



DUKE COGEMA  
STONE & WEBSTER

Document Control Desk  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

21 November 2002  
DCS-NRC-000119  
Response Required: *No*

SUBJECT: Docket Number 070-03098  
Duke Cogema Stone and Webster  
Mixed Oxide Fuel Fabrication Facility  
Additional Response to the Request for Additional Information on the  
Environmental Report Revisions 1 & 2 – Item Number 19

Reference: Peter S. Hastings (DCS) letter to U.S. Nuclear Regulatory Commission Document  
Control Desk, *Responses to the Request for Additional Information on the  
Environmental Report Revisions 1 & 2*, 29 October 2002

On 29 October 2002, Duke Cogema Stone and Webster (DCS) provided responses to the U.S. Nuclear  
Regulatory Commission (NRC) Request for Additional Information dated 03 October 2002. Item  
Number 19 requested copies of financial reports from various local school districts. We have just  
received information from the Richmond County (Ga.) School District. That information is provided as  
an enclosure to this letter.

If you have any questions, please contact me at 704-373-7820 or Mary Birch at 704-382-1401.

Sincerely,

Peter S. Hastings, P.E.  
Manager, Licensing and Safety Analysis

Enclosures: 1) Richmond County School District Financial Report

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PRA/EDMS: Corresp/Outgoing/NRC/Licensing/DCS-NRC-000119

*NMSSC*

**STATE OF GEORGIA  
DEPARTMENT OF AUDITS AND ACCOUNTS**



**RICHMOND COUNTY BOARD OF EDUCATION  
AUGUSTA, GEORGIA**

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

**Russell W. Hinton  
State Auditor**

RICHMOND COUNTY BOARD OF EDUCATION

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RICHMOND COUNTY BOARD OF EDUCATION

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RICHMOND COUNTY BOARD OF EDUCATION

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SECTION I

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

February 22, 2001

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

Superintendent and Members of the  
Richmond 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 Richmond 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 Richmond 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 generally accepted auditing standards 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 the consumable supplies 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 General Fund, as might have been determined to be necessary had we been able to satisfy ourselves as to the accuracy of the consumable supplies inventory 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 Richmond County Board of Education as of June 30, 2000, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 22, 2001, on our consideration of the Richmond 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.

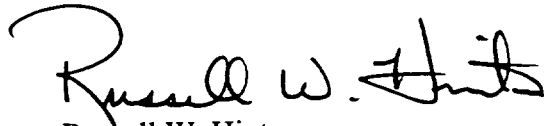
Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Richmond County Board of Education taken as a whole. The accompanying combining statements (Exhibits E through M) and the financial schedules (Schedules 1 through 5),



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 General Fund, as might have been determined to be necessary had we been able to satisfy ourselves as to the accuracy of the consumable supplies inventory 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,

A handwritten signature in black ink, appearing to read "Russell W. Hinton". The signature is fluid and cursive, with a large initial "R" and a stylized "H".

Russell W. Hinton  
State Auditor

RWH:gp  
2000ARL-13

RICHMOND COUNTY BOARD OF EDUCATION

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

<u>ASSETS</u>	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>
Cash and Cash Equivalents	\$ 3,214,240.21	\$ 3,801,072.56	\$ 1,565,115.05
Investments	16,608,018.82		42,297,217.07
Accounts Receivable	2,441,968.76	4,125,608.87	5,864,002.62
Inventories			
Consumable Supplies	3,478,245.98	39,071.37	
Food			
Donated Commodities		142,661.14	
Purchased Food		127,054.25	
Amount Available in Debt Service Fund			
Amount to be Provided in Future Years			
For Payment of:			
Bond Debt			
Capital Lease Agreements			
Compensated Absences			
 Total Assets	 \$ <u>25,742,473.77</u>	 \$ <u>8,235,468.19</u>	 \$ <u>49,726,334.74</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,165,368.28	\$ 613,568.93	\$ 3,183.52
Salaries Payable		2,259,970.51	
Expired Grant Balances Payable	71,106.22	38,050.39	
Contracts Payable			3,226,378.47
Retainages Payable			1,864,318.79
Funds Held for Others			
Capital Lease Agreements			
Compensated Absences			
General Obligation Bonds Payable			
 Total Liabilities	 \$ <u>4,236,474.50</u>	 \$ <u>2,911,589.83</u>	 \$ <u>5,093,880.78</u>
 <u>FUND EQUITY</u>			
Fund Balances			
Reserved			
For Arbitrage Rebate Tax			\$ 920,175.00
For Continuation of Federal Programs		\$ 149.24	
For Debt Service			
For Encumbrances	\$ 423,955.72	119,059.87	
For Inventories			
Consumable Supplies	3,478,245.98	39,071.37	
Food			
Donated Commodities		142,661.14	
Purchased Food		127,054.25	
For Purpose of Bond Issue			10,561,573.52
For SPLOST Projects			27,388,291.64
For State Capital Outlay Projects			5,679,511.40
Unreserved			
Undesignated	17,603,797.57	4,895,882.49	82,902.40
 Total Fund Equity	 \$ <u>21,505,999.27</u>	 \$ <u>5,323,878.36</u>	 \$ <u>44,632,453.96</u>
 Total Liabilities and Fund Equity	 \$ <u>25,742,473.77</u>	 \$ <u>8,235,468.19</u>	 \$ <u>49,726,334.74</u>

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

## EXHIBIT "A"

DEBT SERVICE FUND	FIDUCIARY FUND TYPES TRUST AND AGENCY FUNDS	ACCOUNT GROUP GENERAL LONG-TERM DEBT	TOTALS (Memorandum Only)	
			JUNE 30, 2000	JUNE 30, 1999
\$ 6,584,098.02	\$ 97,617.84		\$ 15,262,143.68	\$ 19,044,831.16
2,836.61			58,908,072.50	71,392,402.45
176,943.81			12,608,524.06	10,749,576.48
			3,517,317.35	3,260,766.22
			142,661.14	111,585.16
			127,054.25	117,746.88
		\$ 6,763,878.44	6,763,878.44	23,097,374.05
		69,006,121.56	69,006,121.56	74,942,625.95
		17,471,348.79	17,471,348.79	19,357,818.31
		1,006,836.56	1,006,836.56	856,767.56
<u>\$ 6,763,878.44</u>	<u>\$ 97,617.84</u>	<u>\$ 94,248,185.35</u>	<u>\$ 184,813,958.33</u>	<u>\$ 222,931,494.22</u>
			\$ 4,782,120.73	\$ 4,462,911.02
			2,259,970.51	1,899,149.57
			109,156.61	74,950.34
			3,226,378.47	3,421,520.53
			1,864,318.79	2,651,768.70
	\$ 34,534.43		34,534.43	55,996.37
		\$ 17,471,348.79	17,471,348.79	19,357,818.31
		1,006,836.56	1,006,836.56	856,767.56
		<u>75,770,000.00</u>	<u>75,770,000.00</u>	<u>98,040,000.00</u>
	<u>\$ 34,534.43</u>	<u>\$ 94,248,185.35</u>	<u>\$ 106,524,664.89</u>	<u>\$ 130,820,882.40</u>
			\$ 920,175.00	
			149.24	
\$ 6,763,878.44			6,763,878.44	\$ 23,097,374.05
			543,015.59	2,444,066.23
			3,517,317.35	3,246,601.41
			142,661.14	111,585.16
			127,054.25	117,746.88
			10,561,573.52	35,612,227.61
			27,388,291.64	
			5,679,511.40	11,525,477.63
	0.00	\$ 63,083.41	<u>22,645,665.87</u>	<u>15,955,532.85</u>
<u>\$ 6,763,878.44</u>	<u>\$ 63,083.41</u>		<u>\$ 78,289,293.44</u>	<u>\$ 92,110,611.82</u>
<u>\$ 6,763,878.44</u>	<u>\$ 97,617.84</u>	<u>\$ 94,248,185.35</u>	<u>\$ 184,813,958.33</u>	<u>\$ 222,931,494.22</u>

