BIBB COUNTY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2006

Prepared by:
Bibb County School District
Finance Division

484 Mulberry Street
Macon, Georgia 31201


BOARD OF PUBLIC EDUCATION
BIBB COUNTY, GEORGIA

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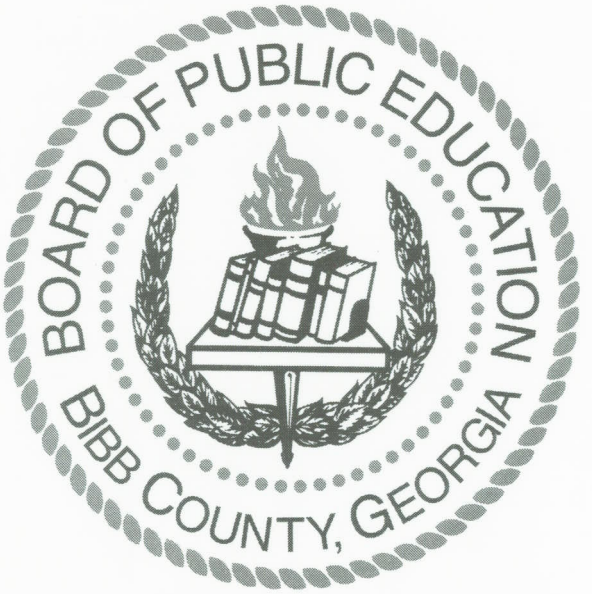
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I. INTRODUCTORY SECTION

Bibb County Public Schools

484 MULBERRY STREET * POST OFFICE BOX 6157
MACON, GEORGIA 31208 * (478)765-8711

December 15, 2006

To the Members of the Board of Public Education for Bibb County and Citizens of Bibb County, Georgia:

The Comprehensive Annual Financial Report (CAFR) of the Bibb County Public School District (District) for the fiscal year ended June 30, 2006 is hereby submitted. It has been prepared by the Finance Division and conforms to generally accepted accounting principles as applicable to governmental entities. State law requires that every school district publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement and provides full disclosure of the financial operations of the District for the fiscal year ended June 30, 2006. The District's Administration maintains full responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the District as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activity have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit.

- The *Introductory* section includes this letter of transmittal, an organization chart and a list of the Board's principal elected and appointed officials.

- The Independent Auditor's Report is located at the front of the *Financial Section* of this report. Mauldin & Jenkins, LLC, has issued an unqualified ("clean") opinion on the Bibb County Public School District's financial statements for the year ended June 30, 2006. The *Financial Section* also includes the Management's Discussion and Analysis (MD&A) and all financial statements and schedules as required by the Governmental Accounting Standards Board (GASB) Statement #34. This letter of transmittal is designed to complement the Management's Discussion and Analysis and should be read in conjunction with it.

- The *Statistical* section includes selected financial and demographic information, generally presented on a multi year basis.

- The *Single Audit* section contains schedules and auditor's reports required for the District to comply with the Revised Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations.*

PROFILE OF THE BIBB COUNTY PUBLIC SCHOOL DISTRICT

The Bibb County School District is a political subdivision of the State of Georgia, the boundaries of which are coextensive with the territorial limits of Bibb County. The District is separate from and legally and fiscally independent of the Board of Commissioners of Bibb County and all other political subdivisions in the state. The District is the only public school district in Bibb County and is vested, pursuant to constitutional authority, with the power to conduct a system of public education within its boundaries. The District operates public schools in unincorporated portions of Bibb County and in the incorporated cities of Macon and Lizella, Georgia.

The Board of Public Education for Bibb County (Board) is the official governing body of the District and as such is responsible for the operation of all public schools within Bibb County. Annually, the Board elects a President, Vice-President, Treasurer and Secretary. The Superintendent is appointed by the Board for a term that is determined by the Board. As its Chief Executive Officer, the Superintendent has general supervisory and administrative responsibility for all departments and personnel of the District. The Georgia Constitution provides that the management and control of the School District shall be under the Board of Education. The eight elected Board members have decision-making authority and the power to designate management and significantly influence operations.

Student enrollment in September, 2005 was over 25,000, about the same as the prior year. Approximately 70% of our students receive free and reduced price lunches. The purpose and responsibility of the District is to provide a thorough and efficient educational program for all students. The District employs in excess of 3,500 employees, including over 1,700 teachers, committed to ensuring that each child has access to programs and services that are appropriate to his or her educational needs. From pre-kindergarten through the twelfth grade, students learn in an atmosphere that promotes cultural understanding and respect, while holding the highest standards for academic achievement and personal responsibility.

The standard curricula in our twenty-seven elementary, six middle and six high schools provide a solid educational foundation. These currently include three elementary magnet schools, one magnet middle school, four magnet high schools and one high school offering career opportunities.

Among our five specialty schools, we have two facilities that meet special needs, *Butler Early Childhood Center* and *Elam Alexander Academy*. Butler also provides a pre-kindergarten program for 4-year olds. We also have the *Renaissance Academy*, which offers students a second chance to complete their high school education in a non-traditional setting. Students who may have job-related or family responsibilities, have dropped out of school, or are currently struggling in high school, are given individual academic attention at Renaissance Academy. Also among our list of special schools is a *Teen Parent Center* where pregnant and parenting middle and high school students can work toward their high school diploma. *Joseph Neel Academy* is for students who are removed from their classrooms due to disruptive behavior. There they encounter a disciplined environment and regular counseling about their behavior, attitudes, and schoolwork until they earn their way back to their home schools.

Our mission is to provide a high quality education for all Bibb County students in a safe, comfortable environment and to make use of all human and technological resources in preparing graduates for post-high school objectives. Our vision is one of achievement and performance for every school, for every classroom, and for every child.

Other highlights of the Bibb County School District include:

- ❑ International Baccalaureate Program
- ❑ High School Magnet Programs: Fine Arts; Law; Science and Health; Pre-Engineering; and Career, Technical and Agricultural Education
- ❑ Gifted Programs
- ❑ System-wide Special Education Instruction
- ❑ School House Health Services
- ❑ Mentors and Tutoring Programs
- ❑ After School Programs
- ❑ Technology/Career Education Programs
- ❑ Apprenticeship Programs
- ❑ Athletics and Physical Education

MAJOR INITIATIVES

Teaching and Learning Initiatives The following programmatic initiatives were implemented or expanded during the FY2006 school year:

- ❑ Expansion of AP (Advanced Placement) and Pre-AP courses
- ❑ Expansion of CTAE (Career, Technical and Agricultural Education) courses
- ❑ Continued rollout of the Georgia Performance Standards to include new standards in English (all grades), Science (grades 6 and 7, 9-12), and Math (grade 6)
- ❑ Addition of an inclusive Kindergarten class at the Butler Center
- ❑ Implementation of the CIS Performance Learning Center module at the Renaissance Academy
- ❑ New Music, Drama and Art curricula
- ❑ School staff allocation formula change for Middle Schools and Grades 4-5
- ❑ Combined regular/special education at the Middle School level

Balanced Scorecard Several years ago, the Bibb County School District adopted and began implementing a balanced scorecard approach to measuring the performance of the School District in achieving its goals. The system balanced scorecard is an extension of strategic planning for the District in its efforts to maximize student achievement. The central office balanced scorecard was rolled out in FY2005. The central office balanced scorecard cascades from the system-wide balanced scorecard and joins in its efforts to improve student achievement and organizational effectiveness. The scorecard also measures the effectiveness of the District as a whole in achieving its strategic performance objectives. The District-wide Strategic Objectives are as follows:

- ❑ The Bibb County School District will ensure that all students attain high levels of achievement in all content areas by focusing on teaching and learning the Georgia Performance Standards (GPS).
- ❑ The Bibb County School District will recruit, employ, develop and retain a quality workforce that achieves the mission and goals of the organization.
- ❑ The Bibb County School District will ensure a safe and conducive learning and working environment for all.
- ❑ The Bibb County School District will meet the needs for information through technological services that support performance and desired results.

The 2005 Capital Improvement Program Encouraged by the success of the 1999 Capital Improvement Program, on September 20, 2005, 71% of the voters of Bibb County once again voted in favor of a referendum approving a one-cent Special Purpose Local Option Sales Tax for capital improvements. The referendum approved a maximum collection of $165.6 million over the period covering January 1, 2006 through December 31, 2010. Highlights of the new Capital Improvement Program are:

- ❑ 3 new high schools (2 to replace existing facilities)
- ❑ 2 new middle schools (1 to replace an existing facility)
- ❑ 1 new elementary school (to replace an existing facility)
- ❑ New early childhood center (to replace existing facility)
- ❑ Classroom additions at 4 schools
- ❑ Renovations at 9 elementary schools, 1 middle school, 1 high school, Neel Academy and the Career Center Annex
- ❑ School based technology innovations
- ❑ Purchase new and replacement school buses and maintenance, delivery and security vehicles
- ❑ Athletic facility improvements

The referendum also approved the issuance of general obligation bonds up to $76.5 million repayable from the proceeds of the penny sales tax. General Obligation Bonds were issued on December 29, 2005 ($56 million) and February 1, 2006 ($14.535 million).

ECONOMIC CONDITION AND OUTLOOK

The primary strength of our local economy continues to be diversification as well as the fact that we are located in the "Heart of Georgia" at the crossroads of Interstates 75 and 16, approximately 80 miles south of Atlanta and Hartsfield-Jackson International Airport. Macon is the place where people come from all over Middle Georgia to work, receive state of the art medical services; attend Medical, Engineering, and Law Schools; receive award winning information technology training; and shop at the second largest mall in Georgia.

