STATE OF GEORGIA
DEPARTMENT OF AUDITS AND ACCOUNTS

WHITE COUNTY BOARD OF EDUCATION
CLEVELAND, GEORGIA

REPORT ON AUDIT
OF THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Russell W. Hinton
State Auditor

WHITE COUNTY BOARD OF EDUCATION

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FINANCIAL

DEPARTMENT OF AUDITS AND ACCOUNTS

254 Washington Street, S.W., Suite 214

Atlanta, Georgia 30334-8400

RUSSELL W. HINTON
STATE AUDITOR
(404) 656-2174

July 12, 2001

Honorable Roy E. Barnes, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
White County Board of Education

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

Ladies and Gentlemen:

We have audited the accompanying general purpose financial statements of the White County Board of Education, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the White County Board of Education's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

We did not observe the taking of either the Federal donated commodities inventory or purchased foods inventory at June 30, 2000, nor could we satisfy ourselves as to the accuracy of the amounts stated as inventories through alternative procedures.

As described in the notes to the general purpose financial statements, the Board's financial statements have been prepared using certain accounting practices and policies which, in our opinion, vary in some respects from generally accepted accounting principles. These variances are described as follows:

* The general purpose financial statements of the Board did not contain a General Fixed Assets Account Group to account for property and equipment owned by the Board which should be included to conform to generally accepted accounting principles.

* School activity accounts maintained at the individual schools are not included in the general purpose financial statements. To conform to generally accepted accounting principles, these accounts should be included in the general purpose financial statements.

* The Board did not recognize as expenditures, in the year ended June 30, 2000, a portion of salaries and the corresponding employer's cost of related benefits earned for contractual services completed prior to June 30, 2000. Also funds received, subsequent to June 30, 2000, from the Georgia Department of Education for the State's share of these unrecorded salaries and related benefits were not recorded as revenue in the year under review. Conversely, the similar expenditures and related revenues for contractual services completed prior to June 30, 1999, were improperly recorded in the year ended June 30, 2000. To conform to generally accepted accounting principles, revenues should be recorded when available and measurable and expenditures should be recorded when incurred, rather than when funds are received or disbursed.

The aggregate effects on the general purpose financial statements of these variances or omissions have not been determined, but are believed to be material.

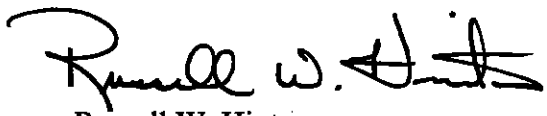
In our opinion, except for the effects of such adjustments, if any, on the Special Revenue Fund, as might have been determined to be necessary had we been able to satisfy ourselves as to the accuracy of the food service inventories as discussed in the third paragraph, and except for the effects on the general purpose financial statements of the matters referred to in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the White County Board of Education as of June 30, 2000, and the results of its operations and the cash flows of its nonexpendable trust funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 12, 2001, on our consideration of the White County Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the White County Board of Education taken as a whole. The accompanying combining and individual fund statements (Exhibits G through O) and the financial schedules (Schedules 1 through 5), which includes the Schedule of Expenditures of Federal Awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion, except for the effect of adjustments, if any, on the Special Revenue Fund, as might have been determined to be necessary had we been able to satisfy ourselves as to the accuracy of the food service inventories as discussed in the third paragraph, and except for the effects of the matters referred to in the fourth paragraph, such information is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Respectfully submitted,



Russell W. Hinton
State Auditor

RWH:jb
2000ARL-13A

WHITE COUNTY BOARD OF EDUCATION

WHITE COUNTY BOARD OF EDUCATION
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 2000

	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND
ASSETS			
Cash and Cash Equivalents	$ 2,146,471.71	$ 367,437.82	$ 2,375,856.43
Investments			
Accounts Receivable	284,532.14	138,518.81	
Inventories			
Food			
Donated Commodities		17,125.79	
Purchased Food		14,920.55	
Amount Available in Debt Service Fund			
Amount to be Provided in Future Years For Payment of Bond Debt			
Total Assets	$ 2,431,003.85	$ 538,002.97	$ 2,375,856.43
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts Payable	$ 12,785.70	$ 36,648.95	
Salaries Payable	42,298.10	126,598.84	
Expired Grant Balances Payable	2,435.76	5,320.41	
Contracts Payable			$ 547,528.00
Retainages Payable			302,555.80
Deferred Revenue			
Funds Held for Others			
General Obligation Bonds Payable			
Total Liabilities	$ 57,519.56	$ 168,568.20	$ 850,083.80
FUND EQUITY			
Fund Balances			
Reserved			
For Continuation of Federal Programs		$ 3,699.24	
For Debt Service			
For Endowment Corpus			
For Inventories			
Food			
Donated Commodities		17,125.79	
Purchased Food		14,920.55	
For Purpose of Bond Issue			$ 775,291.94
Unreserved			
Designated for Scholarships			
Undesignated	$ 2,373,484.29	333,689.19	750,480.69
Total Fund Equity	$ 2,373,484.29	$ 369,434.77	$ 1,525,772.63
Total Liabilities and Fund Equity	$ 2,431,003.85	$ 538,002.97	$ 2,375,856.43

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

DEBT SERVICE FUND	FIDUCIARY FUND TYPES TRUST AND AGENCY FUNDS	ACCOUNT GROUP GENERAL LONG-TERM DEBT	TOTALS (Memorandum Only) JUNE 30, 2000	TOTALS (Memorandum Only) JUNE 30, 1999
$ 541,257.11	$ 9,187.82		$ 5,440,210.89	$ 8,875,514.36
2,214,632.72	23,541.85		2,238,174.57	1,982,238.91
421,515.00			844,565.95	813,829.35
			17,125.79	29,535.72
			14,920.55	12,241.76
		$ 3,177,404.83	3,177,404.83	2,839,934.91
		10,517,595.17	10,517,595.17	12,560,065.09
$ 3,177,404.83	$ 32,729.67	$ 13,695,000.00	$ 22,249,997.75	$ 27,113,360.10
			$ 49,434.65	$ 45,428.23
			168,896.94	129,523.08
			7,756.17	26,966.71
			547,528.00	168,074.66
			302,555.80	31,755.48
				2,924.14
	$ 825.32		825.32	843.27
		$ 13,695,000.00	13,695,000.00	15,400,000.00
	$ 825.32	$ 13,695,000.00	$ 14,771,996.88	$ 15,805,515.57
			$ 3,699.24	$ 5,316.49
$ 3,177,404.83			3,177,404.83	2,839,934.91
	$ 23,500.00		23,500.00	23,500.00
			17,125.79	29,535.72
			14,920.55	12,241.76
			775,291.94	5,816,236.64
	8,404.35		8,404.35	7,833.44
0.00	0.00		3,457,654.17	2,573,245.57
$ 3,177,404.83	$ 31,904.35		$ 7,478,000.87	$ 11,307,844.53
$ 3,177,404.83	$ 32,729.67	$ 13,695,000.00	$ 22,249,997.75	$ 27,113,360.10

