WHITE COUNTY BOARD OF EDUCATION
CLEVELAND, GEORGIA

REPORT ON AUDIT
OF THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

STATE OF GEORGIA

DEPARTMENT OF AUDITS AND ACCOUNTS

Russell W. Hinton
State Auditor

WHITE COUNTY BOARD OF EDUCATION

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FINANCIAL

DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

March 9, 2007

Honorable Sonny Perdue, 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 BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Ladies and Gentlemen:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information (Exhibits A through I) of the White County Board of Education, as of and for the year ended June 30, 2006, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the White County Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the White County Board of Education, as of June 30, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

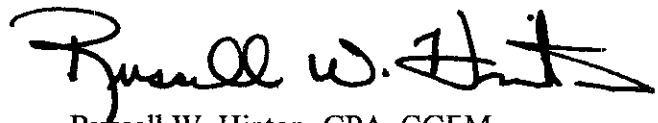
In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2007, on our consideration of the White County Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit

Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, as presented on pages i through vii and page 25 respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the White County Board of Education's basic financial statements. The accompanying supplementary information which consist of Schedules 2 through 5, which includes the Schedule of Expenditures of Federal Awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Respectfully submitted,



Russell W. Hinton, CPA, CGFM
State Auditor

RWH:as
2006ARL-11

WHITE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

INTRODUCTION

Our discussion and analysis of the White County School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2006. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2006 are as follows:

- On the District-wide financial statements, the assets of the School District exceeded liabilities by $36.3 million. Of this amount, $1.95 million is unrestricted and is available for spending at the School District's discretion.

- The School District had $33.9 million in expenses relating to governmental activities; only $19.8 million of these expenses are offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $16.6 million were adequate to provide for these programs.

- As stated above, general revenues accounted for $16.6 million or 45.6% of all revenues totaling $36.4 million. Program specific revenues in the form of charges for services, grants and contributions accounted for the rest.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts; management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the District-wide and fund financial statements.

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. Additionally, other supplementary information (not required) is also presented that further supplements understanding of the financial statements.

District-wide Statements

The District-wide financial statements are basically a consolidation of all of the School District's operating funds into one column called governmental activities. In reviewing the District-wide financial statements, a reader might ask the question, are we in a better financial position than last year? The Statement of Net Assets and the Statement of Activities provides the basis for answering this question. These financial statements include all School District's assets and liabilities and uses the **accrual basis of accounting** similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Fund Financial Statements

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

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for this fiscal year. Net asset comparisons to fiscal year 2005 are available and have been included in the following analysis.

Table 1
Net Assets

	Governmental Activities	
	Fiscal Year 2006	Fiscal Year 2005
Assets		
Current and Other Assets	$ 18,654,144	$ 8,717,144
Capital Assets, Net	39,591,982	39,116,257
Total Assets	$ 58,246,126	$ 47,833,401
Liabilities		
Current and Other Liabilities	$ 3,483,007	$ 3,294,874
Long-Term Liabilities	18,435,000	10,760,000
Total Liabilities	$ 21,918,007	$ 14,054,874
Net Assets		
Invested in Capital Assets, Net of Related Debt	$ 31,140,506	$ 29,135,715
Restricted	3,235,153	2,401,420
Unrestricted	1,952,460	2,241,392
Total Net Assets	$ 36,328,119	$ 33,778,527

Table 2 shows the Changes in Net Assets for this fiscal year. Revenue and Expense comparisons to fiscal year 2005 are available and are included in the following analysis.

Table 2
Change in Net Assets

	Governmental Activities	
	Fiscal Year 2006	Fiscal Year 2005
Revenues		
Program Revenues:		
Charges for Services and Sales	$ 1,079,194	$ 1,020,628
Operating Grants and Contributions	17,778,634	17,124,399
Capital Grants and Contributions	947,474	158,972
Total Program Revenues	$ 19,805,302	$ 18,303,999
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	$ 10,995,083	$ 10,710,493
For Debt Service	313,952	306,417
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Debt Service	2,389,250	2,233,318
For Capital Projects	800,000	573,772
Intangible Recording Tax	513,185	289,550
Real Estate	14,218	114,686
Grants and Contributions not Restricted to Specific Programs	20,507	394,008
Investment Earnings	352,987	202,451
Miscellaneous	873,969	1,003,097
Special Items		
Donated Building	325,000	
Total General Revenues and Special Items	$ 16,598,151	$ 15,827,792
Total Revenues	$ 36,403,453	$ 34,131,791
Program Expenses		
Instruction	$ 21,973,545	$ 20,129,723
Support Services		
Pupil Services	1,169,982	1,111,374
Improvement of Instructional Services	720,631	732,525
Educational Media Services	708,771	721,112
General Administration	702,665	607,367
School Administration	1,932,501	1,848,249
Business Administration	307,262	188,518
Maintenance and Operation of Plant	2,138,192	2,055,998
Student Transportation Services	1,527,441	1,379,077
Central Support Services	98,752	91,749
Other Support Services	182,614	208,697
Operations of Non-Instructional Services		
Enterprise Operations	254,215	328,316
Food Services	1,766,157	1,685,155
Interest on Short-Term and Long-Term Debt	371,133	456,473
Total Expenses	$ 33,853,861	$ 31,544,333
Increase in Net Assets	$ 2,549,592	$ 2,587,458