At approximately 255 square miles, Bibb County is the 121st largest of Georgia's 159 counties. The county's population, which ranks 12th in the State of Georgia, is estimated to be 154,918 by the U.S. Census Bureau for the year ended 2005, and continues to be about the same as prior years due to population decline in the city offset by growth in the county. According to the Georgia Department of Labor, Bibb County had a 2005 civilian workforce of 72,383 with a 5.8% unemployment rate versus a 5.1% unemployment rate in 2004.

A listing of the major employers of Bibb County, Georgia is provided in the schedules which follow:

Largest Private Employers[1]

Employers	# of Employees
GEICO	3,634
Mercer University	1,338
Coliseum Medical Center	1,300
R.J. Reynolds, formerly Brown & Williamson Tobacco Company	1,251
YKK (USA), Inc.	877

Largest Public Employers[1]

Employers	# of Employees
Medical Center of Central GA	5,195
Bibb County Schools	3,500
City of Macon	1,606
Bibb County	894
US Postal Service	678

[1] *Macon - Bibb County Industrial Authority*

Over the past 12 months, Bibb County has lost approximately 2,000 jobs due to existing industry closings at Brown & Williamson Tobacco Corporation, Keebler, and First Data . Fortunately, two newly constructed projects have begun to fill 500 positions at the Bass Pro Shops Distribution Center and Retail Store and the Sara Lee Foods Distribution Center.

In partnership with the Macon Economic Development Commission and the Macon-Bibb County Industrial Authority, Bibb County has located a 214,000 sq. ft. refrigerated/freezer distribution center for Sara Lee Foods, Inc. at I-75 Business Park and a 316,000 sq. ft. fiber-cement building product manufacturing plant for Nichiha USA at Airport South Industrial Park. The Sara Lee project was scheduled to be operational in August 2006 and the Nichiha USA project is scheduled for completion in December 2007. These projects, along with several existing industry expansions and other new industry recruitments, will create 328 additional jobs with investments totaling $103.5 million.

Located in neighboring Houston County, Robins Air Force Base, the largest industrial complex in Georgia, employs a workforce of 19,760 civilian and military members with an annual net payroll of $1.47 billion. Other salaries to on-base service contractors total $100.4 million. In FY2005, Robins had a significant economic impact on the State of Georgia - $4.2 billion. Approximately 2,200 Bibb County residents are employed at Robins with salaries in excess of $154 million. Federal annuity retirement benefits totaling $100.5 million are paid to 4,958 Bibb County residents.[1]

FINANCIAL INFORMATION

GASB Statement #34 In compliance with GASB Statement #34, the District's basic financial statements are composed of district-wide financial statements, fund financial statements, and notes to the financial statements. The focus is on the School District as a whole rather than on individual funds. By providing a broader, district-wide perspective, while maintaining the traditional features, the annual reports are easier to understand and more useful to stakeholders, such as investors and creditors. The district-wide statements are prepared on an accrual basis of accounting for all activities of the District. Under the accrual basis, all revenues and costs of providing services are reported, not just those received or paid in the current year or soon thereafter. This approach moves governmental accounting closer to financial reporting in the private sector. The district-wide financial statements are prepared on an economic resource measurement focus, which includes all of the School District's resources, capital and financial, current and long-term. Specifically, the district-wide financial statements consist of two statements: 1) a statement of net assets and 2) a statement of activities. As a result of GASB #34, the District now provides information about the cost of delivering services on a full accrual basis including the cost of depreciating fixed assets. See the Management Discussion and Analysis for further explanation of these statements. GASB Statement #34 also requires the desegregation and reporting of major funds.

Internal Controls Management of the District is responsible for establishing and maintaining an internal control structure which is designed to ensure that the assets are protected from loss or theft and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefit likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. The internal control structure is subject to periodic evaluation by management.

Budgetary Controls The District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Public Education for Bibb County. Activities of the general, capital projects, special revenue, and debt service funds are included in the annual appropriated budget. The level of budgetary control is established by program within an individual fund. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The District is required to adopt a final budget no later than June 30th at the close of each fiscal year. An administrative budget review team aligns requests with priorities and proposed expenditures with anticipated revenues to arrive at a budget for consideration by the Superintendent and the Board of Education. In accordance with local board policy, a public hearing is held to provide an opportunity for community response to the proposed budget. The FY2006 Governmental Activities expenses amounted to over $200 million.

Risk Management The District's insurance coverage for automobile and property liability is awarded on a one-year basis. Fidelity bonds and Board Member's errors and omissions insurance are renewed annually. Although the District is self-insured, we also obtain excess Workers' Compensation coverage for potential extraordinary catastrophic injuries. The District feels this approach to risk management ensures a quality insurance program and utilizes financial resources in the most efficient and effective way possible.

Cash Management The District's cash management process maximizes the use of idle funds by investing balances until needed. Cash temporarily idle during the year was invested in the State's Georgia Fund One (Local Government Investment Pool). As indicated in Note 4 to the Financial Statements, idle funds are also invested in the Federal Home Loan Mortgage, Federal Home Loan Bank, and the Federal National Mortgage Association. We have also invested funds in our local Wachovia and BB&T (Branch Banking & Trust) commercial banks.

In relation to our prudent financial management, the District maintains excellent bond ratings which have produced significant interest savings and is solid evidence of our financial strength and stability. Moody's Investors Service and Standard & Poor's Rating Services, a Division of the McGraw-Hill Companies, Inc., have assigned the ratings of "Aa2" and AA+," respectively, to the Series 2005 and Series 2006 Bonds, based upon the School District's participation in the State of Georgia Intercept Program. Moody's Investors Service has assigned an underlying rating (without regard to the State of Georgia Intercept Program) of "Aa3" to the Series 2005 and Series 2006 Bonds. Standard & Poor's Ratings Services has assigned an underlying rating (without regard to the State of Georgia Intercept Program) of "AA" to these bonds.

Independent Audit The Board requires an annual audit of the District's financial statements by independent certified public accountants selected by the Board. The Board selected Mauldin & Jenkins to perform the audit. This requirement has been complied with and the auditors' opinion has been included in this report.

AWARDS

Certificates of Achievement and Excellence The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Bibb County School District for its comprehensive annual financial report for the fiscal year ended June 30, 2005. This was the seventh consecutive year the School District has achieved this prestigious award. The Certificate of Achievement is a prominent national award recognizing conformity with the highest standards for preparation of state and local governmental financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for the current certificate.

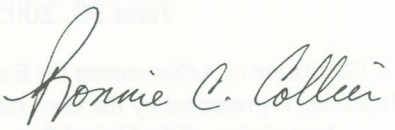
ACKNOWLEDGEMENTS

We wish to express appreciation to Sharon Roberts, Director of Accounting, and the entire Accounting Department without whose dedicated and committed efforts this report could not have been completed. We also acknowledge the active participation and professional support of Mauldin & Jenkins. Audit Partner Miller Edwards and the staff of Mauldin & Jenkins, particularly Hope Pendergrass and Stephanie Thornton, have been instrumental to the completion of this comprehensive annual financial report. We also extend appreciation to the members of the Board of Public Education for Bibb County for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Sharon Patterson
Superintendent of Schools
Bibb County School District



Ronnie C. Collier, Sr., CPA
Deputy Superintendent-CFO
Bibb County School District

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bibb County School District

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

BOARD OF PUBLIC EDUCATION
FOR BIBB COUNTY

As of June 30, 2006, the members of the Board and year of expiration of their terms are as follows:

Name	*District*	*Years in Office*	*Expiration of Current Term*
Mrs. Susan Y. Middleton, *President*	District 4	5½	December 31, 2008
Mrs. Lynn Farmer, *Vice-President*	At-large	3½	December 31, 2006
Mr. Thomas Hudson, *Secretary*	District 5	1½	December 31, 2008
Mr. William T. (Tommy) Barnes, III, *Treasurer*	District 2	5½	December 31, 2008
Mr. Albert J. Abrams	At-large	7½	December 31, 2006
Mr. Gary Bechtel	District 6	5½	December 31, 2008
Mr. Robert C. Nickels	District 3	5½	December 31, 2008
Ms. Terry L. Tripp	District 1	5½	December 31, 2008

Function and Composition

All matters relating to education and operations in the Bibb County School District (District) are governed and controlled by the Board of Public Education for Bibb County (Board) as provided by Georgia law. The Board is legally responsible for the operation of the District and all related policy.

It shall be the purpose of the Board to provide education of the best obtainable quality for the residents of Bibb County within the limitations imposed by the taxpayer's ability to pay and his/her willingness to support the educational program. The Board shall be the representative, not only of the citizens of Bibb County, but of the State Board of Education as well.

The Board currently consists of eight elected members, six elected from single member districts and two elected county-wide. Successors to the initial elected members of the Board are elected in the general election conducted immediately prior to the expiration of the term of office for which they offer as a candidate. The newly elected board members take office on the first day of January following their election and serve for a term of four years and until their successors are duly elected and qualified.

Regular board meetings are held on the third Thursday of each month at 6:00 p.m. usually in the Board Room at the Central Office but sometimes at selected schools.. All meetings are open to the public. Special meetings may be called at other times by the Board President. At all meetings, a majority of the entire membership constitutes a quorum.