WHITE COUNTY BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 2000

	GOVERNMENTAL FUND		
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND
REVENUES			
State Funds	$ 11,393,507.40	$ 217,309.91	
Federal Funds	3,310.49	1,565,419.52	
Taxes	7,308,674.25		
Other Funds	546,301.72	548,549.95	$ 230,135.88
Total Revenues	$ 19,251,793.86	$ 2,331,279.38	$ 230,135.88
EXPENDITURES			
Current			
Instruction	$ 12,392,173.95	$ 937,232.85	
Support Services			
Pupil Services	622,428.84	162,015.51	
Improvement of Instructional Services	775,768.00	42,440.25	
Educational Media Services	557,443.79		
General Administration	325,851.41	27,201.76	
School Administration	1,166,467.96		
Business Administration	152,849.01		$ 3,175.00
Maintenance and Operation of Plant	1,348,897.94		
Student Transportation Services	958,444.51	30.06	
Central Support Services	23,487.62		
Other Support Services	128,630.66		
Food Services Operation	11,216.55	1,057,611.51	
Capital Outlay	13,542.26		5,264,453.03
Debt Service			
Principal			
Interest			
Paying Agent Fees			
Total Expenditures	$ 18,477,202.50	$ 2,226,531.94	$ 5,267,628.03
Excess of Revenues over (under) Expenditures	$ 774,591.36	$ 104,747.44	$ -5,037,492.15
OTHER FINANCING SOURCES (USES)			
Operating Transfers In		$ 37,425.78	$ 137,600.00
Operating Transfers Out	$ -175,025.78		
Total Other Financing Sources (Uses)	$ -175,025.78	$ 37,425.78	$ 137,600.00
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 599,565.58	$ 142,173.22	$ -4,899,892.15
FUND BALANCE JULY 1	1,773,918.71	236,992.69	6,425,664.78
Food Inventory - Net Change in Period		-12,409.93	
Donated Commodities		2,678.79	
Purchased Food			
FUND BALANCE JUNE 30	$ 2,373,484.29	$ 369,434.77	$ 1,525,772.63

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

TYPES			FIDUCIARY	TOTALS (Memorandum Only)	
	DEBT SERVICE		FUND TYPE EXPENDABLE	YEAR ENDED	
	FUND	TOTAL	TRUST FUNDS	JUNE 30, 2000	JUNE 30, 1999
		$ 11,610,817.31		$ 11,610,817.31	$ 10,268,749.20
		1,568,730.01		1,568,730.01	1,307,698.06
$	2,620,150.54	9,928,824.79		9,928,824.79	9,756,663.25
	83,486.88	1,408,474.43	$ 1,749.66	1,410,224.09	1,370,491.62
$	2,703,637.42	$ 24,516,846.54	$ 1,749.66	$ 24,518,596.20	$ 22,703,602.13
		$ 13,329,406.80		$ 13,329,406.80	$ 12,112,542.18
		784,444.35		784,444.35	661,528.08
		818,208.25		818,208.25	823,025.76
		557,443.79		557,443.79	449,682.15
		353,053.17	$ 1,520.95	354,574.12	397,001.45
		1,166,467.96		1,166,467.96	963,374.53
		156,024.01		156,024.01	121,047.90
		1,348,897.94		1,348,897.94	1,298,480.43
		958,474.57		958,474.57	909,503.52
		23,487.62		23,487.62	26,138.16
		128,630.66		128,630.66	56,774.86
		1,068,828.06		1,068,828.06	1,037,887.17
		5,277,995.29		5,277,995.29	2,118,702.96
$	1,705,000.00	1,705,000.00		1,705,000.00	630,000.00
	661,167.50	661,167.50		661,167.50	802,595.01
					2,229.75
$	2,366,167.50	$ 28,337,529.97	$ 1,520.95	$ 28,339,050.92	$ 22,410,513.91
$	337,469.92	$ -3,820,683.43	$ 228.71	$ -3,820,454.72	$ 293,088.22
		$ 175,025.78		$ 175,025.78	$ 325,114.09
		-175,025.78		-175,025.78	-325,114.09
		$ 0.00		$ 0.00	$ 0.00
$	337,469.92	$ -3,820,683.43	$ 228.71	$ -3,820,454.72	$ 293,088.22
	2,839,934.91	11,276,511.09	2,036.35	11,278,547.44	10,996,400.41
		-12,409.93		-12,409.93	-12,325.96
		2,678.79		2,678.79	1,384.77
$	3,177,404.83	$ 7,446,096.52	$ 2,265.06	$ 7,448,361.58	$ 11,278,547.44

WHITE COUNTY BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - (NON-GAAP BASIS)
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2000

EXHIBIT "C"

	GENERAL FUND		SPECIAL REVENUE FUND	
	BUDGET	ACTUAL (BUDGET BASIS)	BUDGET	ACTUAL (BUDGET BASIS)
REVENUES				
State Funds	$ 10,424,328.00	$ 11,393,507.40	$ 92,010.00	$ 217,309.91
Federal Funds	218,000.00	3,310.49	1,152,596.00	1,565,419.52
Taxes	6,728,196.00	7,308,674.25		
Other Funds	190,000.00	546,301.72	510,618.00	548,549.95
Total Revenues	$ 17,560,524.00	$ 19,251,793.86	$ 1,755,224.00	$ 2,331,279.38
EXPENDITURES				
Current				
Instruction	$ 12,329,268.00	$ 12,392,173.95	$ 603,616.00	$ 937,232.85
Support Services				
Pupil Services	606,043.00	622,428.84	79,183.00	162,015.51
Improvement of Instructional Services	895,892.00	775,768.00	64,813.68	42,440.25
Educational Media Services	454,765.00	557,443.79		
General Administration	322,591.00	325,851.41	5,576.00	27,201.76
School Administration	1,041,903.00	1,166,467.96		
Business Administration	143,905.00	152,849.01		
Maintenance and Operation of Plant	1,434,638.00	1,348,897.94		
Student Transportation Services	1,023,929.00	958,444.51	1,500.00	30.06
Central Support Services	26,550.00	23,487.62		
Other Support Services	56,665.00	128,630.66		
Food Services Operation		11,216.55	1,092,553.24	1,057,611.51
Capital Outlay		13,542.26		
Total Expenditures	$ 18,336,149.00	$ 18,477,202.50	$ 1,847,241.92	$ 2,226,531.94
Excess of Revenues over (under) Expenditures	$ -775,625.00	$ 774,591.36	$ -92,017.92	$ 104,747.44
OTHER FINANCING SOURCES (USES)				
Other Sources			$ 10,477.00	$ 37,425.78
Other Uses	$ -10,477.00	$ -175,025.78		
Total Other Financing Sources (Uses)	$ -10,477.00	$ -175,025.78	$ 10,477.00	$ 37,425.78
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ -786,102.00	$ 599,565.58	$ -81,540.92	$ 142,173.22
FUND BALANCE JULY 1, 1999	1,519,374.86	1,773,918.71	232,548.14	236,992.69
Food Inventory - Net Change in Period				
Donated Commodities				-12,409.93
Purchased Food				2,678.79
FUND BALANCE JUNE 30, 2000	$ 733,272.86	$ 2,373,484.29	$ 151,007.22	$ 369,434.77

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

WHITE COUNTY BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FIDUCIARY FUND TYPE - NONEXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 2000

	FIDUCIARY FUND NONEXPENDABLE TRUST	
	INDA YVONNE ALLEN MINORITY SCHOLARSHIP	JULIA AND HARWELL WESTMORELAND CITIZENSHIP
OPERATING REVENUES		
Donations	$ 594.25	$ 0.00
OPERATING EXPENSES		
Current		
Support Services		
General Administration	$ 1,508.75	$ 0.00
Operating Income	$ -914.50	$ 0.00
NONOPERATING REVENUES		
Interest Earned	895.26	0.00
Net Income	$ -19.24	$ 0.00
FUND BALANCE JULY 1	19,489.05	1,041.85
FUND BALANCE JUNE 30	$ 19,469.81	$ 1,041.85

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

TYPE FUNDS	VERA WESTMORELAND SCHOLARSHIP	TOTALS (Memorandum Only) YEAR ENDED JUNE 30, 2000	TOTALS (Memorandum Only) YEAR ENDED JUNE 30, 1999
	$ 0.00	$ 594.25	$ 505.00
	$ 0.00	$ 1,508.75	$ 1,300.00
	$ 0.00	$ -914.50	$ -795.00
	361.44	1,256.70	1,271.59
	$ 361.44	$ 342.20	$ 476.59
	8,766.19	29,297.09	28,820.50
	$ 9,127.63	$ 29,639.29	$ 29,297.09

WHITE COUNTY BOARD OF EDUCATION
COMBINED STATEMENT OF CASH FLOWS
FIDUCIARY FUND TYPE - NONEXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 2000