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting these services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the School District's taxpayers by each activity. Cost of service comparisons to fiscal year 2005 are available and have been included in the following analysis.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2005
Instruction	$ 21,973,545	$ 20,129,723	$ 8,098,825	$ 7,313,420
Support Services				
Pupil Services	1,169,982	1,111,374	510,772	527,136
Improvement of Instructional Services	720,631	732,525	405,834	402,752
Educational Media Services	708,771	721,112	328,367	407,733
General Administration	702,665	607,367	482,383	410,164
School Administration	1,932,501	1,848,249	1,313,213	1,295,451
Business Administration	307,262	188,518	255,145	136,093
Maintenance and Operation of Plant	2,138,192	2,055,998	1,235,856	1,163,942
Student Transportation Services	1,527,441	1,379,077	875,678	764,784
Central Support Services	98,752	91,749	71,543	69,905
Other Support Services	182,614	208,697	156,691	180,501
Operations of Non-Instructional Services				
Enterprise Operations	254,215	328,316	27,253	140,880
Food Services	1,766,157	1,685,155	-84,134	-28,900
Interest on Short-Term and Long-Term Debt	371,133	456,473	371,133	456,473
Total Expenses	$ 33,853,861	$ 31,544,333	$ 14,048,559	$ 13,240,334

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues, special items and other financing sources of $45 86 million and total expenditures and other financing uses of $36.44 million.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the General Fund. During the course of fiscal year 2006, the School District amended its general fund budget as needed.

For the General Fund, the final actual revenues and other financing sources of $31.35 million exceeded the original budgeted amounts of $32.55 million by $1.2 million. The significant change (final actual vs. original budget) was the State accounts receivable for funding July and August salaries and benefits.

The actual revenues of $31.25 million were within $35 thousand of the final budgeted amounts.

The final actual expenditures of $32.54 million were $129 thousand less than the original budgeted amount of $32.67 million. These were salaries and benefits payable.

The final actual expenditures of $32.54 million were $343 thousand less than the final budgeted amount of $32.89 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year ended June 30, 2006, the School District had $39.59 million invested in capital assets, all in governmental activities. Table 4 reflects a summary of these balances by category and accumulated depreciation. Capital assets comparisons to fiscal year 2005 are available and have been included in the following analysis.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2006	Fiscal Year 2005
Land	$ 2,021,886	$ 2,021,886
Construction in Progress	191,295	1,617,519
Buildings and Improvements	34,168,041	31,937,143
Equipment	2,386,797	2,604,456
Land Improvements	823,963	935,253
Total	$ 39,591,982	$ 39,116,257

Due to the ongoing growth in the county, the School District has construction projects including new buildings, additions and renovations.

Debt

At fiscal year ended June 30, 2006, the School District had $18.435 million in bonds outstanding. Table 5 summarizes the School District's debt for general obligation bonds.

Table 5
Debt at June 30

	Governmental Activities	
	Fiscal Year 2006	Fiscal Year 2005
Bonds Payable	$ 18,435,000	$ 10,760,000

CURRENT ISSUES

Currently known facts, decisions or conditions that are expected to have a significant effect on financial positions or results of operations.

- Economic Slowdown - State funding for education has been stagnant and as a result more pressure is being placed on the local school districts to prioritize its educational programs and provide additional local funding. Additional costs to the School District will be required with the continued implementation of House Bill 1187, which mandates lower teacher to student ratios, requiring additional teachers and additional classrooms. Despite these challenges, the White County School District is strong financially and we remain optimistic about the ability of the School District to maximize all of the financial resources to provide a quality education to our students.

- Capital Improvements - The School District plans capital improvements as future capital needs arise due to increased student population and facility repair and maintenance needs Specific capital expenditure plans are formalized in conjunction with individual general obligation bond issues and anticipated annual receipts of capital outlay funds from the State of Georgia Department of Education. The School District regularly monitors anticipated capital outlay needs.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Tom McLean, Finance Director at White County School District, 113 North Brooks Street, Cleveland, GA 30528. Mailing address is same as above. You may also email your question to Mr. McLean at tmclean@white.k12.ga.us

WHITE COUNTY BOARD OF EDUCATION

WHITE COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2006

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 15,414,407
Accounts Receivable, Net	
Taxes	869,755
State Government	2,070,239
Federal Government	252,250
Inventories	47,493
Capital Assets	
Land	2,021,886
Construction in Progress	191,295
Land Improvements	2,658,560
Buildings	38,793,555
Equipment	5,305,057
Less: Accumulated Depreciation	-9,378,371
Total Assets	$ 58,246,126
LIABILITIES	
Accounts Payable	$ 841,190
Salaries Payable	2,641,817
Long-Term Liabilities	
Due Within One Year	2,420,000
Due in More Than One Year	16,015,000
Total Liabilities	$ 21,918,007
NET ASSETS	
Invested in Capital Assets Net of Related Debt	$ 31,140,506
Restricted for	
Continuation of Federal Programs	573,373
Debt Service	2,593,407
Capital Projects	68,373
Unrestricted	1,952,460
Total Net Assets	$ 36,328,119
Total Liabilities and Net Assets	$ 58,246,126