BOARD OF PUBLIC EDUCATION FOR BIBB COUNTY



Mrs. Susan Middleton
President



Mrs. Lynn Farmer
Vice-President



Mr. Tom Hudson
Secretary

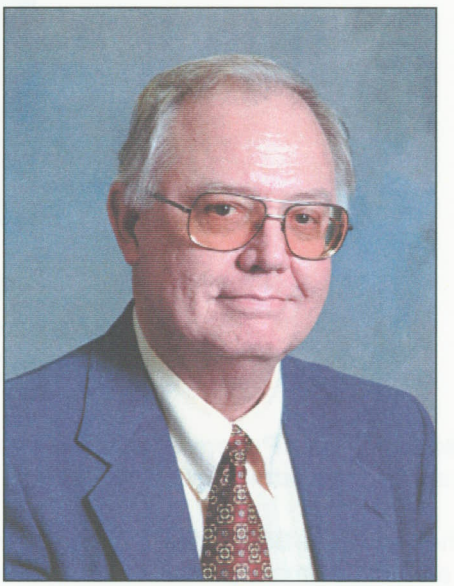


Mr. William T. Barnes, III
Treasurer

BOARD OF PUBLIC EDUCATION FOR BIBB COUNTY



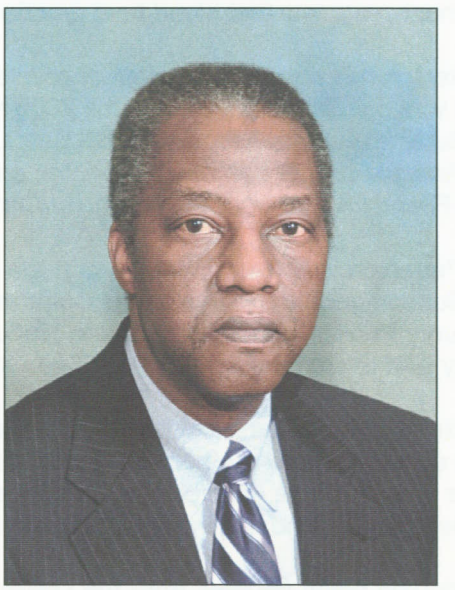
Ms. Terri Tripp
District 1



Mr. Bob Nickels
District 3



Mr. Gary Bechtel
District 6



Mr. Albert Abrams
At Large

BIBB COUNTY SCHOOL DISTRICT



Sharon Patterson
Superintendent of Schools
Bibb County School District

Superintendent Sharon Patterson has more than 30 years of leadership experience in public education as a teacher, principal and system administrator.

Prior to her arrival in Bibb County in 1997, Mrs. Patterson held leadership positions in the Chapel Hill, North Carolina area and in metropolitan Atlanta, where she worked for 20 years. While a principal at East Cobb Middle School, the school was named both a Georgia and a National Blue Ribbon School of Excellence.

Sharon Patterson has attracted statewide recognition for her leadership role in promoting student academic achievement through systemic change. She serves on the Executive Committee and the Coordinating Board of the Georgia Leadership Institute for School Improvement. This public/private partnership provides unique leadership development programs that blend best practices from business and education.

Mrs. Patterson has been the recipient of several awards. She was named the 2005 Georgia Superintendent of the Year and was one of four finalists for the 2006 National Superintendent of the Year. She received the 2005 Georgia School Superintendents Association Bill Barr Leadership Award; the National Award of Merit from Boys and Girls Club of America for her community service; and the Woman of Achievement - Career Women's Network and the Circle of Friends Award from the American Cancer Society for outstanding service.

Sharon Patterson is actively involved with the Macon Economic Development Commission. She is the first Bibb County Superintendent to serve on the Commission. She works closely with the business community to make sure Bibb County Public School students are graduating with the skills needed by local industry. Mrs. Patterson was invited by IBM to study at the Harvard Business School for Change Leadership.

Mrs. Patterson serves as President of the Executive Board of Urban Superintendent's Association of America. She also serves on several other boards such as: Georgia Partnership for Excellence in Education; Greater Macon Chamber of Commerce; Georgia Leadership for School Improvement – Advisory Board; the Macon-Bibb County Health Department; and is a trustee at the Macon Museum of Arts and Sciences.

Mrs. Patterson holds degrees from the University of Missouri in Columbia and the University of Missouri in St. Louis. She also has a six year Specialist Degree from the State University of West Georgia.

Sharon Patterson and her husband, Richard, have one son.

ADMINISTRATIVE STAFF OF THE BIBB COUNTY SCHOOL DISTRICT

Superintendent's Administrative Cabinet

Sharon Patterson	Superintendent
Sylvia McGee	Deputy Superintendent - Administration
Ronnie C. Collier, Sr.	Deputy Superintendent - Chief Financial Officer
Linda Hayden	Deputy Superintendent - Teaching & Learning
Vacancy	Assistant Superintendent - Human Resources
Len Hindsman	Assistant Superintendent - Operations
Mike Van Wyck	Assistant Superintendent - Student Support Services
Julie Christopher	Assistant Superintendent - Technology and Information Systems
Bruce Giroux	Director of Assessment & Accountability
Chris Floore	Community Affairs Specialist

Central Services

Myra Abrams	Director of Personnel
Raynette Evans	Director of Athletics, Health and Physical Education
Rob Sumowski	Director of Student and Safety Management
David Gowan	School Safety Manager
Julie Holloway	Director of Communities in Schools
Jason Parker	Director of Information Systems

Instructional Services

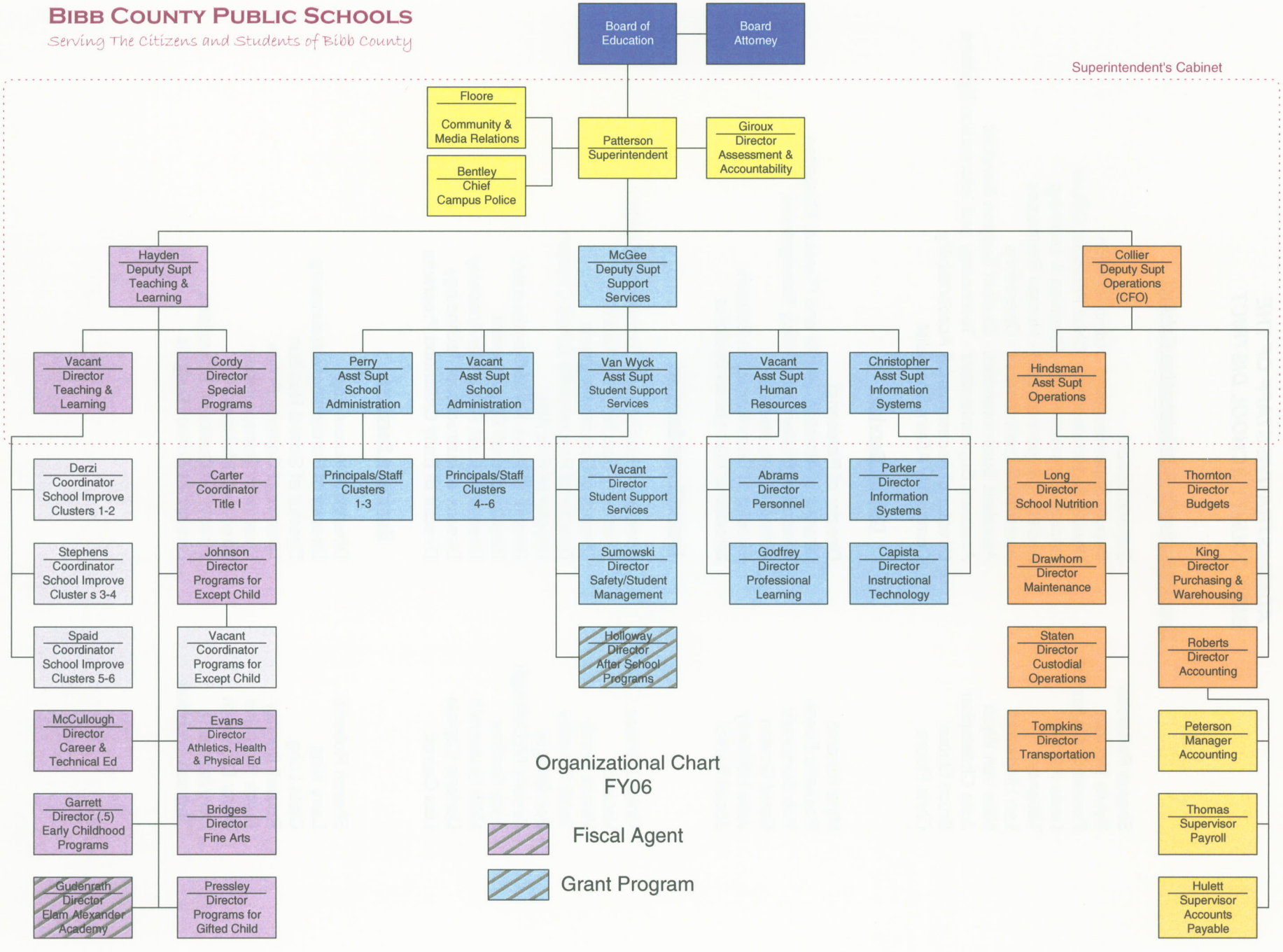
Violet Johnson	Director of Programs for Exceptional Children
Vacancy	Director of Teaching and Learning
Valeria Cordy	Director of Special Programs
Tandi Pressley	Director of Programs for Gifted Children
Ben Bridges	Director of Fine Arts
Beverly McCullough	Director of Work Force Development
Judy Godfrey	Director of Staff Development
MiMi Gudenrath	Director of Elam Alexander Academy
Darlene Capista	Director of Instructional Technology
Lisa Garrett	Director of Early Childhood Programs

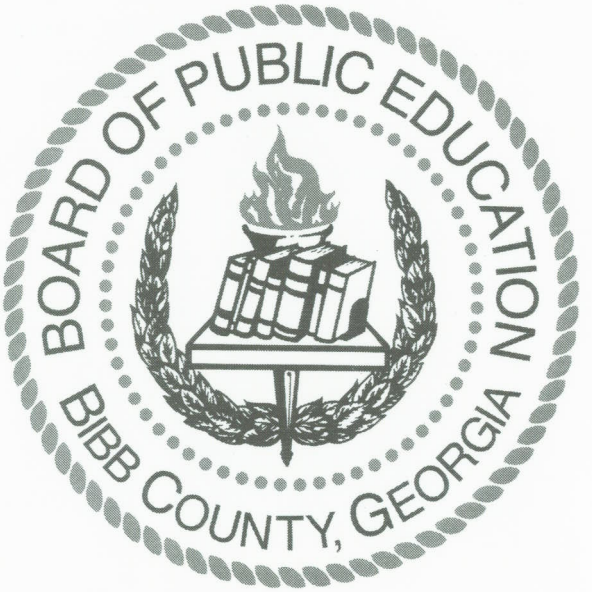
Business Services

Sharon Roberts	Director of Accounting
Larry King	Director of Purchasing/Warehousing
Cleta Long	Director of School Nutrition
Russell Bentley	Director of Campus Police
Frank Tompkins	Director of Transportation
Marty Drawhorn	Director of Maintenance
Dennis Staten	Director of Custodial Operations
Theresa Thornton	Director of School Budgets