RICHMOND 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
<u>REVENUES</u>			
State Funds	\$ 127,294,353.10	\$ 9,158,548.29	\$ 4,113,378.49
Federal Funds	1,032,634.26	22,731,774.33	
Taxes	60,217,713.38		27,066,461.23
Other Funds	3,718,120.82	3,433,178.66	2,617,298.56
Total Revenues	\$ 192,262,821.56	\$ 35,323,501.28	\$ 33,797,138.28
<u>EXPENDITURES</u>			
Current	\$ 119,210,057.49	\$ 14,458,253.80	
Instruction			
Support Services			
Pupil Services	7,114,869.28	3,485,973.33	
Improvement of Instructional Services	4,925,958.99	1,441,259.29	
Educational Media Services	5,212,913.43	809,473.54	
General Administration	2,031,514.21	329,097.96	
School Administration	13,934,668.03	60,787.65	
Business Administration	1,270,083.75		
Maintenance and Operation of Plant	20,764,769.40	542,177.96	
Student Transportation Services	7,592,437.24	22,730.03	
Central Support Services	2,263,834.93		
Other Support Services	134,751.28	318,314.00	
Food Services Operation	8,483.92	13,036,644.58	
Community Services Operations	226,885.91	264,619.33	
Capital Outlay	293,203.23		\$ 36,635,569.65
Debt Service			
Principal	2,089,503.15	13,462.37	
Interest	734,661.34	2,592.78	
Escrow Agent			
Paying Agent Fees			
Total Expenditures	\$ 187,808,595.58	\$ 34,785,386.62	\$ 36,635,569.65
Excess of Revenues over (under) Expenditures	\$ 4,454,225.98	\$ 538,114.66	\$ -2,838,431.37
<u>OTHER FINANCING SOURCES (USES)</u>			
Accrued Interest on Bonds Sold			
Refunding Bond Issuance Cost			
Premium on Bonds Sold			
Proceeds of Refunding Bonds			
Par Value			
Payments to Bond Escrow Agent			
Capital Leases	\$ 11,496.00		
Operating Transfers In		\$ 267,600.00	\$ 213,354.77
Operating Transfers Out	-334,541.53	-146,413.24	
Total Other Financing Sources (Uses)	\$ -323,045.53	\$ 121,186.76	\$ 213,354.77
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 4,131,180.45	\$ 659,301.42	\$ -2,625,076.60
<u>FUND BALANCE JULY 1</u>	17,071,847.72	4,624,193.59	47,257,530.56
Consumable Supplies Inventory - Net Change in Period	302,971.10		
Food Inventory - Net Change in Period			
Donated Commodities		31,075.98	
Purchased Food		9,307.37	
<u>FUND BALANCE JUNE 30</u>	\$ 21,505,999.27	\$ 5,323,878.36	\$ 44,632,453.96

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

## EXHIBIT "B"

TYPES		FIDUCIARY		TOTALS	
DEBT		FUND TYPE		(Memorandum Only)	
SERVICE		EXPENDABLE		YEAR ENDED	
FUND		TRUST FUNDS		JUNE 30, 2000	JUNE 30, 1999
	\$ 140,566,279.88			\$ 140,566,279.88	\$ 127,589,805.51
	23,764,408.59			23,764,408.59	21,991,830.45
\$ 9,931,412.75	97,215,587.36			97,215,587.36	92,050,517.63
337,917.09	10,106,515.13	\$ 3,417.51		10,109,932.64	12,036,906.91
\$ 10,269,329.84	\$ 271,652,790.96	\$ 3,417.51		\$ 271,656,208.47	\$ 253,669,060.50
	\$ 133,668,311.29	\$ 0.00		\$ 133,668,311.29	\$ 129,002,988.49
	10,600,842.61			10,600,842.61	10,097,391.57
	6,367,218.28			6,367,218.28	6,111,051.40
	6,022,386.97			6,022,386.97	5,013,324.64
	2,360,612.17			2,360,612.17	2,049,518.32
	13,995,455.68			13,995,455.68	13,544,463.58
	1,270,083.75			1,270,083.75	1,304,175.67
	21,306,947.36			21,306,947.36	18,660,053.41
	7,615,167.27			7,615,167.27	6,784,789.99
	2,263,834.93			2,263,834.93	3,861,140.27
	453,065.28			453,065.28	596,375.55
	13,045,128.50			13,045,128.50	12,792,717.57
	491,505.24			491,505.24	515,836.71
	36,928,772.88			36,928,772.88	48,945,115.79
\$ 22,270,000.00	24,372,965.52			24,372,965.52	15,072,814.52
4,323,938.75	5,061,192.87			5,061,192.87	4,377,431.79
					12,980,225.52
8,886.70	8,886.70			8,886.70	18,283.07
\$ 26,602,825.45	\$ 285,832,377.30	\$ 0.00		\$ 285,832,377.30	\$ 291,727,697.86
\$ -16,333,495.61	\$ -14,179,586.34	\$ 3,417.51		\$ -14,176,168.83	\$ -38,058,637.36
					\$ 313,777.14
					-993,944.30
					1,394,640.80
					90,115,000.00
					-90,515,696.50
\$ 11,496.00		\$ 11,496.00			2,047,092.49
480,954.77		480,954.77			507,278.34
-480,954.77		-480,954.77			-507,278.34
\$ 11,496.00		\$ 11,496.00		\$ 2,360,869.63	
\$ -16,333,495.61	\$ -14,168,090.34	\$ 3,417.51		\$ -14,164,672.83	\$ -35,697,767.73
23,097,374.05	92,050,945.92	59,665.90		92,110,611.82	126,818,693.32
	302,971.10			302,971.10	990,891.23
	31,075.98			31,075.98	-14,554.39
	9,307.37			9,307.37	13,349.39
\$ 6,763,878.44	\$ 78,226,210.03	\$ 63,083.41		\$ 78,289,293.44	\$ 92,110,611.82

RICHMOND 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"

	<u>GENERAL FUND</u>		<u>SPECIAL REVENUE FUND</u>	
	<u>BUDGET</u>	<u>ACTUAL (BUDGET BASIS)</u>	<u>BUDGET</u>	<u>ACTUAL (BUDGET BASIS)</u>
<u>REVENUES</u>				
State Funds	\$ 123,993,953.25	\$ 127,294,353.10	\$ 9,510,339.00	\$ 9,158,548.29
Federal Funds	1,522,291.00	1,032,634.26	25,957,543.68	22,731,774.33
Taxes	57,589,230.00	60,217,713.38		
Other Funds	<u>6,601,681.47</u>	<u>3,718,120.82</u>	<u>4,374,924.00</u>	<u>3,433,178.66</u>
Total Revenues	\$ <u>189,707,155.72</u>	\$ <u>192,262,821.56</u>	\$ <u>39,842,806.68</u>	\$ <u>35,323,501.28</u>
<u>EXPENDITURES</u>				
Current				
Instruction	\$ 121,167,823.11	\$ 119,210,057.49	\$ 15,029,270.82	\$ 14,458,253.80
Support Services				
Pupil Services	7,485,969.00	7,114,869.28	3,696,495.08	3,485,973.33
Improvement of Instructional Services	5,370,454.25	4,925,958.99	1,809,026.00	1,441,259.29
Educational Media Services	5,442,213.00	5,212,913.43	810,544.00	809,473.54
General Administration	2,092,199.49	2,031,514.21	333,578.41	329,097.96
School Administration	14,348,325.00	13,934,668.03	60,956.00	60,787.65
Business Administration	1,381,916.13	1,270,083.75		
Maintenance and Operation of Plant	18,306,664.00	20,764,769.40	584,764.16	542,177.96
Student Transportation Services	7,136,012.00	7,592,437.24	50,995.00	22,730.03
Central Support Services	2,439,685.74	2,263,834.93		
Other Support Services	22,575.00	134,751.28	329,665.00	318,314.00
Food Services Operation	12,250.00	8,483.92	16,449,520.00	13,036,644.58
Community Services Operations	387,291.00	226,885.91	687,992.21	264,619.33
Capital Outlay	933,897.00	293,203.23		
Debt Service	<u>3,179,881.00</u>	<u>2,824,164.49</u>		<u>16,055.15</u>
Total Expenditures	\$ <u>189,707,155.72</u>	\$ <u>187,808,595.58</u>	\$ <u>39,842,806.68</u>	\$ <u>34,785,386.62</u>
Excess of Revenues over (under) Expenditures	\$ <u>0.00</u>	\$ <u>4,454,225.98</u>	\$ <u>0.00</u>	\$ <u>538,114.66</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Other Sources		\$ 11,496.00		\$ 267,600.00
Other Uses		<u>-334,541.53</u>		<u>-146,413.24</u>
Total Other Financing Sources (Uses)		\$ <u>-323,045.53</u>		\$ <u>121,186.76</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 0.00	\$ 4,131,180.45	\$ 0.00	\$ 659,301.42
FUND BALANCE JULY 1, 1999	<u>0.00</u>	<u>15,213,298.96</u>	<u>0.00</u>	<u>4,394,861.55</u>
FUND BALANCE JUNE 30, 2000	\$ <u>0.00</u>	\$ <u>19,344,479.41</u>	\$ <u>0.00</u>	\$ <u>5,054,162.97</u>

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

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**REPORTING ENTITY**

The Richmond 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.



RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

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:

**EXPENDABLE TRUST FUNDS**

**Davidson Trust Fund** - the fund used to account for the principal and earnings which may be expended to provide financial assistance to needy students of Davidson Fine Arts Magnet School.

**Gail Hendricks Scholarship Fund** - the fund used to account for the principal and earnings which may be expended to provide scholarships for selected students.

**Nora Coxwell Scholarship Fund** - the fund used to account for the principal and earnings which may be expended to provide scholarships for selected students.

**Robetta McKenzie Scholarship Fund** - the fund used to account for the principal and earnings which may be expended to provide scholarships for selected students.

