTMENTS

The School District's investments as of June 30, 2011, are presented below. All investments are presented by investment type and debt securities are presented by maturity.

Investment Type		Fair Value
Other Investments		
U. S. Treasury		
Money Market Funds	$	62,196.84
Investment Pools		
Office of State Treasurer		
Georgia Fund 1		4,194,150.98
Total Investments	$	4,256,347.82

The Georgia Fund 1, formerly referred to as LGIP, administered by the State of Georgia, Office of the State Treasurer is 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 the State Treasurer for the Georgia Fund 1 (Primary Liquidity Portfolio and Extended Asset Portfolio) does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at http://www.audits.ga.gov/SGD/cafr.html.

The Primary Liquidity Portfolio consists of Georgia Fund 1 which is not registered with the SEC as an investment company but does operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, $1.00 per share. The pool is an AAAm rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2011, was 59 days.

The U. S. Treasury Money Market funds are in the Institutional Treasury Portfolio Fund managed by First American Treasury. The Institutional Treasury Portfolio funds are rated AAAm by Standard and Poor's. The weighted average maturity of this fund is 54 days.

NOTE 4: NON-MONETARY TRANSACTIONS

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

NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2010	Increases	Decreases	Balances June 30, 2011
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 1,669,641.54			$ 1,669,641.54
Construction Work In Progress	14,048,392.06	$ 2,640,854.04	$ 15,901,807.84	787,438.26
Total Capital Assets, Not Being Depreciated	$ 15,718,033.60	$ 2,640,854.04	$ 15,901,807.84	$ 2,457,079.80
Capital Assets, Being Depreciated:				
Buildings and Improvements	$ 32,444,397.67	$ 14,777,882.68		$ 47,222,280.35
Equipment	5,906,247.72	329,027.60	$ 58,294.00	6,176,981.32
Land Improvements	3,486,295.76	3,395,445.96		6,881,741.72
Less: Accumulated Depreciation:				
Buildings and Improvements	8,275,000.40	892,656.31		9,167,656.71
Equipment	3,774,850.78	434,092.14	58,294.00	4,150,648.92
Land Improvements	1,376,434.80	237,107.35		1,613,542.15
Total Capital Assets, Being Depreciated, Net	$ 28,410,655.17	$ 16,938,500.44	$ 0.00	$ 45,349,155.61
Governmental Activity Capital Assets - Net	$ 44,128,688.77	$ 19,579,354.48	$ 15,901,807.84	$ 47,806,235.41

Capital assets being acquired under capital leases as of June 30, 2011, are as follows:

	Governmental Funds
Equipment	$ 108,700.00
Less: Accumulated Depreciation	70,655.00
	$ 38,045.00

Capital assets being acquired under installment sales agreements as of June 30, 2011, are as follows:

	Governmental Funds
Buildings and Improvements	$ 341,842.42
Less: Accumulated Depreciation	13,607.77
	$ 328,234.65

Capital assets being acquired under an intergovernmental contract as of June 30, 2011, are as follows:

	Governmental Funds
Buildings and Improvements	$ 12,226,220.14
Land Improvements	3,333,589.96
Equipment	11,843.70
Less: Accumulated Depreciation	124,486.00
	$ 15,447,167.80

Current year depreciation expense by function is as follows:

Instruction		$ 1,101,824.67
Support Services		
Pupil Services	$ 7,796.74	
Educational Media Services	4,771.00	
General Administration	21,375.13	
School Administration	26,607.50	
Business Administration	1,756.81	
Maintenance and Operation of Plant	12,806.77	
Student Transportation Services	241,038.19	
Central Support Services	55,795.47	
Other Support Services	18,300.00	390,247.61
Food Services		71,783.56
		$ 1,563,855.84

NOTE 6: INTERFUND ASSETS AND LIABILITIES

Due to and due from other funds are recorded for interfund receivables and payables which arise from interfund transactions. Interfund balances at June 30, 2011, consisted of the following:

	Due From Other Funds	Due To Other Funds
General Fund		$ 283,555.00
Special Revenue Fund		
Lake Oconee Academy, Inc.	$ 283,555.00	
	$ 283,555.00	$ 283,555.00

Transfers are used to move reimbursements due from the Lake Oconee Academy to the General Fund for salaries, benefits and operating expenses paid on its behalf by the School District.