	FIDUCIARY FUND NONEXPENDABLE TRUST	
	INDA YVONNE ALLEN MINORITY SCHOLARSHIP	JULIA AND HARWELL WESTMORELAND CITIZENSHIP
Cash Flows from Operating Activities:		
Cash Received from Donations	$ 594.25	$ 0.00
Cash Paid for Scholarships	-1,508.75	
Net Cash Provided (Used) by Operating Activities	$ -914.50	$ 0.00
Cash Flows from Investing Activities:		
Interest Received on Investments	$ 895.26	$ 0.00
Cash Paid for Investments		
Net Cash Provided by Investment Activities	$ 895.26	$ 0.00
Net Increase (Decrease) in Cash	$ -19.24	$ 0.00
Cash and Cash Equivalents - July 1	4,989.05	
Cash and Cash Equivalents - June 30	$ 4,969.81	$ 0.00

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

TYPE FUNDS	VERA WESTMORELAND SCHOLARSHIP	TOTALS (Memorandum Only) YEAR ENDED JUNE 30, 2000	JUNE 30, 1999
	$ 0.00	$ 594.25	$ 505.00
		-1,508.75	-1,300.00
	$ 0.00	$ -914.50	$ -795.00
	$ 361.44	$ 1,256.70	$ 1,271.59
			-2,000.00
	$ 361.44	$ 1,256.70	$ -728.41
	$ 361.44	$ 342.20	$ -1,523.41
	766.19	5,755.24	7,278.65
	$ 1,127.63	$ 6,097.44	$ 5,755.24

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The White County Board of Education (Board) 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 Board is a primary government and consists of all the organizations that compose its legal entity.

FUND ACCOUNTING

The Board uses funds and an account group 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. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect expendable available financial resources.

General Fixed Assets are recorded as expenditures in the various funds at the time of purchase. A General Fixed Assets Account Group is not presently maintained by the Board. To conform to generally accepted accounting principles, a General Fixed Assets Account Group should be maintained for reporting the cost of assets acquired by governmental fund types.

Although "school activity accounts" are maintained at the individual schools, neither the assets, liabilities and fund equity, nor the revenues, expenditures and changes in fund balances of these accounts are reflected in these financial statements. To conform to generally accepted accounting principles, these accounts should be recorded in the general purpose financial statements.

The general purpose financial statements account for all State, Federal, Taxes and Other funds under control of the Board, in compliance with generally accepted accounting principles applicable to governmental units, unless otherwise disclosed in these notes. Funds and the account group presented in this report are as follows:

GOVERNMENTAL FUND TYPES - are used to account for all or most of a Board's educational activities. Governmental Fund Types include:

GENERAL FUND - the fund used to account for all financial resources of the Board except those required to be accounted for in another fund. These transactions relate to resources obtained and used for services provided by a board of education.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SPECIAL REVENUE FUND - the fund used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes. These funds are received primarily from the Georgia Department of Education and from the Federal government to accomplish specific educational objectives.

CAPITAL PROJECTS FUND - the fund used to account for financial resources to be used for the acquisition or construction of major capital facilities.

DEBT SERVICE FUND - the fund used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and paying agent fees.

FIDUCIARY FUND TYPES - the funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds. These funds include:

NONEXPENDABLE TRUST FUNDS
Inda Yvonne Allen Minority Scholarship Fund - the fund used to account for an endowment of which the corpus is to be invested and preserved intact with the resultant income to be used to provide scholarship aid to minority graduating seniors of the White County High School.

Julia and Harwell Westmoreland Citizenship Fund - the fund used to account for an endowment of which the corpus is to be invested and preserved intact with the resultant income to be used to provide an award to a male and female student selected by the senior class each year.

Vera Westmoreland Scholarship Fund - the fund used to account for an endowment of which the corpus is to be invested and preserved intact with the resultant income to be used to provide scholarship aid each year to a deserving senior who has been accepted to college.

EXPENDABLE TRUST FUNDS
Libby Alexander Scholarship Fund - the fund used to account for the principal and earnings which may be expended to provide scholarship aid to a deserving student.

Lion's Club Scholarship Fund - the fund used to account for the principal and earnings which may be expended to provide scholarship aid to a graduating senior who has been accepted by a post secondary institution.

ACCOUNT GROUP

GENERAL LONG-TERM DEBT ACCOUNT GROUP - A financial reporting device used to account for general obligation debt outstanding.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Their reported fund balance is considered a measure of available spendable resources.

Liabilities which are expected to be financed from available spendable resources are reported as liabilities in the governmental funds. Other liabilities, which are not expected to be financed from available spendable resources, are reported in the General Long-Term Debt Account Group.

All nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Agency funds are purely custodial in nature and do not involve measurement of results of operations.

Governmental and expendable trust funds are accounted for using the modified accrual basis of accounting under which:

Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Those revenues considered susceptible to accrual are property taxes, local option sales taxes, intergovernmental grants and investment income.

Expenditures are generally recognized when the related fund liability is incurred.

A departure from the above definitions is the accounting treatment afforded the final two payments on General Fund teachers' and bus drivers' contracts, and the resources available from the Georgia Department of Education for the State's share of these contracts. During fiscal year 2000, a substantial number of personnel of the Board were employed for a one hundred and ninety day period beginning in late August 1999 and ending in early June 2000. Personnel contracts for this employment period specify that compensation be paid in twelve equal monthly payments beginning in September 1999 and ending in August 2000. State grants to fund the State's share of these contracts were disbursed from the Georgia Department of Education to the Board in the same twelve

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

months. As of June 30, 2000, compensation under these employment contracts had been earned, but two of the twelve monthly payments, due for July and August 2000, had not been made. Payments for these two months were made and recorded as expenditures by the Board subsequent to June 30, 2000. Also, the State's portion of the compensation paid in July and August 2000 was received and recorded as revenue in the fiscal year subsequent to June 30, 2000. Conversely, the similar expenditures and related revenues for contractual services completed prior to June 30, 1999, were recorded in the year ended June 30, 2000. Generally accepted accounting principles require that revenues be recorded when available and measurable and that expenditures be recorded when incurred, rather than when funds are received or disbursed.

The accrual basis of accounting, as required by generally accepted accounting principles, is utilized by nonexpendable trust funds. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Agency funds are accounted for using the modified accrual basis of accounting in recognizing assets and liabilities.

BUDGET

The White County Board of Education's budget is a complete financial plan for the Board's fiscal year and is based upon estimates of expenditures together with probable funding sources. There is no statutory prohibition regarding overexpenditure of the budget at any level. The budget for all governmental funds is prepared by fund, function and object. The legal level of budget control was established by the Board at the aggregate level. The budget for governmental funds was prepared on a basis other than generally accepted accounting principles.

The budget process begins when the Board's administration prepares a tentative budget for the Board's approval. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality. At the next regular meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final school budget. This final budget is then submitted, in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

CASH AND CASH EQUIVALENTS

COMPOSITION OF DEPOSITS
Cash and cash equivalents consist of deposits in authorized financial institutions. Georgia Laws OCGA 45-8-14 authorize the Board to deposit its funds in one or more solvent banks, insured Federal savings and loan associations, or insured State chartered building and loan associations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INVESTMENTS

COMPOSITION OF INVESTMENTS

Investments made by the Board 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 Board to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following:

(1) Obligations issued by the State of Georgia or by other states,

(2) Obligations issued by the United States government,

(3) Obligations fully insured or guaranteed by the United States government or a United States government agency,

(4) Obligations of any corporation of the United States government,

(5) Prime banker's acceptances,

(6) The Local Government Investment Pool administered by the State of Georgia, Office of Treasury and Fiscal Services,

(7) Repurchase agreements, and

(8) Obligations of other political subdivisions of the State of Georgia.

RECEIVABLES

Receivables consist of 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 general purpose financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PROPERTY TAXES

The White County Board of Commissioners fixed the property tax levy for the 1999 tax year (calendar year) on October 30, 1999 (levy date). Taxes were due on December 30, 1999. The lien date for property taxes was January 1, 1999. Taxes collected within the current fiscal year or within 60 days after year-end are reported as revenue in fiscal year 2000. The White County Tax Commissioner bills and collects the property taxes for the Board of Education, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the Board.