Bibb County Public Schools

Serving The Citizens and Students of Bibb County





II. FINANCIAL SECTION

INDEPENDENT
AUDIT REPORT

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
of the Bibb County School District
Macon, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Bibb County School District** as of and for the year ended June 30, 2006, which collectively comprise the Bibb County School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bibb County School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bibb County School District as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2006, on our consideration of the Bibb County School District'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 Management's Discussion and Analysis (on pages 3 through 11) is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. 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 Bibb County School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Bibb County School District. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Macon, Georgia
September 1, 2006

MANAGEMENT DISCUSSION AND ANALYSIS

BIBB COUNTY SCHOOL DISTRICT

ACHIEVEMENT AND PERFORMANCE... FOR EVERY CHILD

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This Management's Discussion and Analysis of the Bibb County Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2006. The intent of this Management's Discussion and Analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for FY2006 are as follows:

In total, combined net assets increased $12.1 million which represents a 4.8% increase over FY2005.

- Combined general revenues accounted for $83.2 million or 36.6% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $144.0 million or 63.4% of total revenues of $227.1 million. Total combined revenues exceeded prior year by $2.9 million or 1.3%.

- The District had $202.9 million in expenses related to governmental activities; only $131.7 million of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of $83.0 million were used to provide for these programs.

- The District had $12.1 million in expenses related to business-type activities; these expenses were offset by program specific charges for services, grants and contributions and general revenues of $12.4 million.

- Among major funds, the general fund has $195.8 million in revenues (including transfers) and $192.4 million (including transfers) in expenditures. The general fund balance increased to $27.6 million from $24.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Bibb County Public School District has prepared its annual financial report using a combination of both government-wide financial statements and fund financial statements. The basic financial statements contain three components:

► Government-wide financial statements including the *Statement of Net Assets* and the *Statement of Activities* which provide a broad, long-term overview of the District's finances in a manner similar to a private sector business;

► Fund financial statements including the balance sheets that provide a greater level of detail of revenues and expenditures and focus on how well the District has performed in the short term in the most significant funds; and

► Notes to the basic financial statements.

Statement of Net Assets and the Statement of Activities. The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what remains for future spending. For proprietary funds, the statements offer short and long term financial information about activities the District operates like businesses, such as food services. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the Bibb County Public School District, the general fund is by far the most significant fund.

The purpose of the *Statement of Net Assets* and the *Statement of Activities* is to answer the question, "How did we do financially during FY2006?" These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

In the *Statement of Net Assets* and the *Statement of Activities*, the District has both governmental and business-type activities:

Governmental Activities. Most of the District's programs and services are reported here including instruction, general administration, maintenance and operations, student transportation, after school programs, principals' accounts and various others. Federal funds, state formula aid (QBE) and property taxes finance most of these activities.

Business-Type Activities. The District charges fees to help cover the services it provides. These activities include food service, stadium operations, and the District's wellness center.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District utilizes governmental, proprietary and fiduciary funds.

Governmental Funds. Most of the District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end

available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and basic services it provides. Governmental fund information helps you determine whether there are more financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements. See Note #2 to the Financial Statements. The District's major governmental funds are the General Fund and SPLOST projects.

Proprietary Funds. Proprietary funds are activities that a school district operates similar to a business in that it attempts to recover costs through charges to the user. The two types of proprietary funds are the enterprise and internal service funds. Enterprise funds may be used to account for any activity or service that charges a fee to external users to cover the cost of operations, including cost of depreciation and debt service. The District operates its food service, stadiums and district-wide wellness center as enterprise funds. Internal Service funds account for goods and services that are provided to other funds in return for a fee to cover the cost of operations, including depreciation and debt service costs. The District's internal service funds include the central warehouse, print shop, workers' compensation, unemployment compensation, and dental insurance. Proprietary fund statements use the accrual basis of accounting similar to the district-wide statements. The District's print shop was closed during this fiscal year.

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

FY2006 FINANCIAL ANALYSIS

The FY2006 total net assets of $266.5 million represent a $12.1 million or 4.8% increase over FY2005. This increase is primarily due to the bond proceeds and new construction derived from the new 2005 Capital Improvement program offset by new bond debt. See the following tables for schedules of net assets and changes in net assets.

Table 1

Statement of Net Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total Combined Activities		Total Change	
	FY2006	FY2005	FY2006	FY2005	FY2006	FY2005	$	%
Assets								
Current & Other Assets	$ 142,108	$ 66,425	$ 6,231	$ 5,475	$ 148,339	$ 71,900	$ 76,439	106.3%
Capital Assets, Net	219,200	202,176	9,898	10,421	229,098	212,597	16,501	7.8%
Total Assets	361,308	268,601	16,129	15,896	377,437	284,497	92,940	32.7%
Liabilities								
Current & Other Liabilities	33,431	24,577	558	577	33,989	25,154	8,835	35.1%
Long-Term Liabilities	76,985	4,971	-	-	76,985	4,971	72,014	1448.7%
Total Liabilities	110,416	29,548	558	577	110,974	30,125	80,849	268.4%
Net Assets								
Invested in Capital Assets, Net of Related Debt	210,233	197,904	9,897	10,421	220,130	208,325	11,805	5.7%
Restricted for Debt Service	4,773	606	-	-	4,773	606	4,167	687.6%
Unrestricted	35,885	40,543	5,673	4,898	41,558	45,441	(3,883)	-8.5%
Total Net Assets	$ 250,891	$ 239,053	$ 15,570	$ 15,319	$ 266,461	$ 254,372	$ 12,089	4.8%

Table 2
Statement of Changes in Net Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total Combined Activities		Total Change	
	FY2006	FY2005	FY2006	FY2005	FY2006	FY2005	$	%
Revenues								
Program Revenues:								
Charges for Services	$ 4,780	$ 5,543	$ 2,462	$ 2,461	$ 7,242	$ 8,004	$ (762)	-9.5%
Operating Grants and Contributions	120,145	118,404	9,745	9,739	129,890	128,143	1,747	1.4%
Capital Grants and Contributions	6,822	310	-	494	6,822	804	6,018	748.5%
Total Program Revenues	131,747	124,257	12,207	12,694	143,954	136,951	7,003	5.1%
General Revenues:								
Property Taxes	60,918	60,216	-	-	60,918	60,216	702	1.2%
SPLOST for Capital Projects and 1998 Bond Payoff	15,434	23,793	-	-	15,434	23,793	(8,359)	-35.1%
Other Taxes	986	442	-	-	986	442	544	123.1%
Grants and Contributions not Restricted to Specific Programs	1,929	1,597	-	-	1,929	1,597	332	20.8%
Unrestricted Investment Earnings	3,363	1,139	128	51	3,491	1,190	2,301	193.4%
Gain on Sale of Capital Assets	368	-	33	-	401	0	401	100.0%
Total General Revenues	82,998	87,187	161	51	83,159	87,238	(4,079)	-4.7%
Total Revenues	214,745	211,444	12,368	12,745	227,113	224,189	2,924	1.3%
Program Expenses								
Instruction	168,111	163,855	-	-	168,111	163,855	4,256	2.6%
General Administration	4,538	3,869	-	-	4,538	3,869	669	17.3%
Maintenance and Operations	15,670	14,227	-	-	15,670	14,227	1,443	10.1%
Student Transportation	7,431	6,526	-	-	7,431	6,526	905	13.9%
Intergovernmental-Bibb County	5,336	25,489	-	-	5,336	25,489	(20,153)	-79.1%
Interest on Long-Term Debt	1,799	128	-	-	1,799	128	1,671	1305.5%
School Nutrition Services	-	-	11,871	11,987	11,871	11,987	(116)	-1.0%
Stadiums	-	-	208	154	208	154	54	35.1%
Wellness Center	-	-	59	49	59	49	10	20.4%
Total Program Expenses	202,885	214,094	12,138	12,190	215,023	226,284	(11,261)	-5.0%
Excess (deficiency) of Revenues over Expense before Transfers	11,860	(2,650)	230	555	12,090	(2,095)	14,185	-677.1%
Transfers	(22)	(22)	22	22	-	-	-	0.0%
Increase in Net Assets	11,838	(2,672)	252	577	12,090	(2,095)	14,185	-677.1%
Net Assets, beginning of year	239,053	241,725	15,319	14,742	254,372	256,467	(2,095)	-0.8%
Net Assets, end of year	$ 250,891	$ 239,053	$ 15,571	$ 15,319	$ 266,462	$ 254,372	$ 12,090	4.8%

Governmental Activities. You will note that Instructional program expenses of $168.1 million represent 82.9% of the total. The next most significant program expense is Maintenance and Operations which totals $15.7 million and 7.7% of the total. Interest expense of $1,799,005 represents only 0.9%. Interest expense was primarily attributable to the 2005 and 2006 General Obligation Bond Issues as well as the 2004 Revenue Bonds issued to lease/purchase the District's Central Office building.

Business-Type Activities. The most significant business-type activity of the District is the School Nutrition Services division. The majority of its $12.1 million revenue was derived from grants and contributions ($9.7 million). The remaining $2.4 million in revenue was primarily due to charges for meals served.

Cost of Program Services. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental and business-type activities, the combined total cost of services and the combined net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted federal and state entitlements.