**AGENCY FUNDS** - the funds used to account for assets held in a fiduciary capacity for other funds, governments, or individuals.

**ACCOUNT GROUP**

**GENERAL LONG-TERM DEBT ACCOUNT GROUP** - A financial reporting device used to account for general obligation debt outstanding, accrued compensated absences and capital lease obligations.

**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

RICHMOND COUNTY BOARD OF EDUCATION  
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JUNE 30, 2000

EXHIBIT "D"

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 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.

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

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BUDGET**

The Richmond 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 fund type 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.

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presents actual and budgeted data for the General Fund and Special Revenue Fund. To facilitate comparison with the budget, the following adjustments have been made to fund balance as reflected on Exhibit "B" of this report:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
FUND BALANCE JULY 1, 1999	\$17,071,847.72	\$ 4,624,193.59
Adjustments		
Inventories - July 1, 1999		
Food		
Donated Commodities		-111,585.16
Purchased Foods		-117,746.88
Supplies	<u>-1,858,548.76</u>	<u>                    </u>
Fund Balance July 1, 1999 (Budget Basis)	\$15,213,298.96	\$ 4,394,861.55
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>4,131,180.45</u>	<u>659,301.42</u>
FUND BALANCE JUNE 30, 2000 (Budget Basis)	<u>\$19,344,479.41</u>	<u>\$ 5,054,162.97</u>

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**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.

**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 and equity investments 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

RICHMOND COUNTY BOARD OF EDUCATION  
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EXHIBIT "D"

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**PROPERTY TAXES**

The Augusta - Richmond County Board of Commission Council fixed the property tax levy for the 1999 tax year (calendar year) on July 20, 1999 (levy date). Taxes were due on November 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 Augusta - Richmond 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. In addition, the Clerk of the Superior Court of Richmond County collects recording taxes for the Board of Education, withholds 6% of taxes collected as a fee for tax collection and remits the balance to the Board.

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

School Operations	18.71 mills
School Bonds	<u>1.86 mills</u>
	<u>20.57 mills</u>

**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 \$31,068,882.27 and was recorded in the Capital Projects and Debt Service Funds. The State will terminate collection of this tax once an additional \$62,529,381.69 has been collected or on June 30, 2002, whichever occurs first.

**INVENTORIES**

**CONSUMABLE SUPPLIES**

Inventories of athletic, custodial and instructional supplies are recorded as expenditures under the consumption method and are valued at cost (weighted average). These inventories are recorded as assets at the time of purchase. Inventories of maintenance and transportation supplies are recorded as expenditures at the time of purchase and are valued on the Combined Balance Sheet at cost (weighted average). Inventories of textbooks are recorded as expenditures at the time of purchase and are valued on the Combined Balance Sheet at cost (first-in, first-out). Inventories reported on the balance sheet are equally offset by a reservation of fund balance which indicates that these amounts do not constitute "available spendable resources" even though they are a component of net current assets.

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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EXHIBIT "D"

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**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.

**COMPENSATED ABSENCES**

Compensated absences represent obligations of the Board relating to employees' rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. No liability has been recorded in the individual funds for the current portion of this obligation as this amount is deemed immaterial to the general purpose financial statements.

**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. 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 General Long-Term Debt Account Group.

**RESERVED FUND BALANCES**

**For Encumbrances** - This reserve constitutes the unperformed portion of purchase orders, contracts and other commitments for goods and services at year end. Encumbrances outstanding are reported as a reservation of fund balance and do not constitute expenditures or liabilities in the current year because the commitments will be honored during the subsequent year.

**INTERFUND TRANSACTIONS**

The Board has the following types of interfund transactions:

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

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

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**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 or results of operations 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.

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

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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EXHIBIT "D"

Note 2: DEPOSITS AND INVESTMENTS

- (7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by 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 \$38,774,905.73. 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:

<u>Risk Category</u>	<u>Bank Balance</u>
1	\$ 6,600,353.05
2	21,174,552.68
3	<u>11,000,000.00</u>
Total	<u>\$38,774,905.73</u>

CATEGORIZATION OF INVESTMENTS

Investments are classified as to risk by the three categories described below:

- Category 1 - Insured or registered, or securities held by the Board or the Board's agent in the Board's name.  
Category 2 - Uninsured or unregistered, with securities held by the counterparty's trust department or agent in the Board's name.  
Category 3 - Uninsured or unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Board's name.

Funds invested in an investment pool managed by another government are not required to be categorized unless the investing entity owns specific, identifiable investment securities in the pool.



RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

Note 2: DEPOSITS AND INVESTMENTS

At June 30, 2000, the carrying value of the Board's total investments was \$41,408,072.50. The investments are classified as to risk categories as follows:

<u>Type of Investment</u>	<u>Risk Categories</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U. S. Government		\$ 1,078,612.54	\$ 0.00	\$ 1,078,612.54	\$ 1,078,612.54
Common Stock	\$ 324,646.75			324,646.75	324,646.75
Total	\$ 324,646.75	\$ 1,078,612.54	\$ 0.00	\$ 1,403,259.29	\$ 1,403,259.29
Local Government Investment Pools				40,004,813.21	40,004,813.21
Total Investments				\$41,408,072.50	\$41,408,072.50

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.

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.

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

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

The Board has established a limited risk management program for workers' 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. An excess coverage insurance policy covers individual claims in excess of \$225,000.00 loss per occurrence, up to the statutory limit.

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

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
1999	\$ 0.00	\$ 140,840.57	\$ 140,840.57	\$ 0.00
2000	\$ 0.00	\$ 322,385.23	\$ 322,385.23	\$ 0.00

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:

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
1999	\$ 6,641.00	\$ 18,950.00	\$ 6,641.00	\$ 18,950.00
2000	\$ 18,950.00	\$ 24,742.77	\$ 35,643.77	\$ 8,049.00

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

Note 4: RISK MANAGEMENT

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

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$ 50,000.00
Administrative Assistant	\$ 10,000.00
Each Principal	\$ 5,000.00
Business Manager	\$ 5,000.00
Each Bookkeeper	\$ 5,000.00
Each Lunchroom Manager	\$ 3,000.00
Athletic Business Manager	\$ 1,000.00

Note 5: GENERAL LONG-TERM DEBT

**ARBITRAGE REBATE TAX**

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of Investment Income received at yields that exceed the issuer's tax-exempt borrowing rates. The U. S. Treasury requires payment every five years. The estimated liability of \$920,175.00 at June 30, 2000, is based on tax exempt debt subject to the Tax Reform Act. The estimated liability will be updated annually for any tax-exempt issuances or changes in yields through September 1, 2003, at which time payment of the final calculated liability for the five-year period is required to be remitted.

**CAPITAL LEASES**

The Richmond County Board of Education has entered into various lease agreements as lessee for school buses, operating vehicles, office equipment, computer equipment, equipment upgrades at various schools, lighting systems, a career exploration lab and the acquisition and construction of school facilities. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

**GENERAL OBLIGATION DEBT OUTSTANDING**

General Obligation Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government - Refunding - Series 1998	3.80% - 4.25%	\$58,710,000.00
General Government - Refunding - Series 1993	2.50% - 4.70%	12,400,000.00
General Government - Refunding - Series 1991	4.50% - 6.30%	<u>4,660,000.00</u>
		<u>\$75,770,000.00</u>

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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EXHIBIT "D"

Note 5: GENERAL LONG-TERM DEBT

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

	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>General Obligation Bonds</u>	<u>Total</u>
Balance July 1, 1999	\$19,357,818.31	\$ 856,767.56	\$98,040,000.00	\$118,254,585.87
Additions				
Capital Leases	11,496.00			11,496.00
Annual Leave Earned and Utilized (Net)		150,069.00		150,069.00
Extention of Existing Lease	205,000.00			205,000.00
Deductions				
Debt Retired	<u>2,102,965.52</u>		<u>22,270,000.00</u>	<u>24,372,965.52</u>
Balance June 30, 2000	<u>\$17,471,348.79</u>	<u>\$ 1,006,836.56</u>	<u>\$75,770,000.00</u>	<u>\$ 94,248,185.35</u>

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

<u>Fiscal Year Ended June 30</u>	<u>Capital Leases</u>	<u>General Obligation Bonds</u>	<u>Total Debt</u>
2001	\$ 2,529,637.66	\$31,409,680.00	\$ 33,939,317.66
2002	2,296,472.50	31,420,397.50	33,716,870.00
2003	1,814,000.09	8,571,217.50	10,385,217.59
2004	1,670,650.40	2,998,460.00	4,669,110.40
2005	1,673,642.90	3,015,256.25	4,688,899.15
2006 - 2010	6,511,398.94	5,155,852.50	11,667,251.44
2011 - 2015	4,040,332.50		4,040,332.50
2016 - 2020	4,041,638.75		4,041,638.75
2021 - 2025	<u>4,039,307.50</u>		<u>4,039,307.50</u>
Total Principal and Interest	\$28,617,081.24	<u>\$82,570,863.75</u>	<u>\$111,187,944.99</u>
Deduct: Imputed Interest	<u>11,145,732.45</u>		
Net Present Value of Future Minimum Lease Payments	<u>\$17,471,348.79</u>		

