



# **TIFT COUNTY BOARD OF EDUCATION TIFTON, GEORGIA**

ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009  
(Including Independent Auditor's Reports)



TIFT COUNTY BOARD OF EDUCATION

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SECTION I  
FINANCIAL



## DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

February 18, 2010

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

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

Ladies and Gentlemen:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information (Exhibits A through H) of the Tift County Board of Education, as of and for the year ended June 30, 2009, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tift County Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tift County Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and

the aggregate remaining fund information of the Tift County Board of Education, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2010, on our consideration of the Tift County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Russell W. Hinton".

Russell W. Hinton, CPA, CGFM  
State Auditor

TIFT COUNTY BOARD OF EDUCATION

TIFT COUNTY BOARD OF EDUCATION  
STATEMENT OF NET ASSETS  
JUNE 30, 2009

EXHIBIT "A"

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 7,158,221.31
Investments	2,691,469.99
Accounts Receivable, Net	
Taxes	1,552,266.01
State Government	4,665,306.74
Federal Government	1,164,112.88
Local	1,608.25
Other	406,768.05
Inventories	120,068.53
Capital Assets, Non-Depreciable	16,376,478.07
Capital Assets, Depreciable (Net of Accumulated Depreciation)	<u>60,762,202.72</u>
Total Assets	<u>\$ 94,898,502.55</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 342,724.83
Salaries and Benefits Payable	7,912,435.03
Payroll Withholdings Payable	122.27
Contracts Payable	394,548.64
Retainages Payable	680,977.30
Deposits and Deferred Revenues	17,417.69
Long-Term Liabilities	
Due Within One Year	464,033.85
Due in More Than One Year	<u>244,657.92</u>
Total Liabilities	<u>\$ 10,056,917.53</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 77,138,680.79
Restricted for	
Bus Replacement	29,543.00
Continuation of Federal Programs	1,589,137.52
Capital Projects	2,620,654.22
Unrestricted	<u>3,463,569.49</u>
Total Net Assets	<u>\$ 84,841,585.02</u>
Total Liabilities and Net Assets	<u>\$ 94,898,502.55</u>

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



TIFT COUNTY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

	EXPENSES	CHARGES FOR SERVICES
<u>GOVERNMENTAL ACTIVITIES</u>		
Instruction	\$ 46,675,144.02	\$ 1,643,143.24
Support Services		
Pupil Services	2,218,541.14	
Improvement of Instructional Services	2,055,154.01	
Educational Media Services	1,191,914.07	
General Administration	572,302.29	
School Administration	4,410,078.13	
Business Administration	291,793.58	
Maintenance and Operation of Plant	4,107,194.06	13,405.30
Student Transportation Services	2,168,871.07	
Central Support Services	248,654.25	
Other Support Services	103,408.18	
Operations of Non-Instructional Services		
Community Services	4,800.00	
Food Services	3,486,471.75	470,082.16
Interest on Short-Term and Long-Term Debt	58,109.89	
	\$ 67,592,436.44	\$ 2,126,630.70
General Revenues		
Taxes		
Property Taxes		
For Maintenance and Operations		
Railroad Cars		
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects		
Other Sales Tax		
Grants and Contributions not Restricted to Specific Programs		
Investment Earnings		
Miscellaneous		
Total General Revenues		
Change in Net Assets		
Net Assets - Beginning of Year		
Net Assets - End of Year		

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

EXHIBIT "B"

<u>PROGRAM REVENUES</u>		<u>NET (EXPENSES)</u>
<u>OPERATING</u>	<u>CAPITAL</u>	<u>REVENUES</u>
<u>GRANTS AND</u>	<u>GRANTS AND</u>	<u>AND CHANGES IN</u>
<u>CONTRIBUTIONS</u>	<u>CONTRIBUTIONS</u>	<u>NET ASSETS</u>
\$ 31,385,348.41	\$ 129,596.61	\$ -13,517,055.76
631,925.09		-1,586,616.05
938,482.44		-1,116,671.57
791,434.89	4,931.82	-395,547.36
1,090,253.44	2,388.78	520,339.93
1,716,324.05	5,192.56	-2,688,561.52
3,285.03		-288,508.55
1,933,457.04	32,098.64	-2,128,233.08
794,847.28	134,909.00	-1,239,114.79
2,941.02		-245,713.23
73,178.52		-30,229.66
		-4,800.00
3,019,951.39	13,878.09	17,439.89
		-58,109.89
<u>\$ 42,381,428.60</u>	<u>\$ 322,995.50</u>	<u>\$ -22,761,381.64</u>
		\$ 14,531,193.28
		15,239.11
		8,083,204.03
		175,257.83
		4,269,171.00
		172,540.48
		<u>867,563.49</u>
		<u>\$ 28,114,169.22</u>
		\$ 5,352,787.58
		<u>79,488,797.44</u>
		<u>\$ 84,841,585.02</u>

TIFT COUNTY BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009

EXHIBIT "C"