Although program revenues make up a majority (63.4%) of the combined revenues, the District is dependent upon tax revenues for government activities. Thus the FY2006 net cost of services ($71.1 million) is covered by the $60.9 million of local property taxes combined with $15.4 million of Special Purpose Local Option Sales Tax (SPLOST) receipts.

Table 3

Statement of Activities

Governmental and Business-Type (Combined)

(in thousands)

	TOTAL COST OF SERVICES			NET COST OF SERVICES		
	FY2006	FY2005	VARIANCE	FY2006	FY2005	VARIANCE
Instruction	$ 168,111	$ 163,855	$ 4,256	$ 48,837	$ 51,314	$ (2,477)
General Administration	4,538	3,869	669	2,143	1,385	758
Maintenance and Operations	15,670	14,227	1,443	8,443	7,654	789
Student Transportation	7,431	6,526	905	4,579	3,868	711
Intergovernmental-Bibb County	5,336	25,489	(20,153)	5,336	25,489	(20,153)
Interest on Long-Term Debt	1,799	128	1,671	1,799	128	1,671
School Nutrition Services	11,871	11,987	(116)	(89)	(509)	420
Stadiums	208	154	54	22	22	0
Wellness Center	59	49	10	(2)	(17)	15
Total Expenses	$ 215,023	$ 226,284	$ (11,261)	$ 71,068	$ 89,334	$ (18,266)

GOVERNMENTAL FUND BALANCE

Total governmental funds had revenues and other financing sources amounting to $301 million and expenditures and other financing uses of $233.3 million for a $68.0 million increase in fund balance. The total governmental FY2006 ending fund balance is comprised of the following:

Table 4

Governmental Fund Balances

(in thousands)

	FY2006	FY2005	VARIANCE
General	$ 27,556	$ 24,162	$ 3,394
SPLOST Projects	72,733	10,802	61,931
* Other Governmental Funds	8,088	5,397	2,691
Total Fund Balances	$ 108,377	$ 40,361	$ 68,016

* Other Governmental Funds include Debt Service, Capital Improvement, and School Discretionary Funds.

General Fund. The $3.4 million increase in the General Fund balance was primarily due to transfers of Reserve Capital Funds to the General Fund.

Capital (SPLOST) Projects. The $61.9 million increase is substantially due to Bond proceeds including premiums received from the issuance of the 2005 and 2006 General Obligation Bonds offset by Debt Service and construction expenditures.

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS - NET ASSETS

School Food Service. The $263,777 increase in School Food Service net assets is substantially due to the combined effect of an increase in investment earnings, a gain on the disposal of capital assets, and a decrease in operating expenditures.

GENERAL FUND BUDGETING HIGHLIGHTS

► The District's budget is prepared according to Georgia law. The most significant budget fund is the General Fund.

► For the General Fund, the final budgeted revenues and other financing sources of $192.0 million exceeded the original budgeted amount of $185.4 million by $6.6 million. This difference was primarily due to projected increased federal revenue, particularly Title I.

► The final budgeted expenditures and other financing uses of $196.0 million exceeded the original budgeted amount of $190.0 million by $6.0 million. This difference was primarily due to a projected increase in federal instructional expenses related to the federal *No Child Left Behind* legislation.

► Overall, the FY2006 actual General Fund revenues and other financing sources exceeded expenditures and other financial uses by $3,393,846.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of fiscal year 2006, the District had $229.1 million invested in capital assets; net of depreciation. As stated in Table 5, this represents a $16.5 million or 7.8% increase over FY2005. The increase was primarily due to new school construction and renovations derived from the completion of the 1998 Capital Improvement Program and the beginning of the new 2005 Capital Improvement Program.

Table 5
Capital Assets at June 30, 2006
(Net of Depreciation, in thousands)

	Governmental Activities		Business-Type Activities		Total Combined Activities		Total Change	
	FY2006	FY2005	FY2006	FY2005	FY2006	FY2005	$	%
Land	$ 12,595	$ 12,595	$ -	$ -	$ 12,595	$ 12,595	$ -	0.0%
Construction in Progress	21,688	4,102	-	-	21,688	4,102	17,586	428.7%
Buildings	176,442	178,748	7,258	7,435	183,700	186,183	(2,483)	-1.3%
Equipment	7,356	5,533	2,640	2,985	9,996	8,518	1,478	17.4%
Land Improvements	1,119	1,198	-	-	1,119	1,198	(79)	-6.6%
Total Capital Assets	$ 219,200	$ 202,176	$ 9,898	$ 10,420	$ 229,098	$ 212,596	$ 16,502	7.8%

CAPITAL LEASES AND COMPENSATED ABSENCES

At June 30, 2006, the District had $2.8 million in capital leases outstanding and $1.1 million in compensated absences. The $1.1 million overall decrease compared to the prior year is substantially due to the payoff of the Wachovia Bank lease agreement for the purchase of 16 school buses. Table 6 summarizes capital leases and compensated absences outstanding:

Table 6

Capital Leases and Compensated Absences Outstanding

at June 30, 2006

(in thousands)

	GOVERNMENTAL ACTIVITIES		
	FY2006	FY2005	VARIANCE
Capital Leases	$ 2,825	$ 4,272	$ (1,447)
Compensated Absences	1,072	699	373
Total	$ 3,897	$ 4,971	$ (1,074)

GENERAL OBLIGATION BONDS

The 1998 and 2003 General Obligation Bonds listed in Table 7 were issued by the Bibb County government on behalf of the School District. These bonds are the legal liability of Bibb County and are recorded on the County's books. The 2005 and 2006 General Obligation Bond Issues were issued by the School District and are recorded on our books.

Table 7

General Obligation Debt

at June 30, 2006

(in thousands)

	FY2006	FY2005	VARIANCE
Series 1998 G.O. Bonds	$ -	$ 5,215	$ (5,215)
Series 2003 G.O. Bonds	11,045	14,885	(3,840)
Series 2005 G.O. Bonds	56,000	-	56,000
Series 2006 G.O. Bonds	14,535	-	14,535
Total	$ 81,580	$ 20,100	$ 61,480

* Additional information on the District's general long-term debt can be found in the notes to the financial statements.

CURRENT ISSUES

Classrooms First for Georgia Act. Senate Bill 390, the Classrooms First for Georgia Act, was voted into law in April, 2006. This legislation, also known as the 65% rule, requires each local school system to spend at least 65% of its total federal, state, and local budget on direct classroom instruction. As defined by the National Center for Education Statistics, direct classroom expenditures include salaries and benefits for teachers and paraprofessionals; costs for instructional materials and supplies; costs associated with classroom related activities, such as field trips, athletics, music and arts; and tuition paid to out-of-state school districts and private institutions for special needs students. Baseline data will be gathered for FY2007 and school districts will have to start compliance with the FY2008 school year. The District is in the process of analyzing operating expenditures to determine what adjustments would be required, if any, to align our budget with the requirements of the 65% rule.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ron Collier, Deputy Superintendent - Chief Financial Officer, at the Bibb County Board of Education, 484 Mulberry Street, Suite 400, Macon, GA 31201. You may also email your questions to Ron Collier at rcollier@bibb.k12.ga.us.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BIBB COUNTY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
JUNE 30, 2006

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 37,945,897	$ 1,110,199	$ 39,056,096
Investments	72,543,271	3,875,247	76,418,518
Receivables:			
Interest	601,490	-	601,490
Accounts	379,135	7,705	386,840
Intergovernmental	28,201,837	377,198	28,579,035
Internal balances	50,456	(50,456)	-
Inventories	913,429	854,990	1,768,419
Prepaid and other assets	512,984	56,220	569,204
Unamortized issuance costs	959,028	-	959,028
Capital assets, non-depreciable	34,282,751	-	34,282,751
Capital assets, depreciable (net of accumulated depreciation)	184,917,387	9,897,594	194,814,981
Total assets	361,307,665	16,128,697	377,436,362
LIABILITIES			
Accounts payable	9,576,144	32,090	9,608,234
Due to other governments	26,224	-	26,224
Accrued interest payable	1,783,751	-	1,783,751
Accrued payroll and payroll withholdings	21,714,843	519,801	22,234,644
Accrued claims	269,384	-	269,384
Unearned revenue	60,802	6,469	67,271
Capital leases due within one year	315,000	-	315,000
Capital leases due in more than one year	2,510,000	-	2,510,000
Compensated absences due within one year	512,539	-	512,539
Compensated absences due in more than one year	559,857	-	559,857
General obligation bonds due in more than one year, net of unamortized premium	73,087,641	-	73,087,641
Total liabilities	110,416,185	558,360	110,974,545
NET ASSETS			
Invested in capital assets, net of related debt	210,233,375	9,897,594	220,130,969
Restricted for debt service	4,772,652	-	4,772,652
Unrestricted	35,885,453	5,672,743	41,558,196
Total net assets	$ 250,891,480	$ 15,570,337	$ 266,461,817

The accompanying notes are an integral part of these financial statements.