Note 6: ON-BEHALF PAYMENTS

The Board has recognized revenues and expenditures in the amount of \$3,102,313.88 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 \$2,373,955.80

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

Note 6: ON-BEHALF PAYMENTS

Paid to the Teachers Retirement System of Georgia  
For Teachers Retirement System (TRS) Employer's Cost  
In the amount of \$203,253.08

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 \$525,105.00

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, together with funding available:

<u>Project</u>	<u>Unearned Executed Contracts</u>	<u>Funding Available From State</u>
CP-2035	\$ 117,712.50	
CP-2036	119,032.60	
CP-2011	132,046.00	
01/00S-721-038	5,332,497.58	\$ 3,193,603.00
99-721-088	2,579,051.91	299,400.30
00/99S-721-106	5,318,843.64	1,708,294.21
B-97-013-426	11,441.27	
B-98-025-425	65,916.75	
B-97-003-412	1,870.60	
B-97-017-424	745,032.47	
B-98-035-411	5,043,289.42	
B-98-029-418	1,132.13	
B-97-006-408	5,824.14	
B-98-030-419	147,491.47	
B-97-001-427	16,561.94	
B-99-041-420	1,055,033.86	
B-97-012-415	7,702.00	
B-98-025-425	291.67	
B-97-002-406	12,215.59	
B-98-025-425	2,479.53	
B-97-020-416	4,148.46	
B-99-036-417	728,505.20	
B-99-039-425	57,755.73	
B-99-040-425	316.62	
B-98-032-423	51,391.35	
	<u>\$21,557,584.43</u>	<u>\$ 5,201,297.51</u>

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

Note 7: SIGNIFICANT COMMITMENTS

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.

Note 9: ACCUMULATED EMPLOYEES' LEAVE

Administrative and other clerical personnel earn two days of vacation each month with a maximum accumulation of twenty-four days less required vacation days to be taken during the year. Maintenance and other twelve-month employees earn vacation leave ranging from ten days to twenty-four days per year depending upon the employee's length of service with a maximum accumulation of 22 days. Vacation leave vests with the employee and unused accumulated vacation leave up to the maximum accumulation is paid at the current rate of pay, to employees upon retirement or termination of employment. **See Note 1 - Compensated Absences**

The Board also has an attendance incentive program that provides for payments at 20% of the employee's daily rate of pay based on unused sick days. No liability has been recorded for the June 30, 2000, attendance incentive liability as this amount is deemed immaterial to the general purpose financial statements.

Note 10: 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:

RICHMOND COUNTY BOARD OF EDUCATION  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000

EXHIBIT "D"

Note 10: RETIREMENT PLANS

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2000	100%	\$14,016,137.79
1999	100%	\$14,315,192.29
1998	100%	\$13,417,601.86

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

<u>ASSETS</u>	<u>SCHOOL FOOD SERVICES FUND</u>	<u>LOTTERY PROGRAMS</u>	<u>FEDERAL PROGRAMS</u>
Cash and Cash Equivalents	\$ 5,408,799.22	\$ 363,781.80	
Accounts Receivable	200,969.46	227,245.03	\$ 3,656,676.60
Inventories			
Consumable Supplies			
Food			
Donated Commodities	142,661.14		
Purchased Food	<u>127,054.25</u>	<u>0.00</u>	<u>0.00</u>
 Total Assets	 <u>\$ 5,879,484.07</u>	 <u>\$ 591,026.83</u>	 <u>\$ 3,656,676.60</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Cash Overdraft			\$ 2,253,269.08
Accounts Payable	\$ 146,910.01	\$ 139,828.14	326,830.78
Salaries Payable	770,394.71	451,198.69	1,038,377.11
Expired Grant Balances Payable	<u>0.00</u>	<u>0.00</u>	<u>38,050.39</u>
 Total Liabilities	 <u>\$ 917,304.72</u>	 <u>\$ 591,026.83</u>	 <u>\$ 3,656,527.36</u>

FUND EQUITY

Fund Balances			
Reserved			
For Continuation of Federal Programs			\$ 149.24
For Encumbrances			
For Inventories			
Consumable Supplies			
Food			
Donated Commodities	\$ 142,661.14		
Purchased Food	<u>127,054.25</u>		
Unreserved			
Undesignated	<u>4,692,463.96</u>	<u>\$ 0.00</u>	<u>0.00</u>
 Total Fund Equity	 <u>\$ 4,962,179.35</u>	 <u>\$ 0.00</u>	 <u>\$ 149.24</u>

Total Liabilities and Fund Equity	<u>\$ 5,879,484.07</u>	<u>\$ 591,026.83</u>	<u>\$ 3,656,676.60</u>
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See notes to the general purpose financial statements.



## EXHIBIT "E"

OTHER PROGRAMS	ATHLETIC FUND	TOTALS	
		JUNE 30, 2000	JUNE 30, 1999
	\$ 320,768.51	\$ 6,093,349.53	\$ 5,599,838.81
\$ 40,717.78		4,125,608.87	2,942,444.85
	39,071.37	39,071.37	34,664.47
		142,661.14	111,585.16
		127,054.25	117,746.88
<u>\$ 40,717.78</u>	<u>\$ 359,839.88</u>	<u>\$ 10,527,745.16</u>	<u>\$ 8,806,280.17</u>
\$ 39,007.89		\$ 2,292,276.97	\$ 1,599,786.22
		613,568.93	611,073.28
		2,259,970.51	1,899,149.57
		38,050.39	72,077.51
<u>\$ 39,007.89</u>		<u>\$ 5,203,866.80</u>	<u>\$ 4,182,086.58</u>
		\$ 149.24	
	\$ 119,059.87	119,059.87	\$ 158,399.00
	39,071.37	39,071.37	34,664.47
		142,661.14	111,585.16
		127,054.25	117,746.88
<u>\$ 1,709.89</u>	<u>201,708.64</u>	<u>4,895,882.49</u>	<u>4,201,798.08</u>
<u>\$ 1,709.89</u>	<u>\$ 359,839.88</u>	<u>\$ 5,323,878.36</u>	<u>\$ 4,624,193.59</u>
<u>\$ 40,717.78</u>	<u>\$ 359,839.88</u>	<u>\$ 10,527,745.16</u>	<u>\$ 8,806,280.17</u>

RICHMOND 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	FEDERAL PROGRAMS
<u>REVENUES</u>			
State Funds	\$ 990,912.00	\$ 5,025,198.14	\$ 3,142,438.15
Federal Funds	10,169,248.04		12,562,526.29
Other Funds	<u>2,909,905.42</u>		
Total Revenues	\$ <u>14,070,065.46</u>	\$ <u>5,025,198.14</u>	\$ <u>15,704,964.44</u>
<u>EXPENDITURES</u>			
Current			
Instruction		\$ 3,692,381.37	\$ 10,666,929.50
Support Services			
Pupil Services		470,794.33	2,644,367.53
Improvement of Instructional Services		20,079.33	1,421,179.96
Educational Media Services		809,343.59	129.95
General Administration	\$ 7,155.89	3,836.09	318,105.98
School Administration			60,787.65
Maintenance and Operation of Plant	51,411.60	28,763.43	235,379.48
Student Transportation Services			22,730.03
Other Support Services			318,314.00
Food Services Operation	13,035,808.61		835.97
Community Services Operations	264,619.33		
Debt Service			
Principal			13,462.37
Interest			<u>2,592.78</u>
Total Expenditures	\$ <u>13,358,995.43</u>	\$ <u>5,025,198.14</u>	\$ <u>15,704,815.20</u>
Excess of Revenues over (under) Expenditures	\$ <u>711,070.03</u>	\$ <u>0.00</u>	\$ <u>149.24</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Capital Leases			
Operating Transfers In			
Operating Transfers Out	\$ <u>-146,413.24</u>		
Total Other Financing Sources (Uses)	\$ <u>-146,413.24</u>		
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 564,656.79	\$ 0.00	\$ 149.24
<u>FUND BALANCE JULY 1</u>	4,357,139.21	0.00	0.00
Food Inventory - Net Change in Period			
Donated Commodities	31,075.98		
Purchased Food	<u>9,307.37</u>		
<u>FUND BALANCE JUNE 30</u>	\$ <u>4,962,179.35</u>	\$ <u>0.00</u>	\$ <u>149.24</u>

See notes to the general purpose financial statements.