NOTE 7: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011, consisted of the following:

	Transfers From	
Transfer to	General Fund	District-wide Capital Projects
Debt Service Fund	$ 990,217.50	$ 2,041,418.00
Special Revenue Fund		
Lake Oconee Academy, Inc.	1,707,492.00	
Total	$ 2,697,709.50	$ 2,041,418.00

Transfers are used to move property tax revenues collected by the General Fund (1) to provide funding to Lake Oconee Academy for students enrolled in the charter school according to the approved charter and (2) to pay the Debt Service Fund as needed for repayment of bond principal and interest, and to move Special Purpose Local Option Sales Tax revenue (SPLOST) collected by the District-wide Capital Projects Fund to the Debt Service Fund as needed for repayment of bond principal and interest.

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 participates in the Georgia School Boards Association Risk and Insurance Management System, a public entity risk pool organized on July 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, or property damage, including safety engineering and other loss prevention and control techniques, and to administer one or more groups of self-insurance funds, including the processing and defense of claims brought against members of the system. The School District pays an annual premium to the system for its general insurance coverage. Additional coverage is provided through agreements by the system with other companies according to their specialty for property, boiler and machinery (including coverage for flood and earthquake), general liability (including coverage for sexual harassment, molestation and abuse), errors and omissions, crime and automobile risks. Payment of excess insurance for the system varies by line of coverage.

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

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2010	$ 0.00	$ 87,270.58	$ 87,270.58	$ 0.00
2011	$ 0.00	$ 69,852.00	$ 69,852.00	$ 0.00

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 Safety National Casualty Company to provide coverage for potential losses sustained by the Trust in excess of $1,000,000.00 loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided by Safety National Casualty Company with a loss fund percentage of 100%, based on the Fund's annual normal premium, up to a maximum limit of indemnity of aggregate limit of $2,000,000.00

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

Position Covered	Amount
Superintendent	$ 50,000.00
All Other Employees	$ 100,000.00

NOTE 9: LONG-TERM DEBT

CAPITAL LEASES

The Greene County Board of Education also entered into a lease agreement for energy conservation. This lease agreement qualifies as a capital lease for accounting purposes, and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception.

DUE TO LINGER LONGER DEVELOPMENT COMPANY

Long-Term Debt includes $405,470.00 which is owed to Linger Longer Development Company, LLC (LLDC) which provided financial support during the Charter School's early development stages. The agreement provides that the loan is due on demand; however, management has confirmed with LLDC that it expects no demand to be made for the loan in the next year. If a demand is made, the agreement provides that the Charter School and LLDC will reach an agreement for repayment which includes no interest or fees and is payable over a ten year period. However, since management of the Charter School does not intend to repay the loan with current resources, the balance will be reflected in the District-wide financial statements and not the fund financial statements. The beginning balance of this loan was $434,522.00 and decreases of $29,052.00 were recorded to reflect a portion of the debt that was forgiven ($30,000.00) and a minor accounting correction (-$948.00).

INSTALLMENT SALES AGREEMENT

The Greene County Board of Education entered into an agreement dated June 1, 2006, with the Northeast Georgia Regional Educational Service Agency for the construction and subsequent lease of the Rutland Center. Under the terms of the agreement, the School District will make annual payments through July 15, 2020.

INTERGOVERNMENTAL CONTRACT

The Greene County Board of Education entered into a contract with the Greene County Development Authority dated December 16, 2009, for the purpose of constructing educational facilities for use by Lake Oconee Academy, Inc. The construction costs for the facilities are financed by revenue bonds of $17,205,000.00, issued by the Authority and do not constitute a debt or general obligation of the School District. However, the Intergovernmental Contract obligates the School District to make payments to the Authority for all principal and interest due and payable for the issued bonds. Under the contract, the School District will exercise its power of taxation to the extent necessary to pay the amounts required to be paid by the contract.