	<u>GENERAL FUND</u>	<u>DISTRICT- WIDE CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 7,056,897.90	\$ 101,323.41	\$ 7,158,221.31
Investments		2,691,469.99	2,691,469.99
Accounts Receivable, Net			
Taxes	486,280.66	1,065,985.35	1,552,266.01
State Government	4,665,306.74		4,665,306.74
Federal Government	1,164,112.88		1,164,112.88
Local	1,608.25		1,608.25
Other	406,768.05		406,768.05
Inventories	<u>120,068.53</u>		<u>120,068.53</u>
Total Assets	<u>\$ 13,901,043.01</u>	<u>\$ 3,858,778.75</u>	<u>\$ 17,759,821.76</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 180,126.24	\$ 162,598.59	\$ 342,724.83
Salaries and Benefits Payable	7,912,435.03		7,912,435.03
Payroll Withholdings Payable	122.27		122.27
Contracts Payable		394,548.64	394,548.64
Retainages Payable		680,977.30	680,977.30
Deposits and Deferred Revenue	<u>17,417.69</u>	<u>260,773.19</u>	<u>278,190.88</u>
Total Liabilities	<u>\$ 8,110,101.23</u>	<u>\$ 1,498,897.72</u>	<u>\$ 9,608,998.95</u>
 <u>FUND BALANCES</u>			
Reserved for:			
Bus Replacement	\$ 29,543.00		\$ 29,543.00
Continuation of Federal Programs	1,589,137.52		1,589,137.52
Capital Projects		\$ 2,359,881.03	2,359,881.03
Unreserved			
Designated for Student Activities	282,459.72		282,459.72
Undesignated Reported in:			
General Fund	<u>3,889,801.54</u>		<u>3,889,801.54</u>
Total Fund Balances	<u>\$ 5,790,941.78</u>	<u>\$ 2,359,881.03</u>	<u>\$ 8,150,822.81</u>
Total Liabilities and Fund Balances	<u>\$ 13,901,043.01</u>	<u>\$ 3,858,778.75</u>	<u>\$ 17,759,821.76</u>

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

TIFT COUNTY BOARD OF EDUCATION  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 JUNE 30, 2009

EXHIBIT "D"

Total Fund Balances - Governmental Funds (Exhibit "C") \$ 8,150,822.81

Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	6,143,943.00	
Construction in Progress		10,232,535.07	
Land Improvements		2,788,610.16	
Buildings		84,885,874.10	
Equipment		5,017,360.88	
Accumulated Depreciation		<u>-31,929,642.42</u>	
Total Capital Assets			77,138,680.79

Taxes that are not available to pay for the current expenditures are deferred in the funds. 260,773.19

Long-Term Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.  
 Long-Term Liabilities at year-end consists of capital leases. -708,691.77

Net Assets of Governmental Activities (Exhibit "A") \$ 84,841,585.02

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

TIFT COUNTY BOARD OF EDUCATION  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2009

EXHIBIT "E"

	<u>GENERAL FUND</u>	<u>DISTRICT- WIDE CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Property Taxes	\$ 14,196,513.20		\$ 14,196,513.20
Sales Taxes	175,257.83	\$ 7,822,430.84	7,997,688.67
State Funds	38,073,503.03	188,086.50	38,261,589.53
Federal Funds	8,712,005.57		8,712,005.57
Charges for Services	2,126,630.70		2,126,630.70
Investment Earnings	147,698.86	24,841.62	172,540.48
Miscellaneous	<u>445,479.49</u>		<u>445,479.49</u>
Total Revenues	<u>\$ 63,877,088.68</u>	<u>\$ 8,035,358.96</u>	<u>\$ 71,912,447.64</u>
<u>EXPENDITURES</u>			
Current			
Instruction	\$ 44,121,168.17	\$ 1,614,731.38	\$ 45,735,899.55
Support Services			
Pupil Services	2,218,541.14		2,218,541.14
Improvement of Instructional Services	2,055,154.01		2,055,154.01
Educational Media Services	1,115,476.34	38,338.57	1,153,814.91
General Administration	553,848.51		553,848.51
School Administration	4,370,874.02		4,370,874.02
Business Administration	291,793.58		291,793.58
Maintenance and Operation of Plant	3,529,439.04	437,773.28	3,967,212.32
Student Transportation Services	1,793,794.44	70,006.79	1,863,801.23
Central Support Services	248,654.25		248,654.25
Other Support Services	103,408.18		103,408.18
Community Services	4,800.00		4,800.00
Food Services Operation	3,445,603.44		3,445,603.44
Capital Outlay		7,008,368.07	7,008,368.07
Debt Services			
Principal		642,167.47	642,167.47
Interest		<u>58,109.89</u>	<u>58,109.89</u>
Total Expenditures	<u>\$ 63,852,555.12</u>	<u>\$ 9,869,495.45</u>	<u>\$ 73,722,050.57</u>
Excess of Revenues over (under) Expenditures	<u>\$ 24,533.56</u>	<u>\$ -1,834,136.49</u>	<u>\$ -1,809,602.93</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Capital Leases		\$ 466,050.00	\$ 466,050.00
Insurance Proceeds	\$ 400,000.00		400,000.00
Sale of Equipment	<u>22,084.00</u>		<u>22,084.00</u>
Total Other Financing Sources (Uses)	<u>\$ 422,084.00</u>	<u>\$ 466,050.00</u>	<u>\$ 888,134.00</u>
Net Change in Fund Balances	<u>\$ 446,617.56</u>	<u>\$ -1,368,086.49</u>	<u>\$ -921,468.93</u>
Fund Balances - Beginning	<u>5,344,324.22</u>	<u>3,727,967.52</u>	<u>9,072,291.74</u>
Fund Balances - Ending	<u>\$ 5,790,941.78</u>	<u>\$ 2,359,881.03</u>	<u>\$ 8,150,822.81</u>