## EXHIBIT "F"

OTHER PROGRAMS	ATHLETIC FUND	TOTALS	
		YEAR ENDED	
		JUNE 30, 2000	JUNE 30, 1999
		\$ 9,158,548.29	\$ 7,602,529.58
		22,731,774.33	20,823,295.69
\$ 107,590.98	\$ 415,682.26	3,433,178.66	3,277,643.19
\$ 107,590.98	\$ 415,682.26	\$ 35,323,501.28	\$ 31,703,468.46
\$ 98,942.93		\$ 14,458,253.80	\$ 12,009,815.90
5,509.44	\$ 365,302.03	3,485,973.33	3,399,183.82
		1,441,259.29	1,580,026.05
		809,473.54	8,972.20
		329,097.96	205,142.56
		60,787.65	75,385.52
1,428.72	225,194.73	542,177.96	372,937.62
		22,730.03	44,947.05
		318,314.00	544,295.64
		13,036,644.58	12,792,717.57
		264,619.33	252,812.36
		13,462.37	
		2,592.78	
\$ 105,881.09	\$ 590,496.76	\$ 34,785,386.62	\$ 31,286,236.29
\$ 1,709.89	\$ -174,814.50	\$ 538,114.66	\$ 417,232.17
			\$ 57,596.00
	\$ 267,600.00	\$ 267,600.00	337,623.62
		-146,413.24	-168,306.00
	\$ 267,600.00	\$ 121,186.76	\$ 226,913.62
\$ 1,709.89	\$ 92,785.50	\$ 659,301.42	\$ 644,145.79
0.00	267,054.38	4,624,193.59	3,981,252.80
		31,075.98	-14,554.39
		9,307.37	13,349.39
\$ 1,709.89	\$ 359,839.88	\$ 5,323,878.36	\$ 4,624,193.59

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

<u>ASSETS</u>	<u>REGULAR</u>	<u>BOND PROCEEDS</u>
Cash and Cash Equivalents	\$ 81,652.40	\$ 1,388,643.39
Investments		12,805,373.50
Accounts Receivable	<u>1,250.00</u>	
 Total Assets	 <u>\$ 82,902.40</u>	 <u>\$ 14,194,016.89</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Cash Overdraft		
Accounts Payable		\$ 3,183.52
Contracts Payable		1,557,839.23
Retainages Payable		<u>1,051,245.62</u>
 Total Liabilities		 <u>\$ 2,612,268.37</u>
 <u>FUND EQUITY</u>		
Fund Balances		
Reserved		
For Arbitrage Rebate Tax		\$ 920,175.00
For Purposes of Bond Issue		10,561,573.52
For SPLOST Projects		100,000.00
For State Capital Outlay Projects		
Unreserved		
Undesignated	\$ <u>82,902.40</u>	<u>0.00</u>
 Total Fund Equity	 <u>\$ 82,902.40</u>	 <u>\$ 11,581,748.52</u>
 Total Liabilities and Fund Equity	 <u>\$ 82,902.40</u>	 <u>\$ 14,194,016.89</u>

See notes to the general purpose financial statements.

## EXHIBIT "G"

GEORGIA STATE FINANCING AND INVESTMENT COMMISSION	SPECIAL PURPOSE LOCAL OPTION SALES TAX	TOTALS	
		JUNE 30, 2000	JUNE 30, 1999
	\$ 94,819.26	\$ 1,565,115.05	\$ 11,739,448.24
\$ 7,166,210.84	22,325,632.73	42,297,217.07	53,312,556.06
<u>921,571.43</u>	<u>4,941,181.19</u>	<u>5,864,002.62</u>	<u>1,250.00</u>
<u>\$ 8,087,782.27</u>	<u>\$ 27,361,633.18</u>	<u>\$ 49,726,334.74</u>	<u>\$ 65,053,254.30</u>
		\$ 3,183.52	\$ 11,673,477.14
			48,957.37
\$ 1,601,126.60	\$ 67,412.64	3,226,378.47	3,421,520.53
<u>807,144.27</u>	<u>5,928.90</u>	<u>1,864,318.79</u>	<u>2,651,768.70</u>
<u>\$ 2,408,270.87</u>	<u>\$ 73,341.54</u>	<u>\$ 5,093,880.78</u>	<u>\$ 17,795,723.74</u>
		\$ 920,175.00	
		10,561,573.52	\$ 35,612,227.61
	\$ 27,288,291.64	27,388,291.64	
\$ 5,679,511.40		5,679,511.40	11,525,477.63
<u>0.00</u>	<u>0.00</u>	<u>82,902.40</u>	<u>119,825.32</u>
<u>\$ 5,679,511.40</u>	<u>\$ 27,288,291.64</u>	<u>\$ 44,632,453.96</u>	<u>\$ 47,257,530.56</u>
<u>\$ 8,087,782.27</u>	<u>\$ 27,361,633.18</u>	<u>\$ 49,726,334.74</u>	<u>\$ 65,053,254.30</u>

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

	<u>REGULAR</u>	<u>BOND PROCEEDS</u>
<u>REVENUES</u>		
State Funds	\$ 0.00	
Taxes		
Other Funds	<u>                    </u>	\$ 1,974,427.75
Total Revenues	\$ <u>0.00</u>	\$ <u>1,974,427.75</u>
<u>EXPENDITURES</u>		
Capital Outlay		
Land and Land Improvements		\$ 111,323.14
Building and Building Improvements	\$ 114,567.90	23,884,342.55
Equipment	<u>64,990.78</u>	<u>2,281,025.25</u>
Total Expenditures	\$ <u>179,558.68</u>	\$ <u>26,276,690.94</u>
Excess of Revenues over (under) Expenditures	\$ <u>-179,558.68</u>	\$ <u>-24,302,263.19</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers In	\$ 142,635.76	\$ 271,784.10
Operating Transfers Out	<u>                    </u>	<u>                    </u>
Total Other Financing Sources (Uses)	\$ <u>142,635.76</u>	\$ <u>271,784.10</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -36,922.92	\$ -24,030,479.09
<u>FUND BALANCE JULY 1</u>	119,825.32	35,612,227.61
Residual Equity Transfer	<u>                    </u>	<u>                    </u>
<u>FUND BALANCE JUNE 30</u>	\$ <u>82,902.40</u>	\$ <u>11,581,748.52</u>

See notes to the general purpose financial statements.

## EXHIBIT "H"

GEORGIA STATE FINANCING AND INVESTMENT COMMISSION	SPECIAL PURPOSE LOCAL OPTION SALES TAX	TOTALS	
		YEAR ENDED	
		JUNE 30, 2000	JUNE 30, 1999
\$ 4,113,378.49		\$ 4,113,378.49	\$ 2,500.00
	\$ 27,066,461.23	27,066,461.23	
	642,870.81	2,617,298.56	5,590,548.69
<u>\$ 4,113,378.49</u>	<u>\$ 27,709,332.04</u>	<u>\$ 33,797,138.28</u>	<u>\$ 5,593,048.69</u>
\$ 692,321.71		\$ 803,644.85	\$ 116,266.31
9,267,023.01	\$ 219,975.31	33,485,908.77	47,781,830.36
		2,346,016.03	779,441.38
<u>\$ 9,959,344.72</u>	<u>\$ 219,975.31</u>	<u>\$ 36,635,569.65</u>	<u>\$ 48,677,538.05</u>
<u>\$ -5,845,966.23</u>	<u>\$ 27,489,356.73</u>	<u>\$ -2,838,431.37</u>	<u>\$ -43,084,489.36</u>
		\$ 414,419.86	\$ 11,727,726.55
	\$ -201,065.09	-201,065.09	-11,558,071.83
	<u>\$ -201,065.09</u>	<u>\$ 213,354.77</u>	<u>\$ 169,654.72</u>
\$ -5,845,966.23	\$ 27,288,291.64	\$ -2,625,076.60	\$ -42,914,834.64
11,525,477.63	0.00	47,257,530.56	90,210,317.31
			-37,952.11
<u>\$ 5,679,511.40</u>	<u>\$ 27,288,291.64</u>	<u>\$ 44,632,453.96</u>	<u>\$ 47,257,530.56</u>

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

EXHIBIT "I"

<u>ASSETS</u>	PROPERTY TAXES FOR BOND DEBT	SPECIAL PURPOSE LOCAL OPTION SALES TAX	<u>TOTALS</u>	
			<u>JUNE 30, 2000</u>	<u>JUNE 30, 1999</u>
Cash and Cash Equivalents	\$ 6,584,098.02	\$ 0.00	\$ 6,584,098.02	\$ 3,579,651.60
Investments	2,836.61		2,836.61	14,641,532.74
Accounts Receivable	<u>176,943.81</u>		<u>176,943.81</u>	<u>4,876,189.71</u>
 Total Assets	 \$ <u>6,763,878.44</u>	 \$ <u>0.00</u>	 \$ <u>6,763,878.44</u>	 \$ <u>23,097,374.05</u>
 <u>FUND EQUITY</u>				
Fund Balances				
Reserved				
For Debt Service	\$ 6,763,878.44		\$ 6,763,878.44	\$ 23,097,374.05
Unreserved				
Undesignated	<u>0.00</u>	\$ <u>0.00</u>	<u>0.00</u>	<u>0.00</u>
 Total Fund Equity	 \$ <u>6,763,878.44</u>	 \$ <u>0.00</u>	 \$ <u>6,763,878.44</u>	 \$ <u>23,097,374.05</u>

See notes to the general purpose financial statements.