The debt at June 30, 2011, associated with this agreement is as follows:

Purpose	Interest Rates	Amount
Lake Oconee Academy Project - Series 2009	2.0% - 5.0%	$ 16,570,000.00

GENERAL OBLIGATION DEBT OUTSTANDING

General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
General Government - Series 2006	3.65%	$ 1,975,000.00

The changes in Long-Term Debt during the fiscal year ended June 30, 2011, were as follows:

	Governmental Funds				
	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011	Due Within One Year
G. O. Bonds	$ 3,875,000.00		$ 1,900,000.00	$ 1,975,000.00	$ 1,975,000.00
Capital Leases	354,424.24		136,511.20	217,913.04	217,913.04
Installment Sales Agreement	322,031.67		25,727.92	296,303.75	27,090.00
Intergovernmental Agreement	17,205,000.00		635,000.00	16,570,000.00	650,000.00
Due to Linger Longer Development Company Lake Oconee Academy, Inc.	0.00	$ 405,470.00		405,470.00	
	$ 21,756,455.91	$ 405,470.00	$ 2,697,239.12	$ 19,464,686.79	$ 2,870,003.04

At June 30, 2011, payments due by fiscal year which includes principal and interest for these items are as follows:

	Capital Leases		Intergovernmental Agreement	
	Principal	Interest	Principal	Interest
Fiscal Year Ended June 30:				
2012	$ 217,913.04	$ 8,688.60	$ 650,000.00	$ 697,735.00
2013			670,000.00	678,235.00
2014			690,000.00	658,135.00
2015			710,000.00	6,537,435.00
2016			740,000.00	609,035.00
2017 - 2021			4,170,000.00	2,568,075.00
2022 - 2026			5,230,000.00	1,507,390.00
2027 - 2031			3,710,000.00	334,970.00
Total Principal and Interest	$ 217,913.04	$ 8,688.60	$ 16,570,000.00	$ 13,591,010.00

	General Obligation Debt		Installment Sales Agreement	
	Principal	Interest	Principal	Interest
Fiscal Year Ended June 30:				
2012	$ 1,975,000.00	$ 72,087.50	$ 27,090.00	$ 12,373.92
2013			28,170.00	11,246.98
2014			29,250.00	10,075.11
2015			30,600.00	8,858.31
2016			31,770.00	7,585.35
2017 - 2021			149,423.75	16,941.61
Total Principal and Interest	$ 1,975,000.00	$ 72,087.50	$ 296,303.75	$ 67,081.28

NOTE 10: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $89,513.20 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-Certificated Personnel
In the amount of $39,917.16

Paid to the Teachers' Retirement System of Georgia
For Teachers' Retirement System (TRS) Employer's Cost
In the amount of $37,618.04

Office of the State Treasurer
Paid to the Public School Employees' Retirement System
For Public School Employees' Retirement (PSERS) Employer's Cost
In the amount of $11,978.00

NOTE 11: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2011:

Project	Unearned Executed Contracts
Greene County High School Electrical Project	$ 686,953.80

The amount described in this note is not reflected in the basic financial statements.

NOTE 12: 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.

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to be material to the basic financial statements.

NOTE 13: POST-EMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL POST-EMPLOYMENT HEALTH BENEFIT FUND

Plan Description. The Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers eligible former employees of public school systems, libraries and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Benefit Plan administered by the Department of Community Health. The Official Code of Georgia Annotated (O.C.G.A.) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board). The Department of Community Health, which includes the School OPEB Fund, issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

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

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

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended June 30, 2011:

For certificated teachers, librarians and regional educational service agencies:

July 2010 - April 2011	21.955%	of covered payroll for August - May Coverage
May 2011 - June 2011	1.429%	of covered payroll for June - July Coverage

For non-certificated school personnel:

July 2010 - December 2010	$162.72	per member per month
January 2011 - May 2011	$218.20	per member per month
June 2011	$246.20	per member per month

The Department of Education was appropriated an additional $25,081,633 for non-certificated personnel health insurance payments. The amount attributable to the School District is reflected in the On-behalf note disclosure.

No additional contribution was required by the Board for fiscal year 2011 nor contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School plan for other post-employment benefits and are subject to appropriation.

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

Fiscal Year	Percentage Contributed	Required Contribution
2011	100%	$ 2,010,618.87
2010	100%	$ 1,693,641.49
2009	100%	$ 1,503,244.08

NOTE 14: RETIREMENT PLANS

TEACHERS' RETIREMENT SYSTEM OF GEORGIA (TRS)

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

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

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

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60 or by 7% for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, will be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Death, disability and spousal benefits are also available.

Funding Policy. TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions are limited by State law to not less than 5% or more than 6% of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2011, were 5.53% of annual salary. The member contribution rate will increase to 6.00% effective July 1, 2012. Employer contributions required for fiscal year 2011 were 10.28% of annual salary as required by the June 30, 2008, actuarial valuation. The employer contribution rate will increase to 11.41% effective July 1, 2012.