BIBB COUNTY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
Instruction	$ 168,110,470	$ 4,780,020	$ 107,671,114	$ 6,822,212
General administration	4,537,942	-	2,394,613	-
Maintenance and operations	15,670,405	-	7,227,766	-
Student transportation	7,430,471	-	2,851,128	-
Intergovernmental, Bibb County	5,336,443	-	-	-
Interest on long-term debt	1,799,005	-	-	-
Total governmental activities	202,884,736	4,780,020	120,144,621	6,822,212
Business-type activities:				
School food services	11,870,548	2,215,369	9,744,683	-
Stadiums	208,059	186,459	-	-
Wellness center	58,449	59,953	-	-
Total business-type activities	12,137,056	2,461,781	9,744,683	-
Total	$ 215,021,792	$ 7,241,801	$ 129,889,304	$ 6,822,212
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Gain on disposal of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
$ (48,837,124)	$ -	$ (48,837,124)
(2,143,329)	-	(2,143,329)
(8,442,639)	-	(8,442,639)
(4,579,343)	-	(4,579,343)
(5,336,443)	-	(5,336,443)
(1,799,005)	-	(1,799,005)
(71,137,883)	-	(71,137,883)
-	89,504	89,504
-	(21,600)	(21,600)
-	1,504	1,504
-	69,408	69,408
(71,137,883)	69,408	(71,068,475)
60,917,820	-	60,917,820
15,433,796	-	15,433,796
986,179	-	986,179
1,928,994	-	1,928,994
3,362,916	128,119	3,491,035
367,775	32,592	400,367
(21,600)	21,600	-
82,975,880	182,311	83,158,191
11,837,997	251,719	12,089,716
239,053,483	15,318,618	254,372,101
$ 250,891,480	$ 15,570,337	$ 266,461,817

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FUND FINANCIAL STATEMENTS

BIBB COUNTY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

ASSETS	General	SPLOST Projects	Other Governmental Funds	Total Governmental Funds
Cash	$ 1,370,344	$ 30,324,418	$ 6,071,864	$ 37,766,626
Investments	28,164,429	41,862,070	2,394,248	72,420,747
Receivables:				
Interest	15,559	585,017	914	601,490
Accounts	374,526	3,413	-	377,939
Intergovernmental	23,113,173	5,088,664	-	28,201,837
Due from other funds	398,145	755	-	398,900
Prepaid and other assets	504,074	-	-	504,074
Total assets	$ 53,940,250	$ 77,864,337	$ 8,467,026	$ 140,271,613
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 4,031,083	$ 4,957,511	$ 338,760	$ 9,327,354
Due to other funds	15,975	173,240	758	189,973
Due to other governments	26,224	-	-	26,224
Accrued interest payable	-	-	-	-
Accrued payroll and payroll withholdings	21,707,960	-	6,883	21,714,843
Unearned revenue	603,387	-	32,500	635,887
Total liabilities	26,384,629	5,130,751	378,901	31,894,281
FUND BALANCES				
Fund balances:				
Reserved for program activities	577,735	72,733,586	-	73,311,321
Reserved for prepaid items	504,074	-	-	504,074
Reserved for debt service	-	-	4,772,652	4,772,652
Reserved for bus replacement	309,614	-	-	309,614
Unreserved, reported in:				
General fund	26,164,198	-	-	26,164,198
Capital projects funds	-	-	2,699,354	2,699,354
Special revenue funds	-	-	616,119	616,119
Total fund balances	27,555,621	72,733,586	8,088,125	108,377,332
Total liabilities and fund balances	$ 53,940,250	$ 77,864,337	$ 8,467,026	

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.	219,112,689
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	575,084
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(77,809,760)
Internal service funds are used by management to charge the costs of various benefits and services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	636,135
Net assets of governmental activities	$ 250,891,480

The accompanying notes are an integral part of these financial statements.

BIBB COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	General	SPLOST Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Local sources	$ 65,537,367	$ 15,433,796	$ 2,250,973	$ 83,222,136
State sources	97,760,690	6,571,202	-	104,331,892
Federal sources	23,628,315	-	-	23,628,315
Interest income	1,580,067	1,616,221	160,756	3,357,044
On behalf payments	3,797,480	-	-	3,797,480
Other sources	375,990	-	-	375,990
Total revenues	192,679,909	23,621,219	2,411,729	218,712,857
EXPENDITURES				
Current:				
Instruction	161,016,758	-	2,006,392	163,023,150
General administration	3,919,171	-	-	3,919,171
Maintenance and operations	15,601,992	-	6,883	15,608,875
Student transportation	6,662,909	-	-	6,662,909
On behalf payments	3,797,480	-	-	3,797,480
Intergovernmental, Bibb County	-	5,336,443	-	5,336,443
Capital outlay	60,225	23,095,547	167,422	23,323,194
Debt service:				
Principal retirement	271,906	865,062	310,000	1,446,968
Interest and fiscal charges	27,323	535	61,697	89,555
Bond issuance costs	-	966,478	-	966,478
Total expenditures	191,357,764	30,264,065	2,552,394	224,174,223
Excess (deficiency) of revenues over (under) expenditures	1,322,145	(6,642,846)	(140,665)	(5,461,366)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	70,733,786	-	70,733,786
Premium on bonds issued	-	2,877,675	-	2,877,675
Transfers in	3,096,814	-	5,908,631	9,005,445
Transfers out	(1,025,113)	(5,036,811)	(3,076,809)	(9,138,733)
Total other financing sources (uses)	2,071,701	68,574,650	2,831,822	73,478,173
Net change in fund balances	3,393,846	61,931,804	2,691,157	68,016,807
FUND BALANCES, beginning of year	24,161,775	10,801,782	5,396,968	40,360,525
FUND BALANCES, end of year	$ 27,555,621	$ 72,733,586	$ 8,088,125	$ 108,377,332

The accompanying notes are an integral part of these financial statements.

BIBB COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	68,016,807
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		17,356,952
The net effect of the disposal of capital assets is to decrease net assets.		(310,039)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(168,701)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(70,798,681)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(2,161,188)
Internal service funds are used by management to charge costs of various services and benefits to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.		(97,153)
	$	11,837,997

The accompanying notes are an integral part of these financial statements.

BIBB COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Local sources	$ 63,329,409	$ 64,215,595	$ 65,537,367	$ 1,321,772
State sources	95,581,680	96,163,140	97,760,690	1,597,550
Federal sources	25,332,581	30,450,369	23,628,315	(6,822,054)
Interest income	900,000	900,000	1,580,067	680,067
On behalf payments	-	-	3,797,480	3,797,480
Other sources	10,000	10,000	375,990	365,990
Total revenues	185,153,670	191,739,104	192,679,909	940,805
EXPENDITURES				
Current:				
Instruction	163,199,351	168,345,115	161,016,758	7,328,357
General administration	4,675,057	3,887,720	3,919,171	(31,451)
Maintenance and operations	14,603,216	15,073,475	15,601,992	(528,517)
Student transportation	7,093,481	8,097,904	6,662,909	1,434,995
On behalf payments	-	-	3,797,480	(3,797,480)
Capital outlay	-	50,000	60,225	(10,225)
Debt service:				
Principal retirements	-	-	271,906	(271,906)
Interest and fiscal charges	-	-	27,323	(27,323)
Total expenditures	189,571,105	195,454,214	191,357,764	4,096,450
Excess (deficiency) of revenues over (under) expenditures	(4,417,435)	(3,715,110)	1,322,145	5,037,255
OTHER FINANCING SOURCES (USES)				
Transfers in	269,100	269,100	3,096,814	2,827,714
Transfers out	(401,600)	(562,100)	(1,025,113)	(463,013)
Total other financing sources (uses)	(132,500)	(293,000)	2,071,701	2,364,701
Net change in fund balances	(4,549,935)	(4,008,110)	3,393,846	7,401,956
FUND BALANCES, beginning of year	24,161,775	24,161,775	24,161,775	-
FUND BALANCES, end of year	$ 19,611,840	$ 20,153,665	$ 27,555,621	$ 7,401,956

The accompanying notes are an integral part of these financial statements.

BIBB COUNTY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2006

ASSETS	Business-type Activities - Enterprise Funds: School Food Service	Business-type Activities - Enterprise Funds: Other Enterprise Funds	Business-type Activities - Enterprise Funds: Totals	Governmental Activities - Internal Service Funds
CURRENT ASSETS				
Cash	$ 1,100,197	$ 10,002	$ 1,110,199	$ 179,271
Investments	3,817,181	58,066	3,875,247	122,524
Receivables:				
Accounts	7,705	-	7,705	1,196
Intergovernmental	211,701	165,497	377,198	-
Due from other funds	15,220	-	15,220	2,823
Prepaid items	56,220	-	56,220	8,910
Inventories	854,990	-	854,990	913,429
Total current assets	6,063,214	233,565	6,296,779	1,228,153
CAPITAL ASSETS				
Buildings	10,979,238	-	10,979,238	291,791
Furniture and equipment	5,556,216	45,322	5,601,538	186,063
Total depreciable assets	16,535,454	45,322	16,580,776	477,854
Less accumulated depreciation	(6,649,257)	(33,925)	(6,683,182)	(390,405)
Total capital assets	9,886,197	11,397	9,897,594	87,449
Total assets	15,949,411	244,962	16,194,373	1,315,602
LIABILITIES				
Accounts payable	23,231	8,859	32,090	248,789
Due to other funds	58,513	168,457	226,970	-
Accrued payroll and payroll withholdings	516,602	3,199	519,801	-
Unearned revenue	6,469	-	6,469	-
Accrued claims expense	-	-	-	269,384
Total liabilities	604,815	180,515	785,330	518,173
NET ASSETS				
Invested in capital assets	9,886,197	11,397	9,897,594	87,449
Unrestricted	5,458,399	53,050	5,511,449	709,980
Total net assets	$ 15,344,596	$ 64,447	15,409,043	$ 797,429
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			161,294	
Net assets of business-type activities			$ 15,570,337	

The accompanying notes are an integral part of these financial statements.