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

EXHIBIT "J"

	PROPERTY TAXES FOR BOND DEBT	SPECIAL PURPOSE LOCAL OPTION SALES TAX	TOTALS YEAR ENDED	
			JUNE 30, 2000	JUNE 30, 1999
<u>REVENUES</u>				
Taxes	\$ 5,928,991.71	\$ 4,002,421.04	\$ 9,931,412.75	\$ 35,727,173.39
Other Funds	<u>337,917.09</u>		<u>337,917.09</u>	<u>1,089,217.68</u>
Total Revenues	\$ <u>6,266,908.80</u>	\$ <u>4,002,421.04</u>	\$ <u>10,269,329.84</u>	\$ <u>36,816,391.07</u>
<u>EXPENDITURES</u>				
Debt Service				
Principal	\$ 2,060,000.00	\$ 20,210,000.00	\$ 22,270,000.00	\$ 13,155,000.00
Interest	1,216,348.75	3,107,590.00	4,323,938.75	3,415,700.48
Escrow Agent				12,980,225.52
Paying Agent Fees	<u>8,886.70</u>		<u>- 8,886.70</u>	<u>14,283.07</u>
Total Expenditures	\$ <u>3,285,235.45</u>	\$ <u>23,317,590.00</u>	\$ <u>26,602,825.45</u>	\$ <u>29,565,209.07</u>
Excess of Revenues over (under) Expenditures	\$ <u>2,981,673.35</u>	\$ <u>-19,315,168.96</u>	\$ <u>-16,333,495.61</u>	\$ <u>7,251,182.00</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Accrued Interest on Bonds Sold				\$ 313,777.14
Refunding Bond Issuance Cost				-993,944.30
Premium on Bonds Sold				1,394,640.80
Proceeds of Refunding Bonds				
Par Value				90,115,000.00
Payments to Bond Escrow Agent				<u>-90,515,696.50</u>
Total Other Financing Sources (Uses)				\$ <u>313,777.14</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ <u>2,981,673.35</u>	\$ <u>-19,315,168.96</u>	\$ <u>-16,333,495.61</u>	\$ <u>7,564,959.14</u>
<u>FUND BALANCE JULY 1</u>	<u>3,782,205.09</u>	<u>19,315,168.96</u>	<u>23,097,374.05</u>	<u>15,532,414.91</u>
<u>FUND BALANCE JUNE 30</u>	\$ <u>6,763,878.44</u>	\$ <u>0.00</u>	\$ <u>6,763,878.44</u>	\$ <u>23,097,374.05</u>

See notes to the general purpose financial statements.

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

	<u>EXPENDABLE TRUST FUNDS</u>		
	<u>DAVIDSON TRUST FUND</u>	<u>GAIL HENDRICKS SCHOLARSHIP FUND</u>	<u>NORA COXWELL SCHOLARSHIP FUND</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ <u>35,554.43</u>	\$ <u>100.00</u>	\$ <u>26,601.46</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES</u>			
Funds Held for Others			
<u>FUND EQUITY</u>			
Fund Balances			
Unreserved			
Undesignated	\$ <u>35,554.43</u>	\$ <u>100.00</u>	\$ <u>26,601.46</u>
Total Liabilities and Fund Equity	\$ <u>35,554.43</u>	\$ <u>100.00</u>	\$ <u>26,601.46</u>

See notes to the general purpose financial statements.

## EXHIBIT "K"

ROBETTA MCKENZIE SCHOLARSHIP FUND	AGENCY FUNDS	TOTALS	
		JUNE 30, 2000	JUNE 30, 1999
\$ <u>827.52</u>	\$ <u>34,534.43</u>	\$ <u>97,617.84</u>	\$ <u>115,662.27</u>
	\$ 34,534.43	\$ 34,534.43	\$ 55,996.37
\$ <u>827.52</u>	<u>0.00</u>	<u>63,083.41</u>	<u>59,665.90</u>
\$ <u>827.52</u>	\$ <u>34,534.43</u>	\$ <u>97,617.84</u>	\$ <u>115,662.27</u>

RICHMOND 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

	<u>DAVIDSON TRUST FUND</u>	<u>GAIL HENDRICKS SCHOLARSHIP FUND</u>	<u>NORA COXWELL SCHOLARSHIP FUND</u>
<u>REVENUES</u>			
Other Funds	\$ <u>1,814.63</u>	\$ <u>100.00</u>	\$ <u>1,457.53</u>
<u>EXPENDITURES</u>			
None Recorded	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
Excess of Revenues over (under) Expenditures	\$ 1,814.63	\$ 100.00	\$ 1,457.53
<u>FUND BALANCE JULY 1</u>	<u>33,739.80</u>	<u>0.00</u>	<u>25,143.93</u>
 <u>FUND BALANCE JUNE 30</u>	 <u>\$ 35,554.43</u>	 <u>\$ 100.00</u>	 <u>\$ 26,601.46</u>

See notes to the general purpose financial statements.

## EXHIBIT "L"

ROBETTA MCKENZIE SCHOLARSHIP FUND	TOTALS	
	YEAR ENDED	
	JUNE 30, 2000	JUNE 30, 1999
\$ 45.35	\$ 3,417.51	\$ 2,955.84
\$ 0.00	\$ 0.00	\$ 0.00
\$ 45.35	\$ 3,417.51	\$ 2,955.84
782.17	59,665.90	56,710.06
\$ 827.52	\$ 63,083.41	\$ 59,665.90

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

EXHIBIT "M"

	<u>BALANCE</u> <u>JULY 1, 1999</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2000</u>
<u>COHEN, COLONEL CLARENCE H., R.O.T.C.</u>				
<u>AWARD FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>753.47</u>	\$ <u>43.07</u>	\$ <u>0.00</u>	\$ <u>796.54</u>
LIABILITIES				
Funds Held for Others	\$ <u>753.47</u>	\$ <u>43.07</u>	\$ <u>0.00</u>	\$ <u>796.54</u>
 <u>PERFORMANCE BONDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>55,242.90</u>	\$ <u>46,569.22</u>	\$ <u>68,074.23</u>	\$ <u>33,737.89</u>
LIABILITIES				
Funds Held for Others	\$ <u>55,242.90</u>	\$ <u>46,569.22</u>	\$ <u>68,074.23</u>	\$ <u>33,737.89</u>
 <u>TOTALS - AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>55,996.37</u>	\$ <u>46,612.29</u>	\$ <u>68,074.23</u>	\$ <u>34,534.43</u>
LIABILITIES				
Funds Held for Others	\$ <u>55,996.37</u>	\$ <u>46,612.29</u>	\$ <u>68,074.23</u>	\$ <u>34,534.43</u>

See notes to the general purpose financial statements.

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

SCHEDULE "1"

<u>FUNDING AGENCY PROGRAM/GRANT</u>	<u>CFDA NUMBER</u>	<u>PASS- THROUGH ENTITY ID NUMBER</u>	<u>FEDERAL REVENUE IN PERIOD</u>	<u>EXPENDITURES IN PERIOD</u>
Agriculture, U. S. Department of				
Child Nutrition Cluster				
Pass-Through From Georgia Department of Education				
Food and Nutrition Program				
Food Services				(2)
School Breakfast Program	10.553	N/A	\$ 1,917,704.59	
National School Lunch Program	10.555	N/A	7,188,913.15	\$ 13,358,995.43 (3)
Pass-Through From Office of School Readiness				
Summer Food Service Program for Children	10.559	N/A	386,074.00	386,074.00
Total Child Nutrition Cluster			\$ 9,492,691.74	\$ 13,745,069.43
Other Programs				
Pass-Through From Georgia Department of Education				
Food and Nutrition Program				
Food Services				
Nutrition Education and Training Program	10.564	N/A	2,607.20	2,607.20
Food Distribution Program (1)	10.550	N/A	617,323.19	617,323.19
Pass-Through From Office of School Readiness				
Food and Nutrition Program				
Child and Adult Care Food Program	10.558	N/A	56,625.91	(2)
Total U. S. Department of Agriculture			\$ 10,169,248.04	\$ 14,364,999.82
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 Grant	84.173	N/A	\$ 39,421.89	\$ 39,421.89
Flow Through	84.027	N/A	1,421,889.74	1,421,889.74
Georgia Learning Resources System	84.027	N/A	136,604.15	235,827.15 (3)
Preschool	84.173	N/A	130,489.00	130,489.00
Severely Emotionally Disturbed	84.027	N/A	176,508.99	2,346,957.58 (3)
Total Special Education Cluster			\$ 1,904,913.77	\$ 4,174,585.36
Other Programs				
Direct				
Impact Aid	84.041		715,546.31	(5)
Pass-Through From Georgia Department of Education				
Comprehensive School Reform Demonstration Project	84.332	N/A	129,285.23	129,135.99
Elementary and Secondary Education Act				
Title I				
Grants to Local Educational Agencies	84.010	N/A	7,792,968.74	7,792,968.74
Title II				
Eisenhower Professional Development	84.281	N/A	151,431.78	151,431.78
Title III				
Technology Literacy Challenge Fund Grants	84.318	N/A	105,256.37	105,256.37
Title VI				
Innovative Education Program Strategies	84.298	N/A	346,350.59	346,350.59
Class Size Reduction	84.340	N/A	1,038,998.05	1,038,998.05
Georgia Learning Resources System				
Individuals with Disabilities Education Act				
Special Education				
Part D				
Personnel Development and Parent Training	84.029	N/A	814.87	814.87
Safe and Drug-Free Schools and Communities	84.186	N/A	487,727.37	487,727.37
Stewart B. McKinney Homeless Assistance Act				
Education for Homeless Children and Youth	84.196	N/A	10,525.72	10,525.72
Vocational Education - Basic Grants to States				
High School Program				
Basic Grant	84.048	N/A	328,513.04	1,201,279.60 (3)
Total U. S. Department of Education			\$ 13,012,331.84	\$ 15,439,074.44