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

Fiscal Year	Percentage Contributed		Required Contribution
2011	100%	$	1,320,640.28
2010	100%	$	1,233,014.68
2009	100%	$	1,208,588.18

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)

Bus drivers, lunchroom personnel, and maintenance and custodial personnel are members of the Public School Employees' Retirement System of Georgia. The System is funded by contributions by the employees and by the State of Georgia. The School District makes no contribution to this plan.

DEFINED CONTRIBUTION PLAN

In November 2001, Greene County Board of Education began an employer paid 403(b) annuity plan for the group of employees covered under the Public School Employees' Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The Board selected VALIC as the provider of this plan. For each employee covered under PSERS, who participated in the plan, the Board began contributing up to a maximum of $25.00 per month in matching contributions. The employee becomes vested in the plan with ten years of experience. Employees who had already achieved ten years of experience at the time the plan was implemented were vested upon enrollment.

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment and ten years of service to Greene County Board of Education. If an employee terminates employment prior to achieving ten years of service, funds paid on behalf of the non-vested employee are credited back to the Board.

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

Fiscal Year	Percentage Contributed	Required Contribution
2011	100%	$ 11,230.28
2010	100%	$ 12,420.30
2009	100%	$ 12,852.98

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GREENE COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

SCHEDULE "1"

	NONAPPROPRIATED BUDGETS		ACTUAL
	ORIGINAL (1)	FINAL (1)	AMOUNTS
REVENUES			
Property Taxes	$ 17,182,934.40	$ 17,182,934.40	$ 17,774,504.19
Sales Taxes	65,000.00	65,000.00	121,537.36
State Funds	3,745,342.00	4,525,760.00	4,808,049.33
Federal Funds	3,543,097.00	3,783,054.75	4,733,144.18
Charges for Services	45,067.00	224,675.39	196,270.12
Investment Earnings	46,300.00	46,503.00	46,741.49
Miscellaneous	25,215.00	178,281.00	302,459.45
Total Revenues	$ 24,652,955.40	$ 26,006,208.54	$ 27,982,706.12
EXPENDITURES			
Current			
Instruction	$ 13,717,930.40	$ 14,182,870.23	$ 13,219,318.44
Support Services			
Pupil Services	989,559.23	1,041,258.23	1,029,652.70
Improvement of Instructional Services	1,228,753.81	2,019,662.18	1,660,054.73
Educational Media Services	478,856.46	478,986.46	503,921.25
General Administration	857,199.07	909,091.07	818,347.27
School Administration	1,301,829.26	1,388,476.26	1,476,049.62
Business Administration	546,046.14	546,046.14	519,351.79
Maintenance and Operation of Plant	2,127,932.69	2,110,880.69	2,020,118.43
Student Transportation Services	1,060,571.20	1,255,165.20	1,291,281.79
Central Support Services	55,082.22	75,650.22	71,173.50
Other Support Services	406,673.41	442,501.41	359,273.68
Food Services Operation	1,089,448.89	1,089,448.89	1,323,893.96
Enterprise Operations		139,559.00	139,559.13
Capital Outlay			60,433.38
Debt Service			151,067.76
Total Expenditures	$ 23,859,882.78	$ 25,679,595.98	$ 24,643,497.43
Excess of Revenues over (under) Expenditures	$ 793,072.62	$ 326,612.56	$ 3,339,208.69
OTHER FINANCING SOURCES (USES)			
Ooperating Transfers From Other Funds	$ 2,127,545.40	$ 2,127,545.40	
Ooperating Transfers To Other Funds	-3,466,630.40	-3,466,630.40	$ -2,697,709.50
Total Other Financing Sources (Uses)	$ -1,339,085.00	$ -1,339,085.00	$ -2,697,709.50
Net Change in Fund Balances	$ -546,012.38	$ -1,012,472.44	$ 641,499.19
Fund Balances - Beginning	8,344,474.34	8,344,474.34	8,185,655.84
Adjustments	52,934.78	-125,247.62	
Fund Balances - Ending	$ 7,851,396.74	$ 7,206,754.28	$ 8,827,155.03

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.