Tax millage rates levied for the 1999 tax year (calendar year) for the White County Board of Education were as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	14.500 mills
School Bonds	.489 mills
	14.989 mills

SALES TAXES

Special Purpose Local Option Sales Tax is to be used for capital outlay for educational purposes and debt service. Special Purpose Local Option Sales Tax revenue during the fiscal year amounted to $2,335,794.85 and was recorded in the Debt Service Fund. The State will terminate collection of this tax once an additional $11,835,297.77 has been collected or on December 31, 2002, whichever occurs first.

INVENTORIES

FOOD INVENTORIES

Inventories of donated food commodities used in the preparation of meals are reported on the Combined Balance Sheet at their Federally assigned value. Purchased foods inventories are reported on the Combined Balance Sheet at cost (first-in, first-out). Donated food commodities are recorded as revenues and expenditures at the time commodity items are received. Purchased foods inventories are recorded as expenditures at the time of purchase. The inventories reported on the balance sheet for donated food commodities and for purchased foods are equally offset by reservations of fund balance which indicates that these amounts do not constitute "available spendable resources" even though they are a component of net current assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL OBLIGATION BONDS

The Board issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bond premiums and discounts, as well as issuance costs, are recognized in the financial statements during the year bonds are issued. 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 General Long-Term Debt Account Group.

INTERFUND TRANSACTIONS

The Board has the following types of interfund transactions:

Reimbursements of expenditures/expenses initially made from a fund that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Operating transfers are recorded for all interfund transactions other than reimbursements.

MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2: DEPOSITS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance. OCGA Section 45-8-11(b) provides an officer holding public funds may, in his discretion, waive the requirement for security in the case of operating funds placed in demand deposit checking accounts.

Note 2: DEPOSITS AND INVESTMENTS

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 the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

CATEGORIZATION OF DEPOSITS
At June 30, 2000, the bank balances were $6,992,680.79. The amounts of the total bank balances are classified into three categories of credit risk:

Category 1 - Cash that is insured (e.g., Federal depository insurance) or collateralized with securities held by the Board or by the Board's agent in the Board's name.
Category 2 - Cash collateralized with securities held by the pledging financial institution's trust department or agent in the Board's name.
Category 3 - Uncollateralized deposits. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Board's name.)

The Board's deposits are classified by risk category at June 30, 2000, as follows:

Note 2: DEPOSITS AND INVESTMENTS

Risk Category	Bank Balance
1	$ 838,112.35
2	6,154,568.44
3	0.00
Total	$ 6,992,680.79

CATEGORIZATION OF INVESTMENTS
At June 30, 2000, the carrying value of the Board's total investments was $2,214,632.72.

Type of Investment	Carrying Amount	Fair Value
Investments not Subject to Categorization:		
Local Government Investment Pools	$ 2,214,179.50	$ 2,214,179.50
Mutual Funds Money Market Account	453.22	453.22
Total Investments	$ 2,214,632.72	$ 2,214,632.72

The carrying amounts shown above includes amounts maintained in an investment pool by the State of Georgia, Office of Treasury and Fiscal Services in which the Board owns no identifiable securities. The investment policy of the State of Georgia, Office of Treasury and Fiscal Services for the Local Government Investment Pool (Primary Liquidity Portfolio) does not provide for investment in derivatives or similar investments. A description of the Primary Liquidity Portfolio is as follows:

The Primary Liquidity Portfolio consists of Georgia Fund 1, which is a combination local and state government investment pool, and Fund 6. Georgia Fund 1 is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. The pool is not registered with the Securities and Exchange Commission as an investment company but does operate Georgia Fund 1 in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and values participant's shares sold and redeemed based on $1.00 per share. Pooled cash and cash equivalents and investments are reported at cost which approximates fair value. The pool does not issue any legally binding guarantees to support the value of the shares. Participation in the pool is voluntary and deposits consist of funds from local governments; operating and trust funds of Georgia's state agencies, colleges and universities; and current operating funds of the State of Georgia's General Fund.

Note 2: DEPOSITS AND INVESTMENTS

Investments in Georgia Fund 1 and Fund 6 are directed toward short-term instruments such as U. S. Treasury obligations, securities issued or guaranteed as to principal and interest by the U. S. Government or any of its agencies or instrumentalities, banker's acceptances and repurchase agreements. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2000, was 23 days. The average investment duration for Fund 6 on June 30, 2000, was .80 year.

Note 3: NON-MONETARY TRANSACTIONS

The Board 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 1 - Inventories**

Note 4: RISK MANAGEMENT

The Board 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; natural disaster and unemployment compensation.

The Board 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 Board 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, general liability (including coverage for sexual harassment, molestation and abuse) and automobile risks. Payment of excess insurance for the system varies by line of coverage.

The Board is self-insured with regard to unemployment compensation claims. The Board accounts for claims within the General Fund with expenditure 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
1999	$ 0.00	$ 890.00	$ 890.00	$ 0.00
2000	$ 0.00	$ 0.00	$ 0.00	$ 0.00

Note 4: RISK MANAGEMENT

The Board participates in the Georgia School Boards Association Workers' Compensation Fund, a public entity risk pool organized on July 1, 1992, to develop, implement, and administer a program of workers' compensation self-insurance for its member organizations. The Board pays an annual premium to the Fund for its general insurance coverage. Additional insurance coverage is provided through an agreement by the Fund with the United States Fidelity and Guaranty Company to provide coverage for potential losses sustained by the Fund in excess of $350,000.00 loss per occurrence, up to the statutory limit.

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

Position Covered	Amount
Superintendent	$ 100,000.00
Employee Blanket Bond	$ 100,000.00

Note 5: GENERAL LONG-TERM DEBT

GENERAL OBLIGATION DEBT OUTSTANDING
General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
General Government - Series 1993	3.10% - 5.55%	$ 6,205,000.00
General Government - Series 1997	3.80% - 4.30%	7,490,000.00
		$ 13,695,000.00

The changes in General Long-Term Debt during the fiscal year ended June 30, 2000, were as follows:

	General Obligation Bonds
Balance July 1, 1999	$ 15,400,000.00
Deductions	
Debt Retired	1,705,000.00
Balance June 30, 2000	$ 13,695,000.00

Note 5: GENERAL LONG-TERM DEBT

At June 30, 2000, payments due by fiscal year which includes principal and interest for these items are as follows:

Fiscal Year Ended June 30	General Obligation Bonds
2001	$ 2,576,841.25
2002	2,725,213.75
2003	2,896,308.75
2004	2,432,500.00
2005	622,532.50
2006 - 2010	3,143,403.75
2011 - 2015	2,525,156.25
Total Principal and Interest	$ 16,921,956.25

Note 6: ON-BEHALF PAYMENTS

The Board has recognized revenues and expenditures in the amount of $323,397.67 for health insurance and retirement contributions paid on the Board's behalf by the following State Agencies.

Georgia Department of Education
Paid to the Georgia Department of Community Health
For Health Insurance of Non-Certified Personnel
In the amount of $262,384.59

Paid to the Teachers Retirement System of Georgia
For Teachers Retirement System (TRS) Employer's Cost
In the amount of $17,711.08

Office of Treasury and Fiscal Services
Paid to the Public School Employees Retirement System
For Public School Employees Retirement (PSERS) Employer's Cost
In the amount of $43,302.00

Note 7: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the Board as of June 30, 2000:

Note 7: SIGNIFICANT COMMITMENTS

Project	Unearned Executed Contracts
New Elementary School	$ 619,562.24

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

Note 8: 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 expenditures which are disallowed under grant terms. The Board believes that such disallowances, if any, will be immaterial to its overall financial position.