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

TIFT COUNTY BOARD OF EDUCATION  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 TO THE STATEMENT OF ACTIVITIES  
 JUNE 30, 2009

EXHIBIT "F"

Total Net Change in Fund Balances - Governmental Funds (Exhibit "E") \$ -921,468.93

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital Outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of Capital Assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlay	\$ 7,035,840.44	
Depreciation Expense	<u>-1,555,692.26</u>	
Excess of Capital Outlay over Depreciation Expense		5,480,148.18

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 610,692.38

In the Statement of Activities, only the loss on the sale of the equipment is reported, whereas in the Governmental Funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the carrying value of the equipment sold. -24,457.37

Some of the expendable equipment acquired this year were financed with capital leases. In Governmental Funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Assets, the lease obligation is reported as a Long-Term Liability. -466,050.00

Repayment of Long-Term Debt is reported as an expenditure in Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Assets. In the current year, these amounts consist of Capital Lease Payments and Trade-Ins.

Capital Lease Payments	\$ 642,167.47	
Capital Lease Trade-Ins	<u>31,755.85</u>	
Total Long-Term Debt Repayments		<u>673,923.32</u>

Change in Net Assets of Governmental Activities (Exhibit "B") \$ 5,352,787.58

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

TIFT COUNTY BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2009

EXHIBIT "G"

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ <u>51,318.90</u>
<u>LIABILITIES</u>	
Funds Held for Others	\$ <u>51,318.90</u>

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

Note 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

**REPORTING ENTITY**

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF PRESENTATION**

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

***District-wide Statements:***

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

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

***Fund Financial Statements:***

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



Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District reports the following major governmental funds:

- General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.
- District-wide Capital Projects Fund accounts for financial resources including Special Purpose Local Option Sales Tax (SPLOST) and grants from Georgia State Financing and Investment Commission to be used for the acquisition, construction or renovation of major capital facilities.

The School District reports the following fiduciary fund type:

- Agency funds account for assets held by the School District as an agent for various funds, governments or individuals.

**BASIS OF ACCOUNTING**

The basis of accounting determines when transactions are reported on the financial statements. The District-wide governmental and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**CASH AND CASH EQUIVALENTS**

**COMPOSITION OF DEPOSITS**

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

**INVESTMENTS**

**COMPOSITION OF INVESTMENTS**

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

- (1) Obligations issued by the State of Georgia or by other states,
- (2) Obligations issued by the United States government,
- (3) Obligations fully insured or guaranteed by the United States government or a United States government agency,
- (4) Obligations of any corporation of the United States government,
- (5) Prime banker's acceptances,
- (6) The Georgia Fund 1 administered by the State of Georgia, Office of Treasury and Fiscal Services,
- (7) Repurchase agreements, and

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

**RECEIVABLES**

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

**PROPERTY TAXES**

The Tift County Board of Commissioners fixed the property tax levy for the 2008 tax digest year (calendar year) on July 21, 2008 (levy date). Taxes were due on November 15, 2008 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2008 tax digest are reported as revenue in the governmental funds for fiscal year 2009. The Tift County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2009, for maintenance and operations amounted to \$14,181,274.09.

The tax millage rate levied for the 2008 tax year (calendar year) for the Tift County Board of Education was as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	<u>14.964</u> mills
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**SALES TAXES**

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to \$7,822,430.84 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**INVENTORIES**

**FOOD INVENTORIES**

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased foods inventories are reported at cost (first-in, first-out). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

**CAPITAL ASSETS**

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School District.

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

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
Land	Any Amount	N/A
Land Improvements	\$ 50,000.00	20 years
Buildings and Improvements	\$ 100,000.00	25 to 80 years
Equipment	\$ 20,000.00	5 to 20 years

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**NET ASSETS**

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

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

**Restricted net assets** - These represent resources for which the School District is legally or contractually obligated to spend resources for bus replacement, continuation of Federal programs and capital projects in accordance with restrictions imposed by external third parties.

**Unrestricted net assets** - Unrestricted net assets represent resources derived from property taxes, sales taxes, grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the School District, and may be used at the discretion of the Board to meet current expenses for those purposes.