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

WHITE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30 2006

	EXPENSES	CHARGES FOR SERVICES
GOVERNMENTAL ACTIVITIES		
Instruction	$ 21,973,545	$ 3,036
Support Services		
Pupil Services	1,169,982	
Improvement of Instructional Services	720,631	
Educational Media Services	708,771	
General Administration	702,665	
School Administration	1,932,501	
Business Administration	307,262	
Maintenance and Operation of Plant	2,138,192	
Student Transportation Services	1,527,441	
Central Support Services	98,752	
Other Support Services	182,614	
Operations of Non-Instructional Services		
Enterprise Operations	254,215	223,594
Food Services	1,766,157	852,564
Interest on Short-Term and Long-Term Debt	371,133	
Total Governmental Activities	$ 33,853,861	$ 1,079,194
General Revenues		
Taxes		
Property Taxes		
For Maintenance and Operations		
For Debt Services		
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Debt Services		
For Capital Projects		
Intangible Recording Tax		
Real Estate		
Grants and Contributions not Restricted to Specific Programs		
Investment Earnings		
Miscellaneous		
Special Items		
Donated Building		
Total General Revenues and Special Items		
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
$ 13 099,340	$ 772 344	$ -8 098 825
621,043	38 167	-510 772
314 736	61	-405,834
380,404		-328 367
220 282		-482,383
619,288		-1 313 213
52,117		-255,145
900,918	1 418	-1,235 856
554,163	97 600	-875 678
27,209		-71,543
25,923		-156,691
	3,368	-27 253
963,211	34,516	84,134
		-371,133
$ 17,778,634	$ 947,474	$ -14,048,559
		$ 10 995 083
		313 952
		2,389,250
		800 000
		513 185
		14,218
		20 507
		352,987
		873,969
		325,000
		$ 16,598,151
		$ 2 549 592
		33,778,527
		$ 36,328,119

WHITE COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30 2006

EXHIBIT "C"

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 3 425,028	$ 10,579 167	$ 1,410 212	$ 15 414,407
Accounts Receivable, Net				
Taxes			569 843	569 843
State Government	2 070,239			2,070,239
Federal Government	252 250			252 250
Inventories	47,493			47,493
Total Assets	$ 5,795,010	$ 10,579,167	$ 1,980,055	$ 18,354,232
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 841,190			$ 841,190
Salaries Payable	2,641,817			2,641,817
Total Liabilities	$ 3,483,007			$ 3,483,007
FUND BALANCES				
Reserved for:				
Continuation of Federal Programs	$ 525,880			$ 525 880
Debt Service		$ 604 639	$ 1,980,055	2,584 694
Inventories	47,493			47,493
Capital Projects		9 150,471		9,150,471
Unreserved				
Undesignated Reported in:				
General Fund	1 738,630			1 738,630
Capital Projects		824,057		824,057
Total Fund Balances	$ 2,312,003	$ 10,579,167	$ 1,980,055	$ 14,871,225
Total Liabilities and Fund Balances	$ 5,795,010	$ 10,579,167	$ 1,980,055	$ 18,354,232

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

WHITE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2006

EXHIBIT "D"

Total Fund Balances - Governmental Funds (Exhibit "C")		$ 14,871,225
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	$ 2 021 886	
Construction in Progress	191,295	
Land Improvements	2,658,560	
Buildings	38,793,555	
Equipment	5 305 057	
Accumulated Depreciation	-9,378,371	
Total Capital Assets		39 591,982
Some of the School District's property tax revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures		299,912
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		-18,435,000
Net Assets of Governmental Activities (Exhibit "A")		$ 36,328,119

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

WHITE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30 2006

EXHIBIT "E"