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

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	$ 1,290,022.23	(1)
Total Child Nutrition Cluster				$ 1,290,022.23	
Schools and Roads Cluster					
Pass-Through From Office of the State Treasurer					
Schools and Roads - Grants to States		10.665	N/A	(3)	
Total U. S. Department of Agriculture				$ 1,290,022.23	
Education, U. S. Department of					
Educational Technology State Grants Cluster					
Pass-Through From Georgia Department of Education					
Education Technology State Grants		84.318	N/A	$ 9,210.00	
Special Education Cluster					
Pass-Through From Georgia Department of Education					
Special Education					
ARRA - Grants to States		84.391	N/A	$ 34,767.00	
ARRA - Preschool Grants		84.392	N/A	9,317.33	
Grants to States		84.027	N/A	431,827.03	
Preschool Grants		84.173	N/A	34,601.00	
Total Special Education Cluster				$ 510,512.36	
Title I, Part A Cluster					
Pass-Through From Georgia Department of Education					
ARRA - Title I Grants to Local Educational Agencies	*	84.389	N/A	$ 321,411.00	
Title I Grants to Local Educational Agencies	*	84.010	N/A	1,286,593.92	
Total Title I, Part A Cluster				$ 1,608,004.92	
Other Programs					
Pass-Through From Georgia Department of Education					
Career and Technical Education - Basic Grants to States		84.048	N/A	$ 39,416.00	
Charter Schools		84.282	N/A	157,699.00	(4)
Education Jobs Fund	*	84.410	N/A	418,635.00	
English Language Acquisition Grants		84.365	N/A	29,306.70	
Improving Teacher Quality State Grants		84.367	N/A	202,827.00	
Migrant Education - State Grant Program		84.011	N/A	5,818.93	
Rural Education		84.358	N/A	53,399.01	
Safe and Drug-Free Schools and Communities - State Grants		84.186	N/A	12,068.38	
Pass-Through From Greensboro Georgia Dreamers, Inc.					
Twenty-First Century Community Learning Centers		84.287	N/A	350,842.91	
Pass-Through From Jones County Board of Education					
Gateway to Educational Achievement and Reengagement					
High School Graduation Initiative		84.360	N/A	192,219.80	
Total Other Programs				$ 1,462,232.73	
Total U. S. Department of Education				$ 3,589,960.01	

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

SCHEDULE "2"

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Defense, U. S. Department of			
Direct			
Department of the Air Force			
R.O.T.C. Program			$ 49,508.75
Total Expenditures of Federal Awards			$ 4,929,490.99

N/A = Not Available

Notes to the Schedule of Expenditures of Federal Awards

(1) Includes the Federally assigned value of donated commodities for the Food Donation Program in the amount of $77,831.93.
(2) Expenditures for the funds earned on the School Breakfast Program ($398,318.30) were not maintained separately and are included in the 2011 National School Lunch Program.
(3) Funds earned on this program, in the amount of $33,954.64, do not require reporting of expenditures.
(4) Includes Federal Assistance of $157,699.00, provided to the Lake Oconee Academy, Inc.

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 Greene County Board of Education except for a component unit. The component unit, Lake Oconee Academy, Inc., is subject to a separate audit in compliance with Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. The Federal transactions of this entity are excluded from the schedule. Lake Oconee Academy, Inc., is a blended component unit and is included in the basic financial statements of the Greene County Board of Education.

The Schedule of Expenditures of Federal awards 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.

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2011

SCHEDULE "3"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	$ 537,965.01	$ 63,780.00	$ 601,745.01
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	339,569.00		339,569.00
Kindergarten Program - Early Intervention Program	120.00		120.00
Primary Grades (1-3) Program	818,138.00		818,138.00
Primary Grades - Early Intervention (1-3) Program	4,521.00		4,521.00
Upper Elementary Grades (4-5) Program	336,392.00		336,392.00
Upper Elementary Grades - Early Intervention (4-5) Program	1,041.00		1,041.00
Middle School (6-8) Program	454,839.00		454,839.00
High School General Education (9-12) Program	428,064.00		428,064.00
Vocational Laboratory (9-12) Program	134,322.00		134,322.00
Students with Disabilities			
Category I	117,861.00		117,861.00
Category II	40,208.00		40,208.00
Category III	283,797.00		283,797.00
Category IV	39,744.00		39,744.00
Category V	70,888.00		70,888.00
Gifted Student - Category VI	122,869.00		122,869.00
Remedial Education Program	59,882.00		59,882.00
Alternative Education Program	36,350.00		36,350.00
English Speakers of Other Languages (ESOL)	35,237.00		35,237.00
Media Center Program	94,453.00		94,453.00
20 Days Additional Instruction	28,214.00		28,214.00
Staff and Professional Development	16,724.00		16,724.00
Indirect Cost			
Central Administration	169,269.00		169,269.00
School Administration	238,897.00		238,897.00
Facility Maintenance and Operations	209,536.00		209,536.00
Categorical Grants			
Pupil Transportation			
Regular	360,208.00		360,208.00
Nursing Services	47,896.00		47,896.00
Vocational Supervisors	7,318.00		7,318.00
Food Services	36,656.00		36,656.00
Vocational Education	36,212.00		36,212.00
Amended Formula Adjustment	-704,509.00		-704,509.00
Other State Programs			
Health Insurance	39,917.16		39,917.16
Math and Science Supplement	73,743.74		73,743.74
Pupil Transportation - State Bonds	152,584.00		152,584.00
Preschool Handicapped Program	39,082.00		39,082.00
Teachers' Retirement	37,618.04		37,618.04
Vocational Middle School Support	7,257.00		7,257.00
Human Resources, Georgia Department of			
Family Connection	42,211.38		42,211.38
Office of State Treasurer			
Public School Employees Retirement	11,978.00		11,978.00
OTHER			
Community Affairs, Georgia Department of			
Local Assistance Grant	977.00		977.00
	$ 4,808,049.33	$ 63,780.00	$ 4,871,829.33