BIBB COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	School Food Service	Other Enterprise Funds	Totals	
OPERATING REVENUES				
Local sources	$ 2,215,369	$ 246,412	$ 2,461,781	$ 3,745,969
Total operating revenues	2,215,369	246,412	2,461,781	3,745,969
OPERATING EXPENSES				
Food service operations	11,279,641	-	11,279,641	-
Central support services	-	-	-	2,143,302
Enterprise operations	-	217,765	217,765	-
Maintenance and operations	-	45,952	45,952	15,158
Depreciation	574,891	2,791	577,682	10,716
Cost of services	-	-	-	1,799,307
Other expenses	-	-	-	-
Total operating expenses	11,854,532	266,508	12,121,040	3,968,483
Operating loss	(9,639,163)	(20,096)	(9,659,259)	(222,514)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenues	9,744,683	-	9,744,683	-
Interest earned	125,665	2,454	128,119	5,872
Gain (loss) on disposal of capital assets	32,592	-	32,592	(8,215)
Total non-operating revenues (expenses)	9,902,940	2,454	9,905,394	(2,343)
Income (loss) before contribution: and transfers	263,777	(17,642)	246,135	(224,857)
Transfers in	-	21,600	21,600	131,693
Transfers out	-	-	-	(20,005)
Change in net assets	263,777	3,958	267,735	(113,169)
NET ASSETS, beginning of year	15,080,819	60,489		910,598
NET ASSETS, end of year	$ 15,344,596	$ 64,447		$ 797,429
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(16,016)	
Change in net assets of business-type activities			$ 251,719	

The accompanying notes are an integral part of these financial statements.

BIBB COUNTY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds			
	School Food Service	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from local sources	$ 2,197,649	$ 193,872	$ 2,391,521	$ -
Receipts from interfund services provided	-	-	-	3,751,570
Payments to suppliers	(6,728,441)	(175,001)	(6,903,442)	(1,775,768)
Payments to employees	(3,655,654)	(35,454)	(3,691,108)	(20,070)
Payments on behalf of employees	(782,230)	(2,901)	(785,131)	(5,495)
Payments for interfund services used	-	-	-	(2,019,270)
Net cash used in operating activities	(8,968,676)	(19,484)	(8,988,160)	(69,033)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Subsidy from federal and state grants	9,744,683	-	9,744,683	-
Transfers from other funds	-	21,600	21,600	111,688
Net cash provided by noncapital financing activities	9,744,683	21,600	9,766,283	111,688
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(98,911)	-	(98,911)	-
Proceeds from sale of capital assets	76,767	-	76,767	3,835
Net cash provided by (used in) capital and related financing activities	(22,144)	-	(22,144)	3,835
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	125,665	2,454	128,119	5,872
Net cash provided by investing activities	125,665	2,454	128,119	5,872

(Continued)

BIBB COUNTY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	School Food Service	Other Enterprise Funds	Totals	
Net increase in cash and cash equivalents	$ 879,528	$ 4,570	$ 884,098	$ 52,362
Cash and cash equivalents, beginning of year	4,037,850	63,498	4,101,348	249,433
Cash and cash equivalents, end of yea	$ 4,917,378	$ 68,068	$ 4,985,446	$ 301,795
Classified as:				
Cash	$ 1,100,197	$ 10,002	$ 1,110,199	$ 179,271
Investments	3,817,181	58,066	3,875,247	122,524
	$ 4,917,378	$ 68,068	$ 4,985,446	$ 301,795
Reconciliation of operating loss to net cash cash used in operating activities				
Operating loss	$ (9,639,163)	$ (20,096)	$ (9,659,259)	$ (222,514)
Adjustments to reconcile operating loss to net cash used in operating activities				
Depreciation	574,891	2,791	577,682	10,716
Decrease in accounts receivable	711	-	711	5,601
(Increase) decrease in intergovernmental receivables	(31,083)	112,807	81,724	-
Increase in accounts receivable	-	(165,347)	(165,347)	-
(Increase) decrease in due from other funds	6,183	-	6,183	(105)
Increase in prepaids	(4,165)	-	(4,165)	-
(Increase) decrease in inventories	141,585	-	141,585	(164,504)
Increase (decrease) in accounts payable	(26,113)	4,532	(21,581)	200,787
Increase in due to other funds	6,689	44,876	51,565	-
Increase (decrease) in payroll related liabilities	(4,680)	953	(3,727)	(3,800)
Increase in unearned revenue	6,469	-	6,469	
Increase in accrued claims expense	-	-	-	104,786
Net cash used in operating activities	$ (8,968,676)	$ (19,484)	$ (8,988,160)	$ (69,033)

SCHEDULE OF NON-CASH NON-CAPITAL FINANCING ACTIVITIES

During the year ended June 30, 2006, the School Food Service Fund received $555,176 in commodities from the United States Department of Agriculture.

The accompanying notes are an integral part of these financial statements.

BIBB COUNTY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006

	W. D. Ryals Memorial Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash	$ -	$ 419,057
Investments	2,549	65,976
Total assets	2,549	485,033
LIABILITIES		
Accounts payable	-	15,428
Due to others	-	469,605
Total liabilities	-	485,033
NET ASSETS		
Reserved for leadership awards	$ 2,549	$ -

The accompanying notes are an integral part of these financial statements.

BIBB COUNTY SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	W. D. Ryals Memorial Private-Purpose Trust Fund
ADDITIONS	
Interest income	$ 104
Total additions	104
DELETIONS	
Other support services	-
Total deletions	-
Change in net assets	104
NET ASSETS, beginning of year	2,445
NET ASSETS, end of year	$ 2,549

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity:

The Bibb County School District (the "District") was incorporated on August 23, 1872, and provides for a system of education for the children in the City of Macon, Georgia ("Macon") and Bibb County, Georgia ("Bibb County") as authorized by its charter. The District operates under a Board/Superintendent form of government. The eight member Board of Education ("Board") is elected by the public and the Board appoints the superintendent. These eight elected members have decision making authority; the power to designate management; and the ability to significantly influence operations. During the year ended June 30, 2005, the citizens of Bibb County voted to give the Board the power to determine the millage rate at which school taxes are levied and to incur bonded indebtedness with voters' approval. In previous years, the District was reported as a component unit of Bibb County. However, beginning with the fiscal year ended June 30, 2005, the District is reported as its own primary government.

B. Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation:

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of* accounting, as are the proprietary fund and the fiduciary fund financial statements. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize receivables and payables. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of* accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The ***general fund*** is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***SPLOST projects fund*** accounts for the proceeds of a one percent Special Purpose Local Option Sales Tax. Funds are used for: building renovations; land and building acquisitions; and, construction of new educational and administrative facilities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation: (Continued)

The District reports the following major proprietary fund:

The ***school food service fund*** accounts for the monies and commodities received from the federal and state governments and the School Food Service's cafeteria sales for the purpose of maintaining the District's breakfast, lunch, and snack programs.

Additionally, the District reports the following fund types:

The ***debt service fund*** accounts for the payments of principal and interest on long-term debt of governmental funds.

The ***capital projects funds*** account for the acquisition of capital assets and construction or improvement of major capital projects such as construction of new schools.

The ***internal service funds*** account for printing, warehouse operations, workers' compensation, unemployment compensation, and dental insurance reserve services that are provided to other departments or funds of the District on a cost-reimbursement basis.

The ***private-purpose trust fund*** accounts for resources devoted to the presentation of an award to a student and teacher each year at Appling Middle School. All resources of the fund, including any earnings on invested resources, may be used to support this purpose. There is no requirement that any portion of the resources be preserved as capital.

The ***agency funds*** are used to account for school activity funds related to school wide fundraising activities and to account for flex medical and dependent care for the employees of the District.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation: (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's school food service program and the general fund. Elimination of these charges would distort the direct costs reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the District's internal service funds are charges for goods and services provided. Operating expenses of the enterprise funds and internal service funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments:

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime banker's acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund 1). Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates 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 is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 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 determines participant's shares sold and redeemed based on a $1 per share value. The fair value of the District's position in the pool is the same as the value of pool shares ($1 per share value).

E. Receivables and Payables:

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

F. On-Behalf Payments:

The State of Georgia makes certain health insurance and pension plan payments on behalf of the District for its employees. The District records these payments as both a revenue and an expenditure in the General Fund. The total of the on-behalf payments for the fiscal year ended June 30, 2006 was $3,797,480.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories and Prepaid Items:

Inventories of the School Food Service Fund are stated at cost using the first-in, first-out method. Inventories of the Warehouse Fund are stated at cost using the weighted average method. Donated food commodities are recorded at fair value. The District utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenses when used rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets:

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Asset	Years
Land improvements	20
Buildings	25-50
Equipment	5-20

I. Long-Term Obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences:

Accumulated unpaid sick leave costs are not vested and are not accrued in any fund, but are recognized as expenditures or expenses, when paid. Accumulated unpaid vacation costs are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

K. Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

L. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The Governmental Fund Balance Sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $77,809,760 difference are as follows:

Capital leases payable	$ (2,825,000)
Bonds payable	(70,535,000)
Plus: deferred issuance costs and unamortized premium	(1,593,613)
Accrued interest payable	(1,783,751)
Compensated absences	(1,072,396)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$ (77,809,760)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $17,356,952 difference are as follows:

Capital outlay	$ 23,323,194
Capital expenditures below threshhold allocated to instruction	(385,660)
Depreciation expense	(5,580,582)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 17,356,952

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this $70,798,681 difference are as follows:

Bonds issued	$ (70,535,000)
Principal repayments	1,446,967
Unamortized issue costs and premiums	(1,696,462)
Amortization of bond issuance costs	(14,186)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (70,798,681)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgetary Data. The District adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, the debt service fund, and the Capital Improvements fund. The SPLOST projects fund adopts a project length budget. Proprietary fund budgets are prepared and utilized as a management tool to assess the operations of the enterprise and internal service funds. All annual appropriations lapse at fiscal year end.

The budget is a complete financial plan for the District's fiscal year, usually the school year, and is based upon careful estimates of expenditures and probable incomes. The District's budget consists of the educational plan, expenditures for the educational plan and sources and amount of revenue. Prior to the first Monday in June, the administration of the District prepares and submits a proposed budget to the Board for approval. After the budget has been tentatively approved by the Board, the budget must be advertised, in form and manner to be prescribed by the Board, at least one time in a newspaper of general circulation in Bibb County. Subsequent to this procedure, the Board shall revise the budget as necessary and adopt a final school budget.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

The approved budget shall be certified and forwarded to the Georgia Department of Education for final approval. The budget is amended during the first six months and a mid-year review budget is prepared and approved by the Board. The budget is formally adopted at the program level and the legal level of the District's budgetary controls is the program level. Any amendments made after mid-year review may be approved by the District's management.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk. As of June 30, 2006, the District's investments were all rated AAA by Standard & Poor's.