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

SCHEDULE "1"

<u>FUNDING AGENCY PROGRAM/GRANT</u>	<u>CFDA NUMBER</u>	<u>PASS- THROUGH ENTITY ID NUMBER</u>	<u>FEDERAL REVENUE IN PERIOD</u>	<u>EXPENDITURES IN PERIOD</u>
Justice, U. S. Department of Pass-Through From Richmond County Board of Commissioners Juvenile Delinquency Prevention and Intervention	16.548	N/A	\$ 29,542.31	\$ 29,542.31
Labor, U. S. Department of Pass-Through From Richmond/Burke Job Training Authority Job Training Partnership Act 08-98-20-11-245 08-00-20-11-245	17.250 17.250	N/A N/A	\$ 227,518.25 8,080.20	\$ 227,518.25 8,080.20
Total U. S. Department of Labor			\$ 235,598.45	\$ 235,598.45
<u>OTHER FEDERAL ASSISTANCE</u>				
Defense, U. S. Department of Direct Defense Activity for Non-Traditional Support Troops to Teachers Department of the Air Force R.O.T.C. Program Department of the Army R.O.T.C. Program Department of the Marines R.O.T.C. Program Department of the Navy R.O.T.C. Program National Science Center			\$ -11,272.99 38,415.81 148,929.56 51,085.41 89,930.16 600.00	(4) (4) (4) (4) (4) \$ 600.00
Total U. S. Department of Defense			\$ 317,687.95	\$ 600.00
Total Federal Financial Assistance			\$ 23,764,408.59	\$ 30,069,815.02

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 Child and Adult Care Food Program and 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) Expenditures on this program were not maintained by fund source.
- (5) 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 Richmond 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



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

SCHEDULE "2"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES			TOTAL
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	
GRANTS				
Education, Georgia Department of				
Quality Basic Education				
General and Career Education Programs	\$ 81,464,158.00			\$ 81,464,158.00
Special Education Programs	9,899,955.00			9,899,955.00
Remedial Education Program	2,514,450.00			2,514,450.00
Media Center Programs	3,408,161.00			3,408,161.00
Staff Development Programs	907,581.00			907,581.00
Indirect Cost	19,896,975.00			19,896,975.00
Pupil Transportation				
Regular	2,414,894.00			2,414,894.00
Bus Replacement	566,214.00			566,214.00
Limited English-Speaking Students Program	177,152.00			177,152.00
Middle School Incentive Program	2,675,535.00			2,675,535.00
Special Instructional Assistance	2,128,981.00			2,128,981.00
In-School Suspension	640,054.00			640,054.00
Counselors	352,532.00			352,532.00
Technology Specialist	548,005.00			548,005.00
Local Five Mill Share	-16,614,884.00			-16,614,884.00
Educational Equalization Formula	9,514,589.00			9,514,589.00
Food Services		\$ 990,912.00		990,912.00
Vocational Education		872,766.56		872,766.56
Other State Programs				
Alternative Program	772,838.00			772,838.00
At-Risk Summer School Program	162,657.17			162,657.17
Environmental Science Program	2,954.64			2,954.64
Georgia Learning Resources System		99,223.00		99,223.00
Health Insurance	2,373,955.80			2,373,955.80
Innovative Programs	4,086.31			4,086.31
Mentor Teachers	29,322.00			29,322.00
Pay for Performance	493,418.98			493,418.98
Preschool Handicapped Program	521,172.00			521,172.00
Remedial Summer School	52,727.48			52,727.48
Severely Emotionally Disturbed		2,170,448.59		2,170,448.59
Teachers' Retirement	203,253.08			203,253.08
Year 2000 Project Funding	311,404.47			311,404.47
Lottery Programs				
Applied Technology Labs		400,000.00		400,000.00
Assistive Technology		77,310.38		77,310.38
Computers in the Classroom		809,343.59		809,343.59
Georgia Department of Community Affairs				
Local Assistance Grants	98,591.81			98,591.81
Georgia Public Safety Training Center				
Law Enforcement Training Center	266,697.00			266,697.00
Georgia State Financing and Investment				
Commission				
Reimbursement on Construction Projects			\$ 4,113,378.49	4,113,378.49
Office of School Readiness				
Pre-Kindergarten Program		3,738,544.17		3,738,544.17
Office of Treasury and Fiscal Services				
Public School Employees Retirement	525,105.00			525,105.00

SCHEDULE "2"

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

SCHEDULE "3"

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>AMOUNT EXPENDED IN CURRENT YEAR (3)</u>	<u>AMOUNT EXPENDED IN PRIOR YEARS</u>
The general obligation debt of the district will first be retired from the proceeds of the special use tax. This will include a large portion of the bond issue of \$115,000,000.00 entitled "Richmond County General Obligation School Bond Series 1996" and certain other previously outstanding general obligation bonds at an estimated cost of \$124,750,000.00. The principal and interest on these bonds come due on May 1st and November 1st of each year. May 1, 1998, will be the first time the principal will come due to be retired, in part, by the sales tax.	\$ 124,755,000.00	\$ 124,755,000.00	\$ 23,317,590.00	\$ 37,866,676.78
Once the application of the above funds to retirement of debt, the school board will construct, as provided in the election, a middle school, and/or an elementary school, which expenditures shall include acquiring, constructing and equipping these school buildings. In addition, to the construction of the middle and/or elementary school, the balance of the special sales tax, if any, shall be utilized to renovate, repair, improve and equip existing school buildings and other buildings and facilities.	<u>25,245,000.00</u>	<u>25,245,000.00</u>	<u>509,481.14</u>	
	<u>\$ 150,000,000.00</u>	<u>\$ 150,000,000.00</u>	<u>\$ 23,827,071.14</u>	<u>\$ 37,866,676.78</u>

- (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 Richmond 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.

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

SCHEDULE "4"

	<u>FOURTEEN WEIGHTED AND MEDIA CENTER PROGRAMS</u>	<u>100% TEST FOR OPERATIONS PORTION OF FOURTEEN WEIGHTED PROGRAMS</u>
Minimum Expenditure Requirements (Total Allotment)	\$ <u>97,286,724.00</u>	\$ <u>2,847,934.00</u>
Expenditures on Combined Program Basis		
Salaries	\$ 106,942,975.75	
Operations	<u>4,455,882.51</u>	\$ <u>3,707,371.26</u>
	\$ 111,398,858.26	
Less:		
Expenditures for Media Center Programs in Excess of Total Media Allotment	<u>-1,696,398.47</u>	
Expenditures per Audit	\$ <u>109,702,459.79</u>	
Amount of Underexpenditure for Total Allotment	\$ <u>0.00</u>	\$ <u>0.00</u>

See notes to the general purpose financial statements.