Note 3: DEPOSITS AND INVESTMENTS

**COLLATERALIZATION OF DEPOSITS**

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

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

- (1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- (2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,
- (3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
- (4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

Note 3: DEPOSITS AND INVESTMENTS

- (5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
- (6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
- (7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

**CATEGORIZATION OF DEPOSITS**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. At June 30, 2009, the bank balances were \$9,445,930.65. The amounts exposed to custodial credit risk are classified into three categories as follows:

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

The School District's deposits by custodial credit risk category at June 30, 2009, are as follows:

<u>Custodial Credit Risk Category</u>	<u>Bank Balance</u>
1	\$ 0.00
2	8,856,890.85
3	<u>0.00</u>
Total	<u>\$ 8,856,890.85</u>

**CATEGORIZATION OF INVESTMENTS**

At June 30, 2009, the carrying value of the School District's total investments was \$2,691,469.99, which is materially the same as fair value. This investment consisted entirely of funds invested in the Georgia Fund 1, formerly referred to as LGIP, administered by the State of Georgia, Office of Treasury and Fiscal Services which are not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment

TIFT COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2009

EXHIBIT "H"

Note 3: DEPOSITS AND INVESTMENTS

policy of the State of Georgia, Office of Treasury and Fiscal Services for the Georgia Fund 1 (Primary Liquidity Portfolio) does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at <http://www.audits.state.ga.us/internet/searchRpts.html>.

The Primary Liquidity Portfolio consists of Georgia Fund 1 which is not registered with the SEC as an investment company but does operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share. The pool is an AAAM rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2009, was 41 days.

Note 4: NON-MONETARY TRANSACTIONS

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

Note 5: CAPITAL ASSETS

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

	<u>Balances</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u> <u>June 30, 2009</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 6,143,943.00			\$ 6,143,943.00
Construction in Progress	<u>7,493,987.30</u>	<u>\$ 5,721,114.96</u>	<u>\$ 2,982,567.19</u>	<u>10,232,535.07</u>
Total Capital Assets Not Being Depreciated	<u>\$ 13,637,930.30</u>	<u>\$ 5,721,114.96</u>	<u>\$ 2,982,567.19</u>	<u>\$ 16,376,478.07</u>
Capital Assets Being Depreciated				
Buildings and Improvements	\$ 80,588,581.43	\$ 4,297,292.67		\$ 84,885,874.10
Equipment	5,494,436.00		\$ 477,075.12	5,017,360.88
Land Improvements	2,788,610.16			2,788,610.16
Less Accumulated Depreciation for:				
Buildings and Improvements	26,739,729.38	1,087,816.58		27,827,545.96
Equipment	2,541,314.67	349,796.62	452,617.75	2,438,493.54
Land Improvements	<u>1,545,523.86</u>	<u>118,079.06</u>		<u>1,663,602.92</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 58,045,059.68</u>	<u>\$ 2,741,600.41</u>	<u>\$ 24,457.37</u>	<u>\$ 60,762,202.72</u>
Governmental Activity Capital Assets - Net	<u>\$ 71,682,989.98</u>	<u>\$ 8,462,715.37</u>	<u>\$ 3,007,024.56</u>	<u>\$ 77,138,680.79</u>

TIFT COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2009

EXHIBIT "H"

Note 5: CAPITAL ASSETS

Current year depreciation expense by function is as follows:

Instruction		\$	885,776.70
Support Services			
Educational Media Services	\$		33,708.35
General Administration			16,327.03
School Administration			35,490.51
Maintenance and Operation of Plant			219,390.16
Student Transportation Services			<u>270,144.49</u>
Food Services			<u>94,855.02</u>
			<u>\$ 1,555,692.26</u>

Note 6: RESTRICTED ASSETS

Special Purpose Local Option Sales Tax (SPLOST) is a restricted asset in the Statement of Net Assets because its use is limited by statutory provisions. Restricted assets at June 30, 2009, were as follows:

			District-wide Capital Projects <u>SPLOST</u>
Restricted Cash and Cash Equivalents:			
Capital Acquisitions	\$		101,323.41
Restricted Investments			
Capital Acquisitions	\$		2,691,469.99

Note 7: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; acts of God and unemployment compensation.

The School District has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions and job related illness or injuries to employees. The School District has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the School District's insurance coverage in any of the past three years.

The School District has elected to self-insure for all losses related to acts of God. The School District has not experienced any losses related to this risk in the past three years.



TIFT COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2009

EXHIBIT "H"

Note 7: RISK MANAGEMENT

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the same fund that the employee's salary and benefits were paid. Claims are accounted for 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>
2008	\$ 3,508.40	\$ 3,915.00	\$ 3,508.40	\$ 3,915.00
2009	\$ 3,915.00	\$ 18,927.00	\$ 10,157.00	\$ 12,685.00

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

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$ 100,000.00
High School Principal	\$ 100,000.00
Middle School Principal	\$ 100,000.00
Comptroller	\$ 100,000.00
Each Employee	\$ 10,000.00

Note 8: OPERATING LEASES

Tift County Board of Education has entered into a lease as lessee for copiers. This lease is considered for accounting purposes to be an operating lease. Lease expenditures for the year ended June 30, 2009, for governmental funds amounted to \$165,920.00. Future minimum lease payments for this lease is as follows:

<u>Year Ending</u>	<u>Governmental Funds</u>
2010	\$ 167,424.00
2011	167,424.00
2012	<u>1,504.00</u>
Total	<u>\$ 336,352.00</u>

TIFT COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2009

EXHIBIT "H"

Note 9: LONG-TERM DEBT

**CAPITAL LEASES**

The Tift County Board of Education entered into various lease agreements as lessee for computer equipment. 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.