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

Note 9: RETIREMENT PLANS

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

TRS PLAN DESCRIPTION
Substantially all teachers, administrative and clerical personnel employed by local school systems are covered by the Teachers Retirement System of Georgia (TRS), which is a cost-sharing multiple employer defined benefit pension plan. TRS provides service retirement, disability retirement and survivors benefits for its members in accordance with State statute. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

TRS CONTRIBUTIONS REQUIRED AND MADE
Employees of the Board who are covered by TRS are required by State statute to contribute 5% of their gross earnings to TRS. The Board makes monthly employer contributions to TRS at rates adopted by the TRS Board of Trustees in accordance with State statute and as advised by their independent actuary. The required employer contribution rate is 11.29% and employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2000	100%	$ 1,278,955.59
1999	100%	$ 1,248,249.35
1998	100%	$ 1,122,927.84

WHITE COUNTY BOARD OF EDUCATION
COMBINING BALANCE SHEET
SPECIAL REVENUE FUND
JUNE 30, 2000

ASSETS	SCHOOL FOOD SERVICES FUND	LOTTERY PROGRAMS
Cash and Cash Equivalents	$ 400,810.99	
Accounts Receivable	804.00	$ 7,826.60
Inventories		
Food		
Donated Commodities	17,125.79	
Purchased Food	14,920.55	
Total Assets	$ 433,661.33	$ 7,826.60
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Cash Overdraft		$ 7,826.60
Accounts Payable	$ 12,565.42	
Salaries Payable	55,360.38	
Expired Grant Balances Payable		
Total Liabilities	$ 67,925.80	$ 7,826.60
FUND EQUITY		
Fund Balances		
Reserved		
For Continuation of Federal Programs		
For Inventories		
Food		
Donated Commodities	$ 17,125.79	
Purchased Food	14,920.55	
Unreserved		
Undesignated	333,689.19	$ 0.00
Total Fund Equity	$ 365,735.53	$ 0.00
Total Liabilities and Fund Equity	$ 433,661.33	$ 7,826.60

See notes to the general purpose financial statements.

FEDERAL PROGRAMS	OTHER PROGRAMS	TOTALS JUNE 30, 2000	TOTALS JUNE 30, 1999
		$ 400,810.99	$ 264,739.00
$ 125,323.90	$ 4,564.31	138,518.81	90,948.69
		17,125.79	29,535.72
		14,920.55	12,241.76
$ 125,323.90	$ 4,564.31	$ 571,376.14	$ 397,465.17
$ 20,982.26	$ 4,564.31	$ 33,373.17	$ 4,155.11
24,083.53		36,648.95	30,046.78
71,238.46		126,598.84	101,071.80
5,320.41		5,320.41	25,198.79
$ 121,624.66	$ 4,564.31	$ 201,941.37	$ 160,472.48
$ 3,699.24		$ 3,699.24	$ 5,316.49
		17,125.79	29,535.72
		14,920.55	12,241.76
0.00	$ 0.00	333,689.19	189,898.72
$ 3,699.24	$ 0.00	$ 369,434.77	$ 236,992.69
$ 125,323.90	$ 4,564.31	$ 571,376.14	$ 397,465.17

WHITE COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2000

	SCHOOL FOOD SERVICES FUND	LOTTERY PROGRAMS
REVENUES		
State Funds	$ 86,606.00	$ 83,590.60
Federal Funds	566,246.03	
Other Funds	548,549.95	
Total Revenues	$ 1,201,401.98	$ 83,590.60
EXPENDITURES		
Current		
Instruction		$ 15,821.36
Support Services		
Pupil Services		67,937.00
Improvement of Instructional Services		
Educational Media Services		
General Administration		
Student Transportation Services		
Other Support Services		
Food Services Operation	$ 1,057,611.51	
Total Expenditures	$ 1,057,611.51	$ 83,758.36
Excess of Revenues over (under) Expenditures	$ 143,790.47	$ -167.76
OTHER FINANCING SOURCES		
Operating Transfers In		167.76
Excess of Revenues and Other Financing Sources over (under) Expenditures	$ 143,790.47	$ 0.00
FUND BALANCE JULY 1	231,676.20	0.00
Food Inventory - Net Change in Period		
Donated Commodities	-12,409.93	
Purchased Food	2,678.79	
FUND BALANCE JUNE 30	$ 365,735.53	$ 0.00

See notes to the general purpose financial statements.

FEDERAL PROGRAMS	OTHER PROGRAMS	TOTALS YEAR ENDED JUNE 30, 2000	TOTALS YEAR ENDED JUNE 30, 1999
	$ 47,113.31	$ 217,309.91	$ 221,548.98
$ 999,173.49		1,565,419.52	1,300,098.74
		548,549.95	498,287.27
$ 999,173.49	$ 47,113.31	$ 2,331,279.38	$ 2,019,934.99
$ 884,538.57	$ 36,872.92	$ 937,232.85	$ 762,276.05
94,078.51		162,015.51	67,406.76
31,974.97	10,465.28	42,440.25	73,070.87
			6,029.06
27,201.76		27,201.76	16,247.52
30.06		30.06	
			1,159.77
		1,057,611.51	1,037,060.99
$ 1,037,823.87	$ 47,338.20	$ 2,226,531.94	$ 1,963,251.02
$ -38,650.38	$ -224.89	$ 104,747.44	$ 56,683.97
37,033.13	224.89	37,425.78	114.09
$ -1,617.25	$ 0.00	$ 142,173.22	$ 56,798.06
5,316.49	0.00	236,992.69	191,135.82
		-12,409.93	-12,325.96
		2,678.79	1,384.77
$ 3,699.24	$ 0.00	$ 369,434.77	$ 236,992.69

WHITE COUNTY BOARD OF EDUCATION
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND
JUNE 30, 2000

EXHIBIT "I"

ASSETS	REGULAR	BOND PROCEEDS	TOTALS JUNE 30, 2000	TOTALS JUNE 30, 1999
Cash and Cash Equivalents	$ 750,480.69	$ 1,625,375.74	$ 2,375,856.43	$ 6,625,494.92
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Contracts Payable		$ 547,528.00	$ 547,528.00	$ 168,074.66
Retainages Payable		302,555.80	302,555.80	31,755.48
Total Liabilities		$ 850,083.80	$ 850,083.80	$ 199,830.14
FUND EQUITY				
Fund Balances				
Reserved				
For Purposes of Bond Issue		$ 775,291.94	$ 775,291.94	$ 5,816,236.64
Unreserved				
Undesignated	$ 750,480.69	0.00	750,480.69	609,428.14
Total Fund Equity	$ 750,480.69	$ 775,291.94	$ 1,525,772.63	$ 6,425,664.78
Total Liabilities and Fund Equity	$ 750,480.69	$ 1,625,375.74	$ 2,375,856.43	$ 6,625,494.92

See notes to the general purpose financial statements.

WHITE COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2000

EXHIBIT "J"

	REGULAR	BOND PROCEEDS	TOTALS YEAR ENDED JUNE 30, 2000	TOTALS YEAR ENDED JUNE 30, 1999
REVENUES				
Other Funds	$ 3,452.55	$ 226,683.33	$ 230,135.88	$ 355,228.17
EXPENDITURES				
Current				
Support Services				
Business Administration	$ 0.00	$ 3,175.00	$ 3,175.00	$ 511.65
Capital Outlay				
Land and Land Improvements				8,219.70
Building and Building Improvements		5,264,453.03	5,264,453.03	2,039,542.58
Equipment				48,109.88
Total Expenditures	$ 0.00	$ 5,267,628.03	$ 5,267,628.03	$ 2,096,383.81
Excess of Revenues over (under) Expenditures	$ 3,452.55	$ -5,040,944.70	$ -5,037,492.15	$ -1,741,155.64
OTHER FINANCING SOURCES				
Operating Transfers In	137,600.00		137,600.00	325,000.00
Excess of Revenues and Other Financing Sources over (under) Expenditures	$ 141,052.55	$ -5,040,944.70	$ -4,899,892.15	$ -1,416,155.64
FUND BALANCE JULY 1	609,428.14	5,816,236.64	6,425,664.78	7,841,820.42
FUND BALANCE JUNE 30	$ 750,480.69	$ 775,291.94	$ 1,525,772.63	$ 6,425,664.78

See notes to the general purpose financial statements.