See notes to the basic financial statements.

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2011

SCHEDULE "4"

PROJECT	Original Estimated Cost (1)	Current Estimated Costs (2)	Amount Expended in Current Year (3)	Amount Expended in Prior Years (3)	Project Status
2002 ELOST					
Renovation, improvement and equipping of existing school buildings and other facilities	$ 4,679,281.13	$ 6,803,193.38	$ 782,422.67	$ 5,220,770.71	Completed
Acquisition, construction and equipping of additional administrative, support and physical education facilities at existing schools	3,851,134.00	5,609,181.11	1,179,860.17	4,429,320.94	Completed
acquisition of all property necessary or desirable therefore, both real and personal	329,256.54	329,256.54		329,256.54	Completed
paying general obligation debt of the School District in conjunction with the imposition of such sales and use tax;	1,010,328.33	1,010,328.33		1,010,328.33	Completed
and paying the expenses incident to accomplish the foregoing.	130,000.00	128,543.67		128,543.67	Completed
	$ 10,000,000.00	$ 13,880,503.03	$ 1,962,282.84	$ 11,118,220.19	
2006 ELOST					
Adding to, constructing, renovating repairing, improving, and equipping school system buildings and facilities	$ 4,113,700.00	$ 4,113,700.00	$ 29,893.92	$ 4,027,405.30	Ongoing
including but not limited to a school bus depot,	272,000.00	186,608.59	128,063.59	58,545.00	Completed
athletic and fine arts facilities	2,925,000.00	3,203,728.34	74,393.71	176,755.00	Ongoing
and security improvements and equipment	1,022,000.00	1,022,000.00	278,383.86	372,300.48	Ongoing
acquiring various new equipment, fixtures and furnishings for existing facilities system-wide,	1,885,000.00	1,885,000.00	58,233.78	565,097.92	Completed
including computer technology and software;	3,500,000.00	3,500,000.00	347,881.63	2,807,435.99	Completed
acquiring school buses and transportation equipment;	489,319.00	1,333,488.07	3,700.00	1,329,788.07	Completed
equipping existing classrooms and instructional and support space;	2,149,273.00	1,500,000.00	254,990.51	1,122,041.27	Ongoing
acquiring part of a psycho-educational facility;	540,475.00	540,475.00	39,921.27	144,386.41	Ongoing
paying general obligation debt of the School District in conjunction with the imposition of such sales and use tax;	1,530,000.00	1,530,000.00	141,437.50	920,698.72	Ongoing
and paying the expenses incident to accomplish the foregoing.	573,233.00	185,000.00	59,187.24	90,074.17	Ongoing
	$ 19,000,000.00	$ 19,000,000.00	$ 1,416,087.01	$ 11,614,528.33	
	$ 29,000,000.00	$ 32,880,503.03	$ 3,378,369.85	$ 22,732,748.52	

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

(2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.

(3) The voters of Greene County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

See notes to the basic financial statements.