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 10,668,310		$ 304,687	$ 10 972 997
Sales Taxes	527 403	$ 800,000	2 389,250	3 716,653
State Funds	15 215,689	849 874		16,065,563
Federal Funds	2,681,052			2,681 052
Charges for Services	1,079 194			1 079 194
Investment Earnings	207 006	83 060	62,921	352,987
Miscellaneous	872,937	500	14,520	887,957
Total Revenues	$ 31,251,591	$ 1,733,434	$ 2,771,378	$ 35,756,403
EXPENDITURES				
Current				
Instruction	$ 21,216,494			$ 21,216 494
Support Services				
Pupil Services	1 121,165			1 121,165
Improvement of Instructional Services	720,555			720 555
Educational Media Services	715,771			715,771
General Administration	702,665			702,665
School Administration	1,932,501			1,932,501
Business Administration	189,152	$ 118 110		307,262
Maintenance and Operation of Plant	2 204,358			2,204,358
Student Transportation Services	1 445 685			1,445 685
Central Support Services	98,752			98,752
Other Support Services	182 614			182 614
Enterprise Operations	250,022			250,022
Food Services Operation	1 765 250			1 765 250
Capital Outlay		984,347		984,347
Debt Services				
Principal			$ 2,325 000	2,325,000
Interest			371,133	371,133
Total Expenditures	$ 32,544,984	$ 1,102,457	$ 2,696,133	$ 36,343,574
Excess of Revenues over (under) Expenditures	$ -1,293,393	$ 630,977	$ 75,245	$ -587,171
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Capital-Related Debt		$ 10 000,000		$ 10,000,000
Transfers In	$ 100,000		$ 5	100,005
Transfers Out		-100,005		-100,005
Total Other Financing Sources (Uses)	$ 100,000	$ 9,899,995	$ 5	$ 10,000,000
Net Change in Fund Balances	$ -1 193 393	$ 10,530,972	$ 75 250	$ 9 412,829
Fund Balances - Beginning	3,505,396	48,195	1,904,805	5,458,396
Fund Balances - Ending	$ 2,312,003	$ 10,579,167	$ 1,980,055	$ 14,871,225

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

WHITE 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, 2006

EXHIBIT "F"

Total Net Change in Fund Balances - Governmental Funds (Exhibit "E")		$ 9,412 829
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	$ 1 163 483	
Depreciation Expense	-998,771	
Excess of Capital Outlay over Depreciation Expense		164,712
Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues		336 039
In the Statement of Activities, only the gain on the sale of the equipment is reported, whereas in the Governmental Funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the carrying value of the equipment sold		-13,988
Bond proceeds provide current financial resources to Governmental Funds; however, issuing debt increases Long-Term Liabilities in the Statement of Net Assets. In the current period, proceeds were received from:		
General Obligation Bonds Issued		-10 000,000
Donated Capital Assets are not reported in Governmental Funds. However, in the Statement of Activities, the donated value is shown as a Special Item		
Donated Buildings		325,000
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		2,325,000
Change in Net Assets of Governmental Activities (Exhibit "B")		$ 2,549,592

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

WHITE COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006

EXHIBIT "G"

	PRIVATE PURPOSE TRUSTS	AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents	$ 17,879	$ 94,083
Investments		
Certificate of Deposit	23,544	
Total Assets	$ 41,423	$ 94,083
LIABILITIES		
Funds Held for Others		$ 94,083
NET ASSETS		
Held in Trust for Private Purposes	$ 41,423	
Total Liabilities and Net Assets	$ 41,423	$ 94,083

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

WHITE COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2006

EXHIBIT "H"

	PRIVATE PURPOSE TRUSTS
ADDITIONS	
Contributions	
Donors	$ 5,244
Investment Earnings	
Interest	718
Total Additions	$ 5,962
DEDUCTIONS	
Scholarships	2,000
Change in Net Assets	$ 3,962
Net Assets - Beginning	37,461
Net Assets - Ending	$ 41,423

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

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

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District reports the following major governmental funds:

- General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.

- District-wide Capital Projects Fund accounts for financial resources including Special Purpose Local Option Sales Tax (SPLOST), Bond Proceeds and grants from Georgia State Financing and Investment Commission to be used for the acquisition, construction or renovation of major capital facilities.

- Debt Service Fund accounts for taxes (property and sales) legally restricted for the payment of general long-term principal, interest and paying agent's fees.

The School District reports the following fiduciary fund types:

- Private Purpose Trust fund reports trust arrangements under which principal is to be invested and preserved intact with the resultant income to be used to provide awards or scholarships.

- 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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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.

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. Georgia Laws OCGA 45-8-14 authorize the School District to deposit its funds in one or more solvent banks or insured Federal savings 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,

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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.

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

RECEIVABLES

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

PROPERTY TAXES

The White County Board of Commissioners fixed the property tax levy for the 2005 tax digest year (calendar year) on September 22, 2005 (levy date). Taxes were due on December 20, 2005 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2005 tax digest are reported as revenue in the governmental funds for fiscal year 2006. The White 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, 2006, for maintenance and operations amounted to $10,668,310 and for school bonds amounted to $304,687.

Tax millage rates levied for the 2005 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	13.215 mills
School Bonds	.364 mills
	13.579 mills

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SALES TAXES

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $3,189,250 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.

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.

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

	Capitalization Policy	Estimated Useful Life
Land	Any Amount	N/A
Land Improvements	$5,000 or more	20 years
Buildings and Improvements	$5,000 or more	up to 80 years
Equipment	$5,000 or more	5 to 20 years

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL OBLIGATION BONDS

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bond issuance costs are recognized in the financial statements during the fiscal year bonds are issued. In addition, general obligation bonds have been issued to refund existing general obligation bonds. 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.

Note 3: DEPOSITS

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.