WHITE COUNTY BOARD OF EDUCATION
COMBINING BALANCE SHEET
DEBT SERVICE FUND
JUNE 30, 2000

EXHIBIT "K"

ASSETS	PROPERTY TAXES FOR BOND DEBT	SPECIAL PURPOSE LOCAL OPTION SALES TAX	TOTALS JUNE 30, 2000	TOTALS JUNE 30, 1999
Cash and Cash Equivalents	$ 706,042.96		$ 706,042.96	$ 655,438.55
Investments		$ 2,214,632.72	2,214,632.72	1,958,697.06
Accounts Receivable	7,706.33	413,808.67	421,515.00	390,585.15
Total Assets	$ 713,749.29	$ 2,628,441.39	$ 3,342,190.68	$ 3,004,720.76
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Cash Overdraft		$ 164,785.85	$ 164,785.85	$ 164,785.85
FUND EQUITY				
Fund Balances				
Reserved				
For Debt Service	$ 713,749.29	$ 2,463,655.54	$ 3,177,404.83	$ 2,839,934.91
Unreserved				
Undesignated	0.00	0.00	0.00	0.00
Total Fund Equity	$ 713,749.29	$ 2,463,655.54	$ 3,177,404.83	$ 2,839,934.91
Total Liabilities and Fund Equity	$ 713,749.29	$ 2,628,441.39	$ 3,342,190.68	$ 3,004,720.76

See notes to the general purpose financial statements.

WHITE COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2000

EXHIBIT "L"

	PROPERTY TAXES FOR BOND DEBT	SPECIAL PURPOSE LOCAL OPTION SALES TAX	TOTALS YEAR ENDED JUNE 30, 2000	TOTALS YEAR ENDED JUNE 30, 1999
REVENUES				
Taxes	$ 284,355.69	$ 2,335,794.85	$ 2,620,150.54	$ 2,848,977.11
Other Funds	8,016.47	75,470.41	83,486.88	54,858.52
Total Revenues	$ 292,372.16	$ 2,411,265.26	$ 2,703,637.42	$ 2,903,835.63
EXPENDITURES				
Debt Service				
Principal		$ 1,705,000.00	$ 1,705,000.00	$ 630,000.00
Interest	$ 258,008.99	403,158.51	661,167.50	802,595.01
Paying Agent Fees				2,229.75
Total Expenditures	$ 258,008.99	$ 2,108,158.51	$ 2,366,167.50	$ 1,434,824.76
Excess of Revenues over (under) Expenditures	$ 34,363.17	$ 303,106.75	$ 337,469.92	$ 1,469,010.87
FUND BALANCE JULY 1	679,386.12	2,160,548.79	2,839,934.91	1,370,924.04
FUND BALANCE JUNE 30	$ 713,749.29	$ 2,463,655.54	$ 3,177,404.83	$ 2,839,934.91

See notes to the general purpose financial statements.

WHITE COUNTY BOARD OF EDUCATION
COMBINING BALANCE SHEET
FIDUCIARY FUND TYPES
JUNE 30, 2000

	NONEXPENDABLE TRUST FUNDS		
	ENDOWMENT FUNDS		
ASSETS	INDA YVONNE ALLEN MINORITY SCHOLARSHIP	JULIA AND HARWELL WESTMORELAND CITIZENSHIP	VERA WESTMORELAND SCHOLARSHIP
Cash and Cash Equivalents	$ 4,969.81		$ 1,127.63
Investments	14,500.00	$ 1,041.85	8,000.00
Total Assets	$ 19,469.81	$ 1,041.85	$ 9,127.63
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Funds Held for Others			
FUND EQUITY			
Fund Balances			
Reserved			
For Endowment Corpus	$ 14,500.00	$ 1,000.00	$ 8,000.00
Unreserved			
Designated for Scholarships	4,969.81	41.85	1,127.63
Undesignated	0.00	0.00	0.00
Total Fund Equity	$ 19,469.81	$ 1,041.85	$ 9,127.63
Total Liabilities and Fund Equity	$ 19,469.81	$ 1,041.85	$ 9,127.63

See notes to the general purpose financial statements.

EXPENDABLE TRUST FUNDS			TOTALS	
LIBBY ALEXANDER SCHOLARSHIP FUND	LION'S CLUB SCHOLARSHIP FUND	AGENCY FUNDS	JUNE 30, 2000	JUNE 30, 1999
$ 2,214.06	$ 51.00	$ 825.32	$ 9,187.82	$ 8,634.86
			23,541.85	23,541.85
$ 2,214.06	$ 51.00	$ 825.32	$ 32,729.67	$ 32,176.71
		$ 825.32	$ 825.32	$ 843.27
			$ 23,500.00	$ 23,500.00
$ 2,214.06	$ 51.00		8,404.35	7,833.44
0.00	0.00		0.00	0.00
$ 2,214.06	$ 51.00		$ 31,904.35	$ 31,333.44
$ 2,214.06	$ 51.00	$ 825.32	$ 32,729.67	$ 32,176.71

WHITE COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FIDUCIARY FUND TYPE - EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 2000

EXHIBIT "N"

	LIBBY ALEXANDER SCHOLARSHIP FUND	LION'S CLUB SCHOLARSHIP FUND	TOTALS YEAR ENDED JUNE 30, 2000	TOTALS YEAR ENDED JUNE 30, 1999
REVENUES				
Other Funds	$ 749.66	$ 1,000.00	$ 1,749.66	$ 1,448.22
EXPENDITURES				
Current				
Support Services				
General Administration	$ 520.95	$ 1,000.00	$ 1,520.95	$ 1,166.66
Excess of Revenues over (under) Expenditures	$ 228.71	$ 0.00	$ 228.71	$ 281.56
FUND BALANCE JULY 1	1,985.35	51.00	2,036.35	1,754.79
FUND BALANCE JUNE 30	$ 2,214.06	$ 51.00	$ 2,265.06	$ 2,036.35

See notes to the general purpose financial statements.

WHITE COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND TYPE - AGENCY FUND
YEAR ENDED JUNE 30, 2000

EXHIBIT "O"

	BALANCE JULY 1, 1999	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2000
BUS DRIVERS' ASSOCIATION				
ASSETS				
Cash and Cash Equivalents	$ 843.27	$ 435.00	$ 452.95	$ 825.32
LIABILITIES				
Funds Held for Others	$ 843.27	$ 435.00	$ 452.95	$ 825.32

See notes to the general purpose financial statements.

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2000

SCHEDULE "1"

FUNDING AGENCY PROGRAM/GRANT		CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	FEDERAL REVENUE IN PERIOD	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of					
Child Nutrition Cluster					
Pass-Through From Georgia Department of Education					
Food and Nutrition Program					
Food Services					
School Breakfast Program	*	10.553	N/A	$ 118,127.32	(2)
National School Lunch Program	*	10.555	N/A	385,799.86	$ 995,292.66 (3)
Total Child Nutrition Cluster				$ 503,927.18	$ 995,292.66
Other Programs					
Pass-Through From Georgia Department of Education					
Food and Nutrition Program					
Food Distribution Program (1)		10.550	N/A	62,318.85	62,318.85
Pass-Through From Office of Treasury and Fiscal Services					
National Forest Reserve Funds		10.665	N/A	3,310.49	(4)
Total U. S. Department of Agriculture				$ 569,556.52	$ 1,057,611.51
Education, U. S. Department of					
Special Education Cluster					
Pass-Through From Georgia Department of Education					
Individuals with Disabilities Education Act					
Part B - Special Education					
Capacity Building Improvement		84.173	N/A	$ 11,773.00	$ 11,811.37 (3)
Flow Through		84.027	N/A	265,473.00	284,682.96 (3)
Preschool		84.173	N/A	19,863.57	19,892.16 (3)
Total Special Education Cluster				$ 297,109.57	$ 316,386.49
Other Programs					
Pass-Through From Georgia Department of Education					
Elementary and Secondary Education Act					
Title I					
Delinquent Children	*	84.010	N/A	65,514.01	65,514.01
Grants to Local Educational Agencies	*	84.010	N/A	302,023.00	306,815.71 (3)
Title II					
Eisenhower Professional Development		84.281	N/A	16,000.00	17,683.66
Title VI					
Class Size Reduction		84.340	N/A	48,123.00	59,254.21 (3)
Innovative Education Program Strategies		84.298	N/A	14,910.54	14,910.54
Goals 2000					
State and Local Education Systemic Improvement Grants		84.276	N/A	110,920.55	110,920.55
Vocational Education - Basic Grants to States					
High School Program					
Basic Grant		84.048	N/A	19,599.22	19,747.85 (3)
Total U. S. Department of Education				$ 874,199.89	$ 911,233.02
Health and Human Services, U. S. Department of					
Pass-Through From Ninth District Opportunity, Incorporated					
Head Start		93.600	N/A	$ 124,973.60	$ 126,590.85
Total Federal Financial Assistance				$ 1,568,730.01	$ 2,095,435.38