The changes in Long-Term Debt during the fiscal year ended June 30, 2009, were as follows:

	Governmental Funds				
	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Due Within One Year
Capital Leases	\$ <u>916,565.09</u>	\$ <u>466,050.00</u>	\$ <u>673,923.32</u>	\$ <u>708,691.77</u>	\$ <u>464,033.85</u>

At June 30, 2009, payments due by fiscal year which includes principal and interest for these items are as follows:

<u>Fiscal Year Ended June 30</u>	Capital Leases	
	Principal	Interest
2010	\$ 464,033.85	\$ 43,469.77
2011	209,380.84	14,365.68
2012	35,277.08	1,989.63
Total Principal and Interest	\$ <u>708,691.77</u>	\$ <u>59,825.08</u>

Note 10: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of \$554,942.32 for health insurance and retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education

Paid to the Georgia Department of Community Health  
 For Health Insurance of Non-Certified Personnel  
 In the amount of \$456,988.98

Paid to the Teachers Retirement System of Georgia  
 For Teachers Retirement System (TRS) Employer's Cost  
 In the amount of \$71,751.34

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 \$26,202.00

TIFT COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2009

EXHIBIT "H"

Note 11: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2009, together with funding available:

<u>Project</u>	<u>Unearned Executed Contracts</u>	<u>Funding Available From State</u>
08-737-053	\$ 361,807.47	\$ 101,026.80
09/08S-737-064	840,454.72	40,858.50
Matt Wilson Elementary School	35,401.54	
Northside Primary School	<u>61.20</u>	<u>                    </u>
	<u>\$ 1,237,724.93</u>	<u>\$ 141,885.30</u>

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

Note 12: SIGNIFICANT CONTINGENT LIABILITIES

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. The School District believes that such disallowances, if any, will be immaterial to its overall financial position.

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

Note 13: SUBSEQUENT EVENTS

On October 27, 2009, a consent order of liquidation was entered in the case of State of Georgia, Ex. Rel., John W. Oxendine, Commissioner of Insurance of the State of Georgia v. Southeastern U. S. Insurance, Inc., a Georgia Insurer. Tift County Board of Education was an insured of the defendant for workers' compensation purposes. As of the date of the order of liquidation, the School District was no longer covered by its workers' compensation policy with the defendant. It is difficult to ascertain the number of outstanding claims, if any, for which the School District is liable. We are currently unable to determine any amounts for which the School District may be liable. The School District has obtained workers' compensation insurance from another carrier.

Note 14: POSTEMPLOYMENT BENEFITS

**Georgia Retiree Health Benefit Fund**

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

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

Participating employers are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rate is established to fund both the active and retired employee health insurance plans based on projected "pay-as-you-go" financing requirements. The combined rates for the active and retiree plans for the fiscal year ended June 30, 2009, were as follows:

*Certified employees*

July 2008 - January 2009	18.534% of state-based salaries for August - February coverage
February 2009	8.579% of state-based salaries for March coverage
March 2009 - May 2009	3.688% of state-based salaries for April - June coverage
June 2009	0.000% of state-based salaries for July coverage

*Non-Certificated Employees*

\$162.72 per month

No additional contribution was required by the Board for fiscal year 2009 nor contributed to GRHBF to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the State plan for other postemployment benefits and are subject to appropriation.

Note 14: POSTEMPLOYMENT BENEFITS

The School District's contributions to the health insurance plans for the years ended June 30, 2008, and June 30, 2009, were \$6,476,258.24, and \$4,618,516.08, respectively, which equaled the required contribution.

Note 15: RETIREMENT PLANS

**TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)**

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

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

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

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

TIFT COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009

EXHIBIT "H"

Note 15: RETIREMENT PLANS

*Funding Policy.* TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Member contributions are limited by State law to not less than 5% or more than 6% of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2009, were 5% of annual salary. The member contribution rate will increase to 5.25% effective July 1, 2009, and to 5.53% effective July 1, 2010. Employer contributions required for fiscal year 2009 were 9.28% of annual salary as required by the June 30, 2006, actuarial valuation. The employer contribution rate will increase to 9.74% effective July 1, 2009, and to 10.28% effective July 1, 2010.