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

(1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,

(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,

(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

Note 3: DEPOSITS

(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, 2006, the bank balances were $16,287,259. The amounts of the total bank balances are classified into four categories of custodial credit risk:

Category 1 - Cash that is insured (e.g., Federal Deposit Insurance) or collateralized with securities held by the School District or by the School District's agent in the School District's name.
Category 2 - Cash collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.
Category 3 - Cash collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the School District's name.
Category 4 - Uncollateralized.

The School District's deposits are classified by custodial credit risk category at June 30, 2006, as follows:

Custodial Credit Risk Category	Bank Balance
1	$ 161,344
2	0
3	16,125,915
4	0
Total	$ 16,287,259

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:

Note 5: CAPITAL ASSETS

	Balances July 1, 2005	Increases	Decreases	Balances June 30, 2006
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 2,021,886			$ 2,021,886
Construction in Progress	1,617,519	$ 191,295	$ 1,617,519	191,295
Total Capital Assets Not Being Depreciated	$ 3,639,405	$ 191,295	$ 1,617,519	$ 2,213,181
Capital Assets Being Depreciated				
Buildings and Improvements	$ 36,096,859	$ 2,696,696		$ 38,793,555
Equipment	6,740,317	206,512	$ 1,641,772	5,305,057
Land Improvements	2,647,060	11,500		2,658,560
Less Accumulated Depreciation for:				
Buildings and Improvements	4,159,716	465,798		4,625,514
Equipment	4,135,861	410,183	1,627,784	2,918,260
Land Improvements	1,711,807	122,790		1,834,597
Total Capital Assets, Being Depreciated, Net	$ 35,476,852	$ 1,915,937	$ 13,988	$ 37,378,801
Governmental Activity Capital Assets - Net	$ 39,116,257	$ 2,107,232	$ 1,631,507	$ 39,591,982

Current year depreciation expense by function is as follows:

Instruction		$ 715,260
Support Services		
Pupil Services	$ 45,736	
Improvements of Instructional Services	71	
Maintenance and Operation of Plant	1,663	
Student Transportation Services	191,401	238,871
Enterprise Operations		3,921
Food Services		40,719
		$ 998,771

Note 6: RESTRICTED ASSETS

Special Purpose Local Option Sales Tax (SPLOST), general obligation bond proceeds, property tax levied specifically for retirement of outstanding bond principal, interest and paying agent's fees (Debt Service Funds) are reported as restricted assets in the Statement of Net Assets because their use is limited by applicable bond covenants or statutory provisions. Restricted assets at June 30, 2006, were as follows:

Note 6: RESTRICTED ASSETS

	District-wide Capital Projects Bond Proceeds	Debt Service Funds
Restricted Cash and Cash Equivalents:		
Debt Services	$ 604,639	$ 1,410,212
Capital Acquisitions	$ 9,150,471	

Note 7: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2006, consisted of the following:

Transfer to	Transfers From District-wide Capital Projects
General Fund	$ 100,000
Debt Service Fund	5
Total	$ 100,005

Transfers are used to reimburse the General Fund for a prior fiscal year transfer of local funds to the District-wide Capital Projects Fund, and to move local funds to Debt Service Fund as an opening deposit for a new bank account.

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

Note 8: RISK MANAGEMENT

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
2005	$ 0	$ 5,700	$ 5,700	$ 0
2006	$ 0	$ 0	$ 0	$ 0

The School District 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 School District 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 Safety National Casualty Corporation to provide coverage for potential losses sustained by the Fund in excess of $400,000 loss per occurrence, up to $1,000,000.

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

Position Covered	Amount
All Employees	$ 100,000

Note 9: SHORT-TERM DEBT

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

Note 9: SHORT-TERM DEBT

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

	Beginning Balance	Issued	Redeemed	Ending Balance
Temporary Loans	$ 0	$ 885,000	$ 885,000	$ 0

Note 10: LONG-TERM DEBT

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

Purpose	Interest Rates	Amount
General Government - Series 2001	4.05%	$ 3,910,000
General Government - Refunding - Series 2003	2.90%	4,525,000
General Government - Series 2006	3.60% - 3.73%	10,000,000
		$ 18,435,000

The changes in Long-Term Debt during the fiscal year ended June 30, 2006, were as follows:

	Governmental Funds General Obligation Bonds
Balance July 1, 2005	$ 10,760,000
Additions	
G. O. Bonds	10,000,000
Deductions	
Debt Retired	2,325,000
Balance June 30, 2006	$ 18,435,000
Portion of Long-Term Debt Due within One Year	$ 2,420,000

Note 10: LONG-TERM DEBT

At June 30, 2006, payments due by fiscal year which includes principal and interest for these items are as follows:

Fiscal Year Ended June 30	General Obligation Debt Principal	General Obligation Debt Interest
2007	$ 2,420,000	$ 542,699
2008	2,515,000	560,426
2009	2,390,000	464,331
2010	2,485,000	381,674
2011	2,570,000	293,414
2012 - 2016	6,055,000	318,553
Total Principal and Interest	$ 18,435,000	$ 2,561,097

Note 11: SPECIAL ITEMS

In the fiscal year 2006, the White County Board of Education received a building donation from concerned parents of softball and baseball players. The asset is recorded at estimated fair market value at the date donated. The donation is reported as a special item on the Statement of Activities.