N/A = Not Available

Notes to the Schedule of Expenditures of Federal Awards

(1) The amounts shown for the Food Distribution Program represents the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the system during the current fiscal year.
(2) Expenditures for the School Breakfast Program were not maintained separately and are included In the 2000 National School Lunch Program.
(3) Expenditures for this program include State, and/or Other Funds. Expenditures are not maintained by fund source.
(4) Funds earned on this program do not require reporting of expenditures.

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

The Board did not provide Federal Assistance to any Subrecipient.

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

See notes to the general purpose financial statements.

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2000

SCHEDULE "2"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES GENERAL FUND	SPECIAL REVENUE FUND	TOTAL
GRANTS			
Education, Georgia Department of			
Quality Basic Education			
General and Career Education Programs	$ 6,996,713.00		$ 6,996,713.00
Special Education Programs	1,655,996.00		1,655,996.00
Remedial Education Program	41,312.00		41,312.00
Media Center Programs	300,183.00		300,183.00
Staff Development Programs	80,252.00		80,252.00
Indirect Cost	1,870,169.00		1,870,169.00
Pupil Transportation			
Regular	429,152.00		429,152.00
Bus Replacement	133,248.00		133,248.00
Middle School Incentive Program	250,834.00		250,834.00
Special Instructional Assistance	221,053.00		221,053.00
In-School Suspension	70,548.00		70,548.00
Mid-term Adjustment	346,904.00		346,904.00
Counselors Grades 4 and 5	33,156.00		33,156.00
Technology Specialist	28,842.00		28,842.00
Local Five Mill Share	-2,161,672.00		-2,161,672.00
Educational Equalization Funding Grant	329,647.00		329,647.00
Food Services		$ 86,606.00	86,606.00
Vocational Education	24,820.81		24,820.81
Other State Programs			
Alternative Program	44,065.00		44,065.00
Apprenticeship Program	32,801.83		32,801.83
At-Risk Summer School Program	7,319.50		7,319.50
Health Insurance	262,384.59		262,384.59
Innovative Programs	5,000.00		5,000.00
Mentor Teacher Program	2,422.06		2,422.06
Next Generation Schools	75,000.00		75,000.00
Pay for Performance Program	212,000.00		212,000.00
Preschool Handicapped Program	37,267.15		37,267.15
Remedial Summer School Program	3,026.38		3,026.38
Teachers' Retirement	17,711.08		17,711.08
Lottery Programs			
Assistive Technology		15,653.60	15,653.60
Computers in the Classroom		67,937.00	67,937.00
Office of Treasury and Fiscal Services			
Public School Employees Retirement	43,302.00		43,302.00
CONTRACTS			
Education, Georgia Department of			
Reading First Program		37,549.00	37,549.00
Office of Planning and Budget			
Georgia Council for the Arts			
Georgia Challenge Program		9,564.31	9,564.31
OTHER			
Education, Georgia Department of			
Reimbursement for Substitute Teachers	50.00		50.00
	$ 11,393,507.40	$ 217,309.91	$ 11,610,817.31

See notes to the general purpose financial statements.

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2000

SCHEDULE "3"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS
Payments of Principal and Interest on the 1993 Bonds from February 1, 1999 to August 1, 2003	$ 3,160,000.00	$ 3,160,000.00	$ 362,168.51	$ 164,785.85
Acquisition, construction and equipping of a new elementary school and necessary furnishings and equipment, including the acquisition of all necessary real or personal property and equipment, including computers and related technology, adding to, renovating, repairing, improving and equipping existing educational buildings, properties and facilities of the school district and expenses incident thereto	14,040,000.00	14,040,000.00	5,605,443.03	4,362,851.83
	$ 17,200,000.00	$ 17,200,000.00	$ 5,967,611.54	$ 4,527,637.68

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

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

(3) The voters of White 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 general purpose financial statements.

WHITE COUNTY BOARD OF EDUCATION
ANALYSIS OF MINIMUM EXPENDITURE REQUIREMENTS - OVERALL
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS
YEAR ENDED JUNE 30, 2000

SCHEDULE "4"

	FOURTEEN WEIGHTED AND MEDIA CENTER PROGRAMS	100% TEST FOR OPERATIONS PORTION OF FOURTEEN WEIGHTED PROGRAMS
Minimum Expenditure Requirements (Total Allotment)	$ 9,278,191.00	$ 324,953.00
Expenditures on Combined Program Basis		
Salaries	$ 10,451,218.95	
Operations	571,737.11	$ 471,861.68
	$ 11,022,956.06	
Less:		
Expenditures for Media Center Programs in Excess of Total Media Allotment	-128,537.18	
Expenditures per Audit	$ 10,894,418.88	
Amount of Underexpenditure for Total Allotment	$ 0.00	$ 0.00

See notes to the general purpose financial statements.

WHITE COUNTY BOARD OF EDUCATION
ANALYSIS OF MINIMUM EXPENDITURE REQUIREMENTS - BY PROGRAM
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS
YEAR ENDED JUNE 30, 2000

	ALLOTMENTS FROM GEORGIA DEPARTMENT OF			
	ORIGINAL	%	REQUIRED ORIGINAL	MID-TERM
GENERAL AND CAREER EDUCATION PROGRAMS				
Kindergarten (*)	$ 806,126.00		$ 725,513.40	
Grades 1 - 3 (*)	2,011,385.00		1,810,246.50	$ 126,677.00
Sub-Total - K-3	$ 2,817,511.00	90	$ 2,535,759.90	$ 126,677.00
Grades 4 - 5 (*)	988,567.00	90	889,710.30	70,213.00
Grades 6 - 8 (*)	1,507,155.00	90	1,356,439.50	-48,118.00
Grades 9 - 12 (*)	673,469.00	90	606,122.10	2,175.00
High School Laboratories (*)	523,545.00	90	471,190.50	18,548.00
Vocational Education Laboratories (*)	486,466.00	90	437,819.40	-53,832.00
Total General and Career Education Programs	$ 6,996,713.00		$ 6,297,041.70	$ 115,663.00
SPECIAL EDUCATION PROGRAMS				
Regular Programs	$ 1,203,150.00		$ 1,082,835.00	$ 47,810.00
Category I (*)				
Category II (*)				
Category III (*)				
Category IV (*)				
Category V (*)				
Sub-Total - Regular	$ 1,203,150.00	90	$ 1,082,835.00	$ 47,810.00
Category VI (Gifted) (*)	452,846.00	90	407,561.40	60,935.00
Total Special Education Programs	$ 1,655,996.00		$ 1,490,396.40	$ 108,745.00
REMEDIAL EDUCATION PROGRAM (*)	$ 41,312.00	90	$ 37,180.80	$ 48,884.00
Total Fourteen Weighted Programs	$ 8,694,021.00		$ 7,824,618.90	$ 273,292.00
MEDIA CENTER PROGRAMS				
Salaries	$ 242,716.00	90	$ 218,444.40	$ 8,174.00
Operations	57,467.00	100	57,467.00	2,521.00
Total Media Center Programs	$ 300,183.00		$ 275,911.40	$ 10,695.00
Total Fourteen Weighted and Media Center Programs	$ 8,994,204.00		$ 8,100,530.30	$ 283,987.00
STAFF DEVELOPMENT PROGRAMS				
Cost of Instruction	$ 26,044.00		$ 26,044.00	$ 1,209.00
Professional Development	54,208.00		54,208.00	0.00
Total Staff Development Programs	$ 80,252.00	100	$ 80,252.00	$ 1,209.00

(*) Identifies Fourteen Weighted Programs.