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

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2009	100%	\$ 3,714,287.97
2008	100%	\$ 3,614,811.98
2007	100%	\$ 3,367,891.00

TIFT COUNTY BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2009

SCHEDULE "1"

	NONAPPROPRIATED BUDGETS		ACTUAL
	ORIGINAL	FINAL	AMOUNTS
<u>REVENUES</u>			
Property Taxes	\$ 13,700,000.00	\$ 14,488,715.57	\$ 14,196,513.20
Sales Taxes	250,000.00	175,257.83	175,257.83
State Funds	40,544,585.81	38,107,184.73	38,073,503.03
Federal Funds	7,473,593.99	8,888,306.67	8,712,005.57
Charges for Services	508,000.00	974,910.17	2,126,630.70
Investment Earnings	253,000.00	169,275.53	147,698.86
Miscellaneous	122,505.76	1,794,405.92	445,479.49
Total Revenues	\$ 62,851,685.56	\$ 64,598,056.42	\$ 63,877,088.68
<u>EXPENDITURES</u>			
Current			
Instruction	\$ 44,420,101.76	\$ 44,196,855.44	\$ 44,121,168.17
Support Services			
Pupil Services	1,875,647.51	2,218,541.14	2,218,541.14
Improvement of Instructional Services	1,281,408.42	2,055,154.01	2,055,154.01
Educational Media Services	1,186,372.83	1,115,476.34	1,115,476.34
General Administration	614,895.68	572,313.89	553,848.51
School Administration	4,755,650.79	4,370,874.02	4,370,874.02
Business Administration	305,555.02	291,793.58	291,793.58
Maintenance and Operation of Plant	3,650,416.62	3,529,439.04	3,529,439.04
Student Transportation Services	1,899,685.61	1,793,794.44	1,793,794.44
Central Support Services	302,061.50	248,654.25	248,654.25
Other Support Services	142,905.19	103,408.18	103,408.18
Community Service Operations	4,800.00	4,800.00	4,800.00
Food Services Operation	3,452,900.00	3,453,871.50	3,445,603.44
Total Expenditures	\$ 63,892,400.93	\$ 63,954,975.83	\$ 63,852,555.12
Excess of Revenues over (under) Expenditures	\$ -1,040,715.37	\$ 643,080.59	\$ 24,533.56
<u>OTHER FINANCING SOURCES (USES)</u>			
Other Sources	\$ 95,000.00	\$ 145,545.92	\$ 422,084.00
Other Uses	-95,000.00	-123,229.36	
Total Other Financing Sources (Uses)	\$ 0.00	\$ 22,316.56	\$ 422,084.00
Net Change in Fund Balances	\$ -1,040,715.37	\$ 665,397.15	\$ 446,617.56
Fund Balances - Beginning	5,344,324.22	5,344,324.22	5,344,324.22
Adjustments	28,426.43	-1,036.19	
Fund Balances - Ending	\$ 4,332,035.28	\$ 6,008,685.18	\$ 5,790,941.78

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

The accompanying schedule of revenues, expenditures and changes in fund balances budget and actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

See notes to the basic financial statements.

TIFT COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009

SCHEDULE "2"

FUNDING AGENCY <u>PROGRAM/GRANT</u>	<u>CFDA NUMBER</u>	<u>PASS- THROUGH ENTITY ID NUMBER</u>	<u>EXPENDITURES IN PERIOD</u>
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	N/A	(2)
National School Lunch Program	10.555	N/A	\$ <u>3,263,114.93</u> (1)
Total Child Nutrition Cluster			\$ 3,263,114.93
Other Programs			
Pass-Through From Georgia Department of Education			
Secondary and Two-Year Postsecondary Agriculture Education			
Challenge Grants	10.226	N/A	<u>10,603.93</u>
Total U. S. Department of Agriculture			\$ <u>3,273,718.86</u>
Education, U. S. Department of			
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	* 84.027	N/A	\$ 1,385,863.00
Preschool Grants	* 84.173	N/A	<u>77,676.00</u>
Total Special Education Cluster			\$ 1,463,539.00
State Fiscal Stabilization Fund Cluster			
Pass-Through From Georgia Department of Education			
ARRA - Education State Grants	* 84.394	N/A	797,911.00
Title I, Part A Cluster			
Pass-Through From Georgia Department of Education			
Title I - Grants to Local Educational Agencies	* 84.010	N/A	2,485,109.75
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	N/A	111,980.70
English Language Acquisition Grants	84.365	N/A	66,127.80
Improving Teacher Quality State Grants	84.367	N/A	446,721.59
Migrant Education	84.011	N/A	209,562.94
Rural Education	84.358	N/A	194,089.25
Safe and Drug-Free Schools and Communities - National Programs	84.186	N/A	22,405.56
State Grants for Innovative Programs	84.298	N/A	<u>2,213.31</u>
Total U. S. Department of Education			\$ <u>5,799,660.90</u>
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program			\$ <u>69,454.85</u>
Total Federal Financial Assistance			\$ <u><u>9,142,834.61</u></u>

N/A = Not Available



TIFT COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009

SCHEDULE "2"

Notes to the Schedule of Expenditures of Federal Awards

- (1) Includes the Federally assigned value of donated commodities for the Food Donation Program in the amount of \$200,566.59.
- (2) Expenditures for the funds earned on the School Breakfast Program (\$657,985.79) were not maintained separately and are included in the 2009 National School Lunch Program.

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

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

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

See notes to the basic financial statements.