Note 12: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2006:

Project	Unearned Executed Contracts
White County Middle School Fieldhouse	$ 11,185
Mossy Creek Elementary School	9,689,010
	$ 9,700,195

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

Note 13: 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 14: RETIREMENT PLANS

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

TRS PLAN DESCRIPTION

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

TRS CONTRIBUTIONS REQUIRED AND MADE

Employees of the School District who are covered by TRS are required by State statute to contribute 5% of their gross earnings to TRS. The School District makes monthly employer contributions to TRS at rates adopted by the TRS Board of Trustees in accordance with State statute and as advised by their independent actuary. The required employer contribution rate is 9.24% and employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2006	100%	$ 1,652,852
2005	100%	$ 1,571,871
2004	100%	$ 1,486,790

WHITE COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30 2006

SCHEDULE "1"

	NONAPPROPRIATED BUDGETS ORIGINAL	NONAPPROPRIATED BUDGETS FINAL	ACTUAL AMOUNTS
REVENUES			
Property Taxes	$ 10 916 300	$ 10 916 300	$ 10 668 310
Sales Taxes			527,403
State Funds	15 005 516	14 870,018	15 215 689
Federal Funds	3 030 942	3,221 432	2 681 052
Charges for Services	1 590,700	905 000	1,079,194
Investment Earnings	130 470	130 400	207 006
Miscellaneous	538,500	1,243,760	872,937
Total Revenues	$ 31,212,428	$ 31,286,910	$ 31,251,591
EXPENDITURES			
Current			
Instruction	$ 21 380 589	$ 21 493 995	$ 21 216 494
Support Services			
Pupil Services	1 114 902	1 131,532	1,121,165
Improvement of Instructional Services	786 254	802 792	720,555
Educational Media Services	732 105	725 383	715 771
General Administration	631 454	633,312	702,665
School Administration	1 933,317	1,961,007	1,932,501
Business Administration	196,780	196 780	189 152
Maintenance and Operation of Plant	2,121,245	2 120 970	2 204 358
Student Transportation Services	1 341,225	1 382,660	1 445 685
Central Support Services	104 805	104 805	98 752
Other Support Services	160 455	163 415	182 614
Enterprise Operations	360 000	360 000	250 022
Food Services Operation	1,811,250	1,811,254	1,765,250
Total Expenditures	$ 32,674,381	$ 32,887,905	$ 32,544,984
Excess of Revenues over (under) Expenditures	$ -1,461,953	$ -1,600,995	$ -1,293,393
OTHER FINANCING SOURCES (USES)			
Other Sources	$ 1,336 322	$ 825 345	$ 100 000
Other Uses	-1,112,495	-825,345	
Total Other Financing Sources (Uses)	$ 223,827	$ 0	$ 100,000
Net Change in Fund Balances	$ -1 238,126	$ -1 600,995	$ -1 193 393
Fund Balances - Beginning	4,261,218	4,268,309	3,505,396
Fund Balances - Ending	$ 3,023,092	$ 2,667,314	$ 2,312,003

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

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

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2006

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	$ 1,592,741
Total Child Nutrition Cluster				$ 1,592,741
Other Programs				
Pass-Through From Georgia Department of Education				
Food Donation (1)		10.550	N/A	79,644
Pass-Through From Office of Treasury and Fiscal Services				
National Forest Reserve Funds		10.665	N/A	(3)
Total U S Department of Agriculture				$ 1,672,385
Corporation for National and Community Service				
Pass-Through From Georgia Department of Education				
Learn and Serve America				
School and Community Based Programs		94.004	N/A	$ 30,204
Education, U. S Department of				
Special Education Cluster				
Pass-Through From Georgia Department of Education				
Special Education				
Grants to States	*	84.027	N/A	$ 609,843
Preschool Grants	*	84.173	N/A	19,487
Total Special Education Cluster				$ 629,330
Other Programs				
Pass-Through From Georgia Department of Education				
English Language Acquisition Grants		84.365	N/A	917
Enhancing Education Through Technology Program		84.318	N/A	14,667
Hurricane Education Recovery		84.938	N/A	(4)
Improving Teacher Quality State Grants		84.367	N/A	137,901
Migrant Education		84.011	N/A	950
Safe and Drug-Free Schools and Communities		84.186	N/A	21,576
State Grants for Innovative Programs		84.298	N/A	10,511
Title I Grants to Local Educational Agencies	*	84.010	N/A	827,113
Vocational Education - Basic Grants to States		84.048	N/A	40,887
Total U. S Department of Education				$ 1,683,852
Health and Human Services U. S Department of				
Pass-Through From Ninth District Opportunity, Incorporated				
Head Start		93.600	N/A	$ 76,526
Total Federal Financial Assistance				$ 3,462,967

N/A = Not Available

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2006

SCHEDULE "2"

Notes to the Schedule of Expenditures of Federal Awards

(1) The amount shown for the Food Donation Program represents the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School District during the current fiscal year.
(2) Expenditures for the funds earned on the School Breakfast Program ($192,837) were not maintained separately and are included in the 2006 National School Lunch Program.
(3) Funds earned on this program, in the amount of $20,507 do not require reporting of expenditures.
(4) Funds earned on the Hurricane Education Recovery program in the amount of $7,445, do not require reporting of expenditures

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

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

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the 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 fund financial statements.