See notes to the general purpose financial statements.

EDUCATION	TOTAL REQUIRED	ACTUAL EXPENDITURES SALARIES	OPERATIONS	TOTAL	AMOUNT OF UNDEREXPENDITURE FOR REQUIRED ALLOTMENT
	$ 725,513.40	$ 820,830.06	$ 19,879.93	$ 840,709.99	
	1,936,923.50	2,346,269.33	57,714.76	2,403,984.09	
	$ 2,662,436.90	$ 3,167,099.39	$ 77,594.69	$ 3,244,694.08	$ 0.00
	959,923.30	1,247,756.65	58,221.46	1,305,978.11	0.00
	1,308,321.50	1,370,697.90	112,129.07	1,482,826.97	0.00
	608,297.10	687,123.94	29,149.66	716,273.60	0.00
	489,738.50	980,359.25	77,559.00	1,057,918.25	0.00
	383,987.40	458,693.54	69,371.07	528,064.61	0.00
	$ 6,412,704.70	$ 7,911,730.67	$ 424,024.95	$ 8,335,755.62	
	$ 1,130,645.00				
		$ 111,551.94	$ 1,244.96	$ 112,796.90	
		271,755.31	2,534.78	274,290.09	
		972,772.43	21,115.40	993,887.83	
		145,105.05	2,698.05	147,803.10	
		1,178.30		1,178.30	
	$ 1,130,645.00	$ 1,502,363.03	$ 27,593.19	$ 1,529,956.22	0.00
	468,496.40	565,668.15	19,570.84	585,238.99	0.00
	$ 1,599,141.40	$ 2,068,031.18	$ 47,164.03	$ 2,115,195.21	
	$ 86,064.80	$ 131,917.35	$ 672.70	$ 132,590.05	0.00
	$ 8,097,910.90	$ 10,111,679.20	$ 471,861.68	$ 10,583,540.88	
	$ 226,618.40	$ 339,539.75		$ 339,539.75	0.00
	59,988.00		$ 99,875.43	99,875.43	0.00
	$ 286,606.40	$ 339,539.75	$ 99,875.43	$ 439,415.18	
	$ 8,384,517.30	$ 10,451,218.95	$ 571,737.11	$ 11,022,956.06	$ 0.00
	$ 27,253.00		$ 81,153.56	$ 81,153.56	
	54,208.00		3,704.47	3,704.47	
	$ 81,461.00		$ 84,858.03	$ 84,858.03	$ 0.00

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

DEPARTMENT OF AUDITS AND ACCOUNTS

254 Washington Street, S.W., Suite 214

Atlanta, Georgia 30334-8400

RUSSELL W. HINTON
STATE AUDITOR
(404) 656-2174

July 12, 2001

Honorable Roy E. Barnes, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
White County Board of Education

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Ladies and Gentlemen:

We have audited the financial statements of White County Board of Education as of and for the year ended June 30, 2000, and have issued our report thereon dated July 12, 2001. This report was qualified for a scope limitation and for various departures from generally accepted accounting principles, as identified in the auditor's report on the general purpose financial statements. Except as discussed in the following paragraph, 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.

We did not observe the taking of either the Federal donated commodities inventory or the purchased foods inventory at June 30, 2000, nor could we satisfy ourselves as to the accuracy of the amounts stated as inventories through alternative procedures.

Compliance

As part of obtaining reasonable assurance about whether White 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 grants, 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 that are required to be reported under Government Auditing Standards.

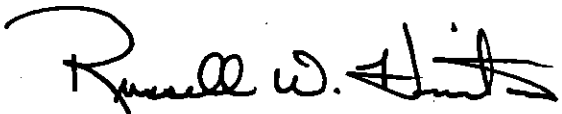
Internal Control Over Financial Reporting

In planning and performing our audit, we considered White County Board of Education's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect White County Board of Education's ability to record, process, summarize and report financial data consistent with assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item FS-7541-00-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above, is considered to be a material weakness.

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

Respectfully submitted,



Russell W. Hinton
State Auditor

RWH:jb
2000YB-40A

DEPARTMENT OF AUDITS AND ACCOUNTS

254 Washington Street, S.W., Suite 214

Atlanta, Georgia 30334-8400

RUSSELL W. HINTON
STATE AUDITOR
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July 12, 2001

Honorable Roy E. Barnes, Governor
Members of the General Assembly
Members of the State Board of Education
and
Superintendent and Members of the
White County Board of Education

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

Ladies and Gentlemen:

Compliance

We have audited the compliance of White County Board of Education with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2000. White County Board of Education's major Federal programs are identified in 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 White County Board of Education's management. Our responsibility is to express an opinion on White County Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the White 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 White County Board of Education's compliance with those requirements.

In our opinion, the White County Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of White County Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered White County Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Respectfully submitted,

Russell W. Hinton
State Auditor

RWH:jb
2000SA-10A

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

WHITE COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2000

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FINDING CONTROL NUMBER AND STATUS

FS-7541-98-02	Further Action Not Warranted
FS-7541-99-01	Previously Reported Corrective Action Implemented
FS-7541-99-02	Unresolved - See Corrective Action/Responses

CORRECTIVE ACTION/RESPONSES

GENERAL FIXED ASSETS
Failure to Maintain General Fixed Assets Account Group
Finding Control Number: FS-7541-99-02

We concur with this recommendation. Due to current staffing limitations and budgetary considerations prohibiting the hiring of additional administrative staff, the Board has decided not to pursue the recording of general fixed assets on the financial statements.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV

FINDINGS AND QUESTIONED COSTS

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2000

I SUMMARY OF AUDITOR'S RESULTS

1. Type of Report Issued on the Financial Statements

   The auditor's opinion on the White County Board of Education's financial statements was qualified for a scope limitation and for various departures from generally accepted accounting principles.

2. Reportable Conditions in Internal Control Disclosed by the Audit of the Financial Statements

   The audit report for the White County Board of Education disclosed a financial statement reportable condition related to the following control category.

   General Fixed Assets

   The reportable condition described above is considered to be a material weakness.

3. Noncompliance Material to the Financial Statements

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

4. Reportable Conditions in Internal Control Over Major Programs

   The audit report for the White County Board of Education did not disclose any reportable conditions in internal control over major programs.

5. Type of Report Issued on Compliance for Major Programs

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

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

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

7. Major Programs

   Federal awards audited as major programs are as follows:

   10.553 Food and Nutrition Program - Food Services - School Breakfast Program
   10.555 Food and Nutrition Program - Food Services - National School Lunch Program
   84.010 Elementary and Secondary Education Act - Title I - Delinquent Children
   84.010 Elementary and Secondary Education Act - Title I - Grants to Local Educational Agencies

8. Type "A" Program Dollar Threshold

   The dollar threshold for type "A" programs was $300,000.00.

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2000

I SUMMARY OF AUDITOR'S RESULTS

9. Low Risk Auditee

The White County Board of Education was audited as a low risk auditee based on a waiver granted by the U. S. Department of Education.

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

GENERAL FIXED ASSETS
Failure to Maintain General Fixed Assets Account Group
Reportable Condition - Material Weakness
Repeated From Prior Year
Finding Control Number: FS-7541-00-01

The White County Board of Education did not maintain a system-wide General Fixed Assets Account Group within the formal accounting records as required by generally accepted accounting principles. This condition results in the general purpose financial statements of the Board being incomplete and not in accordance with generally accepted accounting principles. Appropriate action should be taken by the Board to establish accounting controls and procedures to provide for maintenance of a General Fixed Assets Account Group. These subsidiary records should include an inventory of land, buildings and equipment owned by the Board and should include, but may not be limited to, date acquired, acquisition cost, estimated replacement cost, location and description. Detailed records should be maintained of all additions and deletions to the General Fixed Assets Account Group.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.