TIFT COUNTY BOARD OF EDUCATION  
SCHEDULE OF STATE REVENUE  
YEAR ENDED JUNE 30, 2009

SCHEDULE "3"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	
<b>GRANTS</b>			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 1,044,490.40		\$ 1,044,490.40
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	1,122,908.00		1,122,908.00
Kindergarten Program - Early Intervention Program	1,721,903.00		1,721,903.00
Primary Grades (1-3) Program	5,053,274.00		5,053,274.00
Primary Grades - Early Intervention (1-3) Program	1,240,192.00		1,240,192.00
Upper Elementary Grades (4-5) Program	2,393,872.00		2,393,872.00
Upper Elementary Grades - Early Intervention (4-5) Program	761,488.00		761,488.00
Middle Grades (6-8) Program	1,293,896.00		1,293,896.00
Middle School (6-8) Program	2,953,565.00		2,953,565.00
High School General Education (9-12) Program	3,474,610.00		3,474,610.00
Vocational Laboratory (9-12) Program	1,148,384.00		1,148,384.00
Students with Disabilities	3,466,317.00		3,466,317.00
Gifted Student - Category VI	1,291,680.00		1,291,680.00
Remedial Education Program	592,982.00		592,982.00
Alternative Education Program	332,637.00		332,637.00
English Speakers of Other Languages (ESOL)	802,351.00		802,351.00
Media Center Program	776,429.00		776,429.00
20 Days Additional Instruction	236,429.00		236,429.00
Staff and Professional Development	152,903.00		152,903.00
Indirect Cost			
Central Administration	933,935.00		933,935.00
School Administration	1,566,297.00		1,566,297.00
Facility Maintenance and Operations	1,905,113.00		1,905,113.00
Categorical Grants			
Pupil Transportation			
Regular	716,130.00		716,130.00
Bus Replacement	134,909.00		134,909.00
Sparsity	17,915.00		17,915.00
Nursing Services	136,198.00		136,198.00
Vocational Supervisors	16,949.00		16,949.00
Migrant Education	19,771.00		19,771.00
Education Equalization Funding Grant	4,269,171.00		4,269,171.00
Food Services	186,694.00		186,694.00
Vocational Education	163,636.00		163,636.00
Amended Formula Adjustment	-2,707,961.00		-2,707,961.00
Other State Programs			
Graduation Coaches - High School	81,003.51		81,003.51
Graduation Coaches - Middle School	40,049.00		40,049.00
Health Insurance	456,988.98		456,988.98
National Teacher Certification	41,821.42		41,821.42
Preschool Handicapped Program	104,238.00		104,238.00
Teachers' Retirement	71,751.34		71,751.34
Virtual Schools	575.00		575.00
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects		\$ 188,086.50	188,086.50
Office of Treasury and Fiscal Services			
Public School Employees Retirement	26,202.00		26,202.00
Public Safety, Georgia Department of			
Drivers Education	31,806.38		31,806.38
	<u>\$ 38,073,503.03</u>	<u>\$ 188,086.50</u>	<u>\$ 38,261,589.53</u>

See notes to the basic financial statements.

TIFT COUNTY BOARD OF EDUCATION  
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
 YEAR ENDED JUNE 30, 2009

SCHEDULE "4"

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>AMOUNT EXPENDED IN CURRENT YEAR (3)</u>	<u>AMOUNT EXPENDED IN PRIOR YEARS (3)</u>	<u>PROJECT STATUS</u>
Constructing, equipping, and furnishing a new alternative school; adding to, renovating, repairing, improving, and equipping existing educational facilities, including but not limited to school buildings and facilities, physical education/athletic buildings and facilities, support facilities, and other facilities deemed necessary for efficient and effective school operations; purchasing or acquiring miscellaneous new equipment, fixtures and furnishings for the school system, to include but not limited to instructional and administrative technology equipment and software, text books, library books, athletic equipment, band and musical instruments, and other instructional materials; acquiring or purchasing any real or personal property and equipment deemed necessary for schools or school system purposes and operations; purchasing school vehicles, to include school buses, school system motor vehicles and equipment; and repairing and upgrading school buses, school system motor vehicles, and equipment.	\$ <u>44,000,000.00</u>	\$ <u>44,000,000.00</u>	\$ <u>9,403,445.45</u>	\$ <u>13,420,149.68</u>	Ongoing

- (1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- (2) The School District's current estimate of total cost for the project. Includes all cost from project inception to completion.
- (3) The voters of Tift County approved the imposition of a 1% sales tax to fund the above project. Amounts expended for this project may include sales tax proceeds, state, local property taxes and/or other funds over the life of the project.

See notes to the basic financial statements.