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GREENE COUNTY BOARD OF EDUCATION
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAM (QBE)
ALLOTMENTS AND EXPENDITURES - BY PROGRAM
YEAR ENDED JUNE 30, 2011

SCHEDULE "5"

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2)	ELIGIBLE QBE PROGRAM COSTS SALARIES	OPERATIONS	TOTAL
Direct Instructional Programs				
Kindergarten Program	$ 981,952.00	$ 742,598.61	$ 22,214.85	$ 764,813.46
Kindergarten Program-Early Intervention Program	7,216.00	78,993.25	569.81	79,563.06
Primary Grades (1-3) Program	2,324,296.00	1,739,912.80	27,975.64	1,767,888.44
Primary Grades-Early Intervention (1-3) Program	33,052.00	239,923.73	1,045.89	240,969.62
Upper Elementary Grades (4-5) Program	953,353.00	1,028,684.52	25,038.61	1,053,723.13
Upper Elementary Grades-Early Intervention (4-5) Program	19,784.00	78,406.84	984.51	79,391.35
Middle School (6-8) Program	1,320,724.00	1,346,464.17	76,637.54	1,423,101.71
High School General Education (9-12) Program	1,073,456.00	1,432,268.54	165,571.16	1,597,839.70
Vocational Laboratory (9-12) Program	387,849.00	412,469.59	24,170.93	436,640.52
Students with Disabilities	1,629,141.00			
Category II		26,673.56	172,378.70	199,052.26
Category III		1,419,256.12		1,419,256.12
Gifted Student - Category VI	352,123.00	266,629.19	1,427.85	268,057.04
Remedial Education Program	161,136.00	5,977.03		5,977.03
Alternative Education Program	105,793.00	287,378.73	1,083.80	288,462.53
English Speakers of Other Languages (ESOL)	107,223.00	206,426.06		206,426.06
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	$ 9,457,098.00	$ 9,312,062.74	$ 519,099.29	$ 9,831,162.03
Media Center Program	272,580.00	440,023.60	54,581.83	494,605.43
Staff and Professional Development	48,331.00			203,542.16
TOTAL QBE FORMULA FUNDS	$ 9,778,009.00	$ 9,752,086.34	$ 573,681.12	$ 10,529,309.62

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

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

See notes to the basic financial statements.

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

DEPARTMENT OF AUDITS AND ACCOUNTS

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

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

July 6, 2012

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greene County Board of Education as of and for the year ended June 30, 2011, which collectively comprise Greene County Board of Education's basic financial statements and have issued our report thereon dated July 6, 2012. Our report includes a reference to other auditors. 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. Other auditors audited the financial statements of the Lake Oconee Academy, Inc., (Charter School), as described in our report on Greene County Board of Education's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of Greene County Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Greene 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 Greene County Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Greene County Board of Education's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greene 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 Greene County Board of Education in a separate letter dated July 6, 2012.

This report is intended solely for the information and use of management, members of the Greene 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,



Greg S. Griffin
State Auditor

GSG:as
2011YB-11

DEPARTMENT OF AUDITS AND ACCOUNTS

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

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

July 6, 2012

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

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

Ladies and Gentlemen:

Compliance

We have audited Greene County Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2011. Greene County Board of Education's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of Greene County Board of Education's management. Our responsibility is to express an opinion on Greene County Board of Education's compliance based on our audit.

Greene County Board of Education's basic financial statements include the operations of the Lake Oconee Academy, Inc., which received $157,000.00 in Federal awards which is not included in the Schedule of Expenditures of Federal Awards during the year ended June 30, 2011. Our audit, described below, did not include the operation of the Lake Oconee Academy, Inc., because the component unit engaged other auditors to perform an audit in accordance with Circular A-133.

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 Greene 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 Greene County Board of Education's compliance with those requirements.

In our opinion, the Greene County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

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

This report is intended solely for the information and use of management, members of the Greene 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,



Greg S. Griffin
State Auditor

GSG:as
2011SA-11

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

GREENE COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FINDING CONTROL NUMBER AND STATUS	
FS-6661-08-01	Previously Reported Corrective Action Implemented
FS-6661-09-01	Further Action Not Warranted
FS-6661-10-01	Previously Reported Corrective Action Implemented
FS-6661-10-02	Previously Reported Corrective Action Implemented

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV

FINDINGS AND QUESTIONED COSTS

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:
- Material weakness identified? — No
- Significant deficiency identified? — None Reported

Noncompliance material to financial statements noted: — No

Federal Awards

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster
84.010, 84.389	Title I, Part A Cluster
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: $300,000.00

Auditee qualified as low-risk auditee? — No

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.