See notes to the basic financial statements

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30 2006

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	$ 239,874		$ 239,874
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	989 302		989,302
Kindergarten Program - Early Intervention Program	129,456		129,456
Primary Grades (1-3) Program	2 369 686		2,369,686
Primary Grades - Early Intervention (1-3) Program	287 601		287,601
Upper Elementary Grades (4-5) Program	1 172,821		1 172 821
Upper Elementary Grades - Early Intervention (4-5) Program	193 213		193,213
Middle Grades (6-8) Program	2,070,775		2 070,775
High School General Education (9-12) Program	1,439 358		1,439 358
Vocational Laboratory (9-12) Program	798,532		798,532
Students with Disabilities			
Category I	141 270		141 270
Category II	135,011		135,011
Category III	1,099,882		1 099,882
Category IV	382 626		382 626
Category V	194,236		194,236
Gifted Student - Category VI	407,441		407,441
Remedial Education Program	6 427		6,427
Alternative Education Program	156,174		156,174
English Speakers of Other Languages (ESOL)	61 860		61 860
Media Center Program	330,746		330 746
20 Days Additional Instruction	105,423		105,423
Staff and Professional Development	65 095		65 095
Indirect Cost			
Central Administration	458,392		458,392
School Administration	717,878		717,878
Facility Maintenance and Operations	899 988		899 988
Categorical Grants			
Pupil Transportation			
Regular	537,913		537,913
Bus Replacement	97,600		97 600
Sparsity Alternative Program	20,000		20,000
Nursing Services	83,467		83,467
Principal Supplements	12 961		12,961
Migrant Education	8,650		8,650
Food Services	97,468		97 468
Vocational Education	102,061		102,061
Austerity Reduction	-850,984		-850,984
Other State Programs			
National Teacher Certification	44,487		44,487
Preschool Handicapped Program	49 931		49,931
Statewide Local Education Improvement	60,273		60 273
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects		$ 849,874	849,874

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2006

SCHEDULE "3"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
CONTRACT			
Human Resources. Georgia Department of Family Connection	$ 98,795		$ 98,795
	$ 15,215,689	$ 849,874	$ 16,065,563

See notes to the basic financial statements

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30 2006

SCHEDULE "4"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	PROJECT STATUS
Acquisition construction and equipping one new elementary school; adding to renovating, repairing improving and equipping existing school buildings; acquiring computers and computer technology equipment for the school system, and acquisition of land for additional schools	$ 16 750.000	$ 20 663 324	$ 993 973	$ 10,489 463	Ongoing
Paying a portion of the principal and interest due on the White County School District's Series 1993 General Obligation Bonds from August 1 2003 through and including February 1 2008	2 250 000	2 250,000	623 258	231,565	Ongoing
Acquiring constructing and equipping one new elementary school; acquiring constructing and equipping a new gymnasium at the existing middle school; acquiring computers and computer technology equipment; acquiring constructing and equipping a new agriculture exhibition facility; adding to, constructing, renovating repairing, improving and equipping school system buildings and facilities; including but not limited to athletic and fine arts facilities and security improvements and equipment; acquiring heating air conditioning and energy efficiency equipment; acquiring textbooks and other instructional materials and transportation equipment; paying a portion of the principal and interest due on the School District's Series 2003 General Obligation Bonds from August 1 2008 through and including February 1 2013 (the maximum amount of such payments not to exceed $1 600 000)	19,000,000	19,000,000	313,263		Ongoing
	$ 38,000,000	$ 41,913,324	$ 1,930,494	$ 10,721,028	

(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 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

(4) During fiscal year 2003 the White County Board of Education issued General Obligation Refunding Bond Issue 2003 to refund portions of the 1993 Bond Issue The amount expended in the Current Year includes debt service on the replacement refunding issues

See notes to the basic financial statements

WHITE COUNTY BOARD OF EDUCATION
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAM (QBE)
ALLOTMENTS AND EXPENDITURES BY PROGRAM
YEAR ENDED JUNE 30 2006

SCHEDULE "5"