TIFT COUNTY BOARD OF EDUCATION  
GENERAL FUND - QUALITY BASIC EDUCATION PROGRAM (QBE)  
ALLOTMENTS AND EXPENDITURES - BY PROGRAM  
YEAR ENDED JUNE 30, 2009

SCHEDULE "5"

DESCRIPTION	ALLOTMENTS FROM GEORGIA DEPARTMENT OF EDUCATION (1) (2)		ELIGIBLE QBE PROGRAM COSTS		
			SALARIES	OPERATIONS	TOTAL
Direct Instructional Programs					
Kindergarten Program	\$ 1,419,153.00	\$ 1,618,568.76	\$ 5,888.32	\$ 1,624,457.08	
Kindergarten Program-Early Intervention Program	1,920,364.00	1,998,445.10	5,785.19	2,004,230.29	
Primary Grades (1-3) Program	5,848,904.00	4,304,439.83	33,126.04	4,337,565.87	
Primary Grades-Early Intervention (1-3) Program	1,480,791.00	3,035,530.21	4,347.00	3,039,877.21	
Upper Elementary Grades (4-5) Program	2,828,711.00	3,240,987.94	11,476.86	3,252,464.80	
Upper Elementary Grades-Early Intervention (4-5) Program	887,434.00	946,460.06	1,376.28	947,836.34	
Middle Grades (6-8) Program	1,506,923.00	1,641,109.13	7,773.03	1,648,882.16	
Middle School (6-8) Program	3,436,815.00	3,910,370.77	20,413.69	3,930,784.46	
High School General Education (9-12) Program	4,073,366.00	5,444,763.30	57,178.14	5,501,941.44	
Vocational Laboratory (9-12) Program	1,365,994.00	1,414,918.11	30,730.06	1,445,648.17	
Students with Disabilities	3,993,857.00				
Category I		29,943.69	63.39	30,007.08	
Category II		998,469.13	2,396.23	1,000,865.36	
Category III		2,428,762.88	8,306.98	2,437,069.86	
Category IV		400,273.89	1,566.07	401,839.96	
Category V		188,770.78	1,385.97	190,156.75	
Gifted Student - Category VI	1,368,117.00	785,234.52	9,211.42	794,445.94	
Remedial Education Program	674,738.00	646,166.26	2,466.49	648,632.75	
Alternative Education Program	390,091.00	822,258.71	5,891.01	828,149.72	
English Speakers of Other Languages (ESOL)	889,127.00	619,403.09		619,403.09	
<b>TOTAL DIRECT INSTRUCTIONAL PROGRAMS</b>	<b>\$ 32,084,385.00</b>	<b>\$ 34,474,876.16</b>	<b>\$ 209,382.17</b>	<b>\$ 34,684,258.33</b>	
Media Center Program	903,638.00	1,072,771.83	27,648.62	1,100,420.45	
Staff and Professional Development	177,036.00			163,087.14	
<b>TOTAL QBE FORMULA FUNDS</b>	<b>\$ 33,165,059.00</b>	<b>\$ 35,547,647.99</b>	<b>\$ 237,030.79</b>	<b>\$ 35,947,765.92</b>	

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

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

See notes to the basic financial statements.

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS



## DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

February 18, 2010

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

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

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tift County Board of Education as of and for the year ended June 30, 2009, which collectively comprise Tift County Board of Education's basic financial statements and have issued our report thereon dated February 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tift County Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tift County Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tift County Board of Education's internal control over financial reporting.

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

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

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tift County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Russell W. Hinton".

Russell W. Hinton, CPA, CGFM  
State Auditor

RWH:as  
2009YB-10



## DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

February 18, 2010

Honorable Sonny Perdue, Governor  
Members of the General Assembly  
Members of the State Board of Education  
and  
Superintendent and Members of the  
Tift 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 Tift 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, 2009. Tift County Board of Education's major Federal programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of Tift County Board of Education's management. Our responsibility is to express an opinion on Tift County Board of Education's compliance based on our audit.

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

2009SA-10



In our opinion, the Tift 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, 2009.

#### Internal Control Over Compliance

The management of Tift 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 Tift County Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Tift County Board of Education's internal control over compliance.

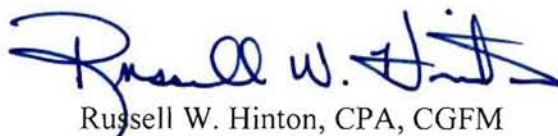
A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a Federal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

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

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

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Russell W. Hinton".

Russell W. Hinton, CPA, CGFM  
State Auditor

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

TIFT COUNTY BOARD OF EDUCATION  
AUDITEE'S RESPONSE  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

**FINDING CONTROL NUMBER AND STATUS**

FS-7371-08-01

Previously Reported Corrective Action Implemented

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV  
FINDINGS AND QUESTIONED COSTS

TIFT COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009

I SUMMARY OF AUDITOR'S RESULTS

1. Type of Report Issued on the Financial Statements

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

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

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

3. Noncompliance Material to the Financial Statements

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

4. Significant Deficiencies in Internal Control Over Major Programs

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

5. Type of Report Issued on Compliance for Major Programs

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

7. Major Programs

Federal awards audited as major programs are as follows:

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

8. Type "A" Program Dollar Threshold

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

9. Low Risk Auditee

The Tift County Board of Education did not qualify as a low risk auditee as defined by Section .530 of OMB Circular A-133.

TIFT COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.