RICHMOND 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
<u>GENERAL AND CAREER EDUCATION PROGRAMS</u>				
Kindergarten (*)	\$ 8,503,870.00		\$ 7,653,483.00	\$ 0.00
Grades 1 - 3 (*)	<u>23,508,796.00</u>		<u>21,157,916.40</u>	
Sub-Total - K-3	\$ 32,012,666.00	90	\$ 28,811,399.40	\$ 0.00
Grades 4 - 5 (*)	10,523,266.00	90	9,470,939.40	
Grades 6 - 8 (*)	17,223,142.00	90	15,500,827.80	
Grades 9 - 12 (*)	11,166,726.00	90	10,050,053.40	
High School Laboratories (*)	6,899,868.00	90	6,209,881.20	
Vocational Education Laboratories (*)	<u>3,638,490.00</u>	90	<u>3,274,641.00</u>	
Total General and Career Education Programs	\$ <u>81,464,158.00</u>		\$ <u>73,317,742.20</u>	\$ 0.00
<u>SPECIAL EDUCATION PROGRAMS</u>				
Regular Programs	\$ 9,367,426.00		\$ 8,430,683.40	\$ 0.00
Category I (*)				
Category II (*)				
Category III (*)				
Category IV (*)				
Sub-Total - Regular	\$ 9,367,426.00	90	\$ 8,430,683.40	\$ 0.00
Category VI (Gifted) (*)	<u>532,529.00</u>	90	<u>479,276.10</u>	
Total Special Education Programs	\$ <u>9,899,955.00</u>		\$ <u>8,909,959.50</u>	\$ 0.00
<u>REMEDIAL EDUCATION PROGRAM (*)</u>	\$ <u>2,514,450.00</u>	90	\$ <u>2,263,005.00</u>	\$ 0.00
Total Fourteen Weighted Programs	\$ <u>93,878,563.00</u>		\$ <u>84,490,706.70</u>	\$ 0.00
<u>MEDIA CENTER PROGRAMS</u>				
Salaries	\$ 2,722,659.00	90	\$ 2,450,393.10	\$ 0.00
Operations	<u>685,502.00</u>	100	<u>685,502.00</u>	
Total Media Center Programs	\$ <u>3,408,161.00</u>		\$ <u>3,135,895.10</u>	\$ 0.00
Total Fourteen Weighted and Media Center Programs	\$ <u>97,286,724.00</u>		\$ <u>87,626,601.80</u>	\$ 0.00
<u>STAFF DEVELOPMENT PROGRAMS</u>				
Cost of Instruction	\$ 294,932.00		\$ 294,932.00	\$ 0.00
Professional Development	<u>612,649.00</u>		<u>612,649.00</u>	0.00
Total Staff Development Programs	\$ <u>907,581.00</u>	100	\$ <u>907,581.00</u>	\$ 0.00

(\*) Identifies Fourteen Weighted Programs.

See notes to the general purpose financial statements.

## SCHEDULE "5"

EDUCATION TOTAL REQUIRED	ACTUAL EXPENDITURES			AMOUNT OF UNDEREXPENDITURE FOR REQUIRED ALLOTMENT
	SALARIES	OPERATIONS	TOTAL	
\$ 7,653,483.00	\$ 8,361,596.75	\$ 140,657.92	\$ 8,502,254.67	
<u>21,157,916.40</u>	<u>22,768,628.28</u>	<u>700,318.05</u>	<u>23,468,946.33</u>	
\$ 28,811,399.40	\$ 31,130,225.03	\$ 840,975.97	\$ 31,971,201.00	\$ 0.00
9,470,939.40	11,019,604.63	470,966.72	11,490,571.35	0.00
15,500,827.80	18,027,112.22	684,524.51	18,711,636.73	0.00
10,050,053.40	13,609,309.71	1,064,083.85	14,673,393.56	0.00
6,209,881.20	9,121,496.23	34,802.83	9,156,299.06	0.00
<u>3,274,641.00</u>	<u>4,441,853.97</u>	<u>410,888.89</u>	<u>4,852,742.86</u>	0.00
\$ <u>73,317,742.20</u>	\$ <u>87,349,601.79</u>	\$ <u>3,506,242.77</u>	\$ <u>90,855,844.56</u>	
\$ 8,430,683.40	\$ 1,158,353.21	\$ 37,214.11	\$ 1,195,567.32	
	3,393,646.11	24,329.09	3,417,975.20	
	5,946,958.04	57,265.55	6,004,223.59	
	<u>837,167.86</u>	<u>47,130.62</u>	<u>884,298.48</u>	
\$ 8,430,683.40	\$ 11,336,125.22	\$ 165,939.37	\$ 11,502,064.59	0.00
<u>479,276.10</u>	<u>476,476.66</u>	<u>12,331.25</u>	<u>488,807.91</u>	0.00
\$ <u>8,909,959.50</u>	\$ <u>11,812,601.88</u>	\$ <u>178,270.62</u>	\$ <u>11,990,872.50</u>	
\$ <u>2,263,005.00</u>	\$ <u>3,424,723.86</u>	\$ <u>22,857.87</u>	\$ <u>3,447,581.73</u>	0.00
\$ <u>84,490,706.70</u>	\$ <u>102,586,927.53</u>	\$ <u>3,707,371.26</u>	\$ <u>106,294,298.79</u>	
\$ 2,450,393.10	\$ 4,356,048.22		\$ 4,356,048.22	0.00
<u>685,502.00</u>		\$ <u>748,511.25</u>	<u>748,511.25</u>	0.00
\$ <u>3,135,895.10</u>	\$ <u>4,356,048.22</u>	\$ <u>748,511.25</u>	\$ <u>5,104,559.47</u>	
\$ <u>87,626,601.80</u>	\$ <u>106,942,975.75</u>	\$ <u>4,455,882.51</u>	\$ <u>111,398,858.26</u>	\$ 0.00
\$ 294,932.00		\$ 522,069.69	\$ 522,069.69	
<u>612,649.00</u>		<u>470,205.48</u>	<u>470,205.48</u>	
\$ <u>907,581.00</u>		\$ <u>992,275.17</u>	\$ <u>992,275.17</u>	\$ 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

February 22, 2001

Honorable Roy E. Barnes, Governor  
Members of the General Assembly  
Members of the State Board of Education  
and  
Superintendent and Members of the  
Richmond 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 Richmond County Board of Education as of and for the year ended June 30, 2000, and have issued our report thereon dated February 22, 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 generally accepted auditing standards 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 the consumable supplies 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 Richmond 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.



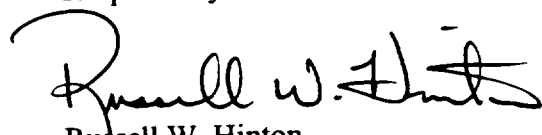
### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Richmond 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 Richmond 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-7211-00-01.

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 Richmond County Board of Education, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Russell W. Hinton". The signature is fluid and cursive, with a large initial "R" and a stylized "H".

Russell W. Hinton  
State Auditor

RWH:gp  
2000YB-40



## DEPARTMENT OF AUDITS AND ACCOUNTS

254 Washington Street, S.W., Suite 214

Atlanta, Georgia 30334-8400

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

February 22, 2001

Honorable Roy E. Barnes, Governor  
Members of the General Assembly  
Members of the State Board of Education  
and  
Superintendent and Members of the  
Richmond 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 Richmond 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. Richmond 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 Richmond County Board of Education's management. Our responsibility is to express an opinion on Richmond County Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Richmond 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 Richmond County Board of Education's compliance with those requirements.

In our opinion, the Richmond 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.

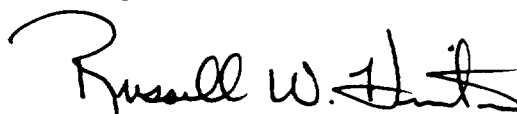
#### Internal Control Over Compliance

The management of Richmond 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 Richmond 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 Richmond County Board of Education, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Russell W. Hinton". The signature is stylized with a large initial "R" and a cursive "H".

Russell W. Hinton  
State Auditor

RWH:gp  
2000SA-10

### **SECTION III**

#### **AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

RICHMOND 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-7211-98-02	No Further Action Warranted
FS-7211-99-01	Previously Reported Corrective Action Implemented
FS-7211-99-02	Unresolved - See Corrective Action/Responses

**CORRECTIVE ACTION/RESPONSES**

**GENERAL FIXED ASSETS**

Failure to Maintain General Fixed Assets Account Group

Finding Control Number: FS-7211-99-02

The Richmond County Board of Education does not maintain a system-wide General Fixed Assets Account Group. The Board of Education does maintain a fixed asset property listing for all State and Federal Programs, a property inventory of all the schools' equipment as well as a schedule of all buildings required for insurance purposes. Due to budgeting limitations, it is not economically feasible to increase the administrative staff to expand our scope.

**SECTION IV**  
**FINDINGS AND QUESTIONED COSTS**

RICHMOND 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 Richmond 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 Richmond 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 Richmond 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 Richmond 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 Richmond 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 Richmond 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 Elementary and Secondary Education Act - Title I - Grants to Local Educational Agencies
- 84.027 Individuals with Disabilities Education Act - Part B - Flow Through
- 84.027 Individuals with Disabilities Education Act - Part B - Georgia Learning Resources System
- 84.027 Individuals with Disabilities Education Act - Part B - Severely Emotionally Disturbed
- 84.173 Individuals with Disabilities Education Act - Part B - Preschool
- 84.340 Elementary and Secondary Education Act - Title VI - Class Size Reduction

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

I SUMMARY OF AUDITOR'S RESULTS

8. Type "A" Program Dollar Threshold

The dollar threshold for type "A" programs was \$783,867.41.

9. Low Risk Auditee

The Richmond 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-7211-00-01

The Richmond 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 the 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.

Management's Response:

The Richmond County Board of Education does not maintain a system-wide General Fixed Assets Account Group. The Board of Education does maintain a fixed asset property listing for all State and Federal Programs, a property inventory of all the school's equipment as well as a schedule of all buildings required for insurance purposes.

We are currently working on our FY 2002 budget and are proposing a budget to hire an outside firm to come in and take an inventory of our general fixed assets. We plan to present a schedule of general fixed assets for FY 2002.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.