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2)	ELIGIBLE QBE PROGRAM COSTS SALARIES	OPERATIONS	TOTAL
Direct Instructional Programs				
Kindergarten Program	$ 1 236,113	$ 1 323 151	$ 43,225	$ 1 366,376
Kindergarten Program-Early Intervention Program	159 653	161 094	6 279	167 373
Primary Grades (1-3) Program	2 929,285	3 593 225	124,972	3 718 197
Primary Grades-Early Intervention (1-3) Program	347 790	383 513	2 356	385,869
Upper Elementary Grades (4-5) Program	1 435 198	1 994,035	218 028	2 212,063
Upper Elementary Grades-Early Intervention (4-5) Program	262,917	268 754		268 754
Middle School (6-8) Program	2 558 934	3,180 266	221 576	3 401,842
High School General Education (9-12) Program	1 792,124	3 301,605	246,798	3 548 403
Vocational Laboratory (9-12) Program	972 775	825 389	96 418	921 807
Students with Disabilities	2,425,894			
Category I		196,497		196 497
Category II		404,431	2,579	407 010
Category III		1 931 745	77,773	2,009 518
Category IV		427 458	4 386	431,844
Gifted Student - Category VI	514,743	644 319	14 056	658,375
Remedial Education Program	11 717	10,546	1,013	11 559
Alternative Education Program	193,000	205 452	15 000	220 452
English Speakers of Other Languages (ESOL)	66,100	32,407		32,407
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	$ 14,906,243	$ 18,883,887	$ 1,074 459	$ 19,958 346
Media Center Program	409,522	583,599	154,820	738 419
Staff and Professional Development	81,280	29,998	47,737	77,735
TOTAL QBE FORMULA FUNDS	$ 15,397,045	$ 19,497,484	$ 1,277,016	$ 20,774,500

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

(2) Allotments do not include the impact of the State budget austerity reduction

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

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

March 9, 2007

Honorable Sonny Perdue, 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 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 White County Board of Education as of and for the year ended June 30, 2006, which collectively comprise White County Board of Education's basic financial statements and have issued our report thereon dated March 9, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered White County Board of Education's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion 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-7541-06-01.

A material weakness is a reportable 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 caused by error or fraud 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, we believe the reportable condition described above is not a material weakness.

Compliance and Other Matters

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 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.

This report is intended solely for the information and use of the management and members of the White County Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Russell W. Hinton, CPA, CGFM
State Auditor

RWH:as
2006YB-30

DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

March 9, 2007

Honorable Sonny Perdue, 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, 2006. White 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 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, 2006.

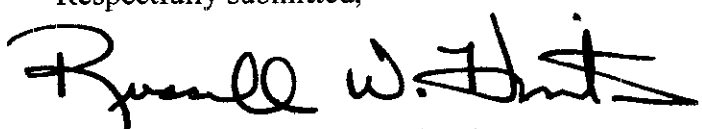
Internal Control Over Compliance

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 reportable 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 caused by error or fraud 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 the 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, CPA, CGFM
State Auditor

RWH:as
2006SA-10

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, 2006

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FINDING CONTROL NUMBER AND STATUS

FS-7541-04-01	Further Action Not Warranted
FS-7541-05-01	Previously Reported Corrective Action Implemented

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, 2006

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 unqualified.

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.

   Capital Assets

   The reportable condition described above is not 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:

84.010	Title I Grants to Local Educational Agencies
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants

8. Type "A" Program Dollar Threshold

   The dollar threshold for type "A" programs was $300,000.

9. Low Risk Auditee

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

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2006

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

CAPITAL ASSETS
Failure to Adequately Maintain Capital Assets
Reportable Condition
Finding Control Number: FS-7541-06-01

Condition: The School District failed to adequately maintain and record capital assets.

Criteria: Chapter 37 *Fixed Assets* of the Financial Management for Local Units of Administration indicates that School Districts must establish fixed asset policies, define system requirements, implement a fixed asset system and maintain fixed asset inventory records.

Questioned Cost: N/A

Information: Current year depreciation expense was calculated at one-half of a year (six months), rather than a full year (twelve months), for all capital assets being depreciated. This resulted in current year depreciation expense and accumulated depreciation being understated by $486,202 and Capital Assets, Net being overstated by this same amount. An audit adjustment was made to correct this error.

Cause: The School District failed to monitor the fixed asset module activity related to the automated annual depreciation expense calculation. The School District's approved capital assets policy identifies the Straight-Line "Half-Year Convention" method for calculating depreciation. This method expenses six months of depreciation in the first and last years of an assets useful life. For fiscal year 2006, the asset module utilized the "Half-Year Convention" for all assets being depreciated.

Effect: The failure of the School District to maintain an accurate capital assets listing could lead to inaccurate internal and external reporting.

Recommendation: The School District should implement procedures to ensure that the fixed asset module is producing accurate and reliable information.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION V

MANAGEMENT'S RESPONSES

WHITE COUNTY BOARD OF EDUCATION
SCHEDULE OF MANAGEMENT'S RESPONSES
YEAR ENDED JUNE 30, 2006

Finding Control Number: FS-7541-06-01

We concur with this finding. Central Office personnel will closely review all data before it is submitted to the auditors. The system does not anticipate a finding in this area again.

Contact Person: Tom McLean, Finance Director
Phone: (706) 865-2315 Fax Number: (706) 865-7784
E-mail Address: tmclean@white.k12.ga.us