As of June 30, 2006, the District had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	28 day weighted average	$ 40,025,638
Federal Home Loan Mortgage	February 27, 2007	13,688,505
Federal National Mortgage Association	June 14, 2007	5,896,200
Federal Home Loan Bank	January 12, 2007	2,981,100
Federal Home Loan Bank	December 21, 2007	11,907,600
Federal National Mortgage Association	January 19, 2007	989,600
Federal Home Loan Bank	January 29, 2007	998,400
Total Investments		$ 76,487,043

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits all operating investments to instruments that mature within one year. All non-operating investments are best matched with their cash flow needs, with investment life of no more than five years.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2006, the District's bank balance of $43,336,604 was fully collateralized in compliance with the state requirements. The investments of the District were all invested in state government instruments.

NOTE 5. INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2006, for the District's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	SPLOST Projects	School Food Service	Nonmajor Enterprise Funds
Intergovernmental	$ 24,155,656	$ 5,088,664	$ 211,701	$ 165,497
Less allowance for uncollectibles	1,042,483	-	-	-
Net total receivable	$ 23,113,173	$ 5,088,664	$ 211,701	$ 165,497

NOTE 6. PROPERTY TAXES

Bibb County bills and collects property taxes for the District. Property taxes are levied (assessed) on all taxable real, public utility and personal property (including vehicles) located within the County as of January 1st of each year. Assessed values for property tax purposes are determined by the Bibb County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. The State of Georgia establishes values for public utilities and motor vehicles.

Real property taxes for 2005 were levied on July 7, 2005, and are due in two installments - the first payment was due October 7, 2005, and the final payment was due by November 15, 2005. Bibb County may place liens on property once the related tax payments become delinquent. The property tax receivable allowance is equal to 30% of outstanding property taxes at June 30, 2006.

Vehicle personal property taxes are due upon each respective payor's date of birth on an annual basis.

NOTE 7. CAPITAL ASSETS

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
Instruction	$ 4,621,635
General administration	187,698
Maintenance and operations	55,871
Student transportation	715,378
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	10,716
Total depreciation expense - governmental activities	$ 5,591,298
Business-type activities:	
School food services	$ 574,891
Other activities	2,791
Total depreciation expense - business-type activities	$ 577,682

NOTE 7. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2006 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 12,595,309	$ -	$ -	$ -	$ 12,595,309
Construction in progress	4,102,132	20,032,158	-	(2,446,848)	21,687,442
Total	16,697,441	20,032,158	-	(2,446,848)	34,282,751
Capital assets, being depreciated:					
Land improvements	1,574,178	-	-	-	1,574,178
Buildings	229,055,649	6,468	(3,549,089)	2,446,848	227,959,876
Equipment	15,168,131	2,898,910	(637,228)	-	17,429,813
Total	245,797,958	2,905,378	(4,186,317)	2,446,848	246,963,867
Less accumulated depreciation for:					
Land improvements	(376,463)	(78,708)	-	-	(455,171)
Buildings	(50,307,864)	(4,456,848)	3,247,136	-	(51,517,576)
Equipment	(9,635,082)	(1,055,742)	617,091	-	(10,073,733)
Total	(60,319,409)	(5,591,298)	3,864,227	-	(62,046,480)
Total capital assets, being depreciated, net	185,478,549	(2,685,920)	(322,090)	2,446,848	184,917,387
Governmental activities capital assets, net	$ 202,175,990	$ 17,346,238	$ (322,090)	$ -	$ 219,200,138
Business-type activities:					
Capital assets, being depreciated:					
Buildings	$ 11,037,135	$ -	$ (57,897)	$ -	$ 10,979,238
Equipment	5,929,200	98,911	(426,573)	-	5,601,538
Total	16,966,335	98,911	(484,470)	-	16,580,776
Less accumulated depreciation for:					
Buildings	(3,601,875)	(177,448)	57,897	-	(3,721,426)
Equipment	(2,943,920)	(400,234)	382,398	-	(2,961,756)
Total	(6,545,795)	(577,682)	440,295	-	(6,683,182)
Total capital assets, being depreciated, net	10,420,540	(478,771)	(44,175)	-	9,897,594
Business-type activities capital assets, net	$ 10,420,540	$ (478,771)	$ (44,175)	$ -	$ 9,897,594

Internal service funds predominantly serve governmental funds. Accordingly, capital assets for the internal service funds of the District totaling $477,854 with accumulated depreciation of $390,405 are included as part of the above totals for governmental activities at year-end.

NOTE 8. LONG-TERM DEBT

Capital Leases. The District issued 2004 Lease Revenue and Refunding Bonds in the original amount of $3,135,000 to: (a) renovate, improve and equip certain portions of the leased premises, (b) currently refund the Issuer's Lease Revenue Bonds, Series 1993A, and (c) to pay all expenses incident to accomplishing the foregoing. Under this capital lease, the District is required to pay base rentals directly to the trustee annually on September 30, in amounts sufficient to provide for payment of the principal and interest on the bonds on the ensuing interest payment date. The 2004 series Lease Revenue Bond carries a variable rate of interest with it. The rate is computed at a weekly rate, determined by the Remarketing Agent, having due regard for the prevailing financial market conditions for revenue bonds. The rate shall be computed on the first business day of each interest period. However, the bonds are not to exceed the lesser of (a) 12% per annum (the "Ceiling Rate") and (b) the maximum rate permitted by law. In connection with the issuance of the bonds, Bibb County has entered into an amended Guaranty Agreement dated September 1, 2004, (the "Guaranty") with the District and the trustee; pursuant to the Guaranty, Bibb County absolutely and unconditionally guarantees the obligation of the District to pay base rentals under the lease. The outstanding balance on the Series 2004 bonds at June 30, 2006, is $2,825,000.

During the year ended June 30, 2004, the District entered into a capital lease agreement for the purchase of new buses in the total amount of $1,398,954 to be repaid in monthly installments of $25,052 through June 2009 with an interest rate of 2.80%. The outstanding balance on this lease as of June 30, 2006 was $1,136,967 which was paid off during the year ended June 30, 2006.

The following is an analysis of assets under capital leases as of June 30, 2006:

	Governmental Activities
Buildings	$ 6,124,080

NOTE 8. LONG-TERM DEBT (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2006 are as follows:

Year Ending June 30,	Governmental Activities
2007	$ 406,374
2008	404,772
2009	403,068
2010	401,012
2011	398,604
2012-2014	1,201,480
Total minimum lease payments	3,215,310
Less: amount representing interest	(390,310)
Present value of minimum lease payments	$ 2,825,000

General Obligation Bonds. During the year ended June 30, 2006, the District issued 2005 General Obligation Bonds in the original amount of $56,000,000 and 2006 General Obligation Bonds in the original amount of $14,535,000 to (a) acquire, construct, and equip new schools and related facilities including necessary furnishing, fixtures, and equipment, (b) renovate, extend, repair, and equip existing School District schools, facilities, and properties useful or desirable in connection therewith, (c) acquire, construct, and equip system-wide athletic facilities, (d) acquire, construct, and equip an Early Childhood Center, (e) acquire and install system-wide instructional and administrative technology, safety, and security equipment, (f) acquire school buses, vehicles, and transportation equipment, (g) acquire any necessary property therefore, both real and personal, and (h) pay any expenses incident to accomplishing the foregoing.

General obligation bonds consist of the following as of June 30, 2006:

Series	Coupon Rate	Maturities	Balance
2005	3.867% to 5.132%	2009 to 2011	$ 56,000,000
2006	4.421%	2009	14,535,000
			$ 70,535,000

NOTE 8. LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Principal	Interest	Total
2007	$ -	$ 4,157,452	$ 4,157,452
2008	-	3,198,414	3,198,414
2009	25,035,000	3,198,414	28,233,414
2010	25,500,000	2,149,831	27,649,831
2011	20,000,000	1,026,425	21,026,425
Total	$ 70,535,000	$ 13,730,536	$ 84,265,536

Long-term liability activity for the year ended June 30, 2006 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ -	$ 70,535,000	$	$ 70,535,000	$ -
Plus unamortized bond premium	-	2,877,675	(325,034)	2,552,641	-
Bonds payable, net	-	73,412,675	(325,034)	73,087,641	-
Capital leases	4,271,967	-	(1,446,967)	2,825,000	315,000
Compensated absences	698,759	891,279	(517,642)	1,072,396	512,539
Governmental activities:					
Long-term liabilities	$ 4,970,726	$ 74,303,954	$ (2,289,643)	$ 76,985,037	$ 827,539

There is $4,772,652 of restricted net assets available in the Debt Service Fund to service the capital lease contractual obligations and 2005 and 2006 general obligations bonds.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Prior to obtaining its fiscal independence during fiscal year 2006, the District historically issued long-term debt through Bibb County. Such long-term debt is as follows:

$17,705,000 2003 General Obligation School Refunding Bonds, due in annual installments of $403,035 to $4,539,175 through January 1, 2009, interest at 2.00 to 5.00 percent.	$ 11,045,000

As these are General Obligation Bond Issues, taxes are levied by Bibb County to provide for the amortization of these issues.

NOTE 9. OPERATING LEASES

The School District, as lessor, leases excess space in its central office building to various private companies and accounts for these leases as operating leases. Lease terms vary and extend through October 31, 2011. Rental revenues under these operating leases during the year ended June 30, 2006 were $777,130.

Minimum future rentals to be received under operating leases are as follows:

2007	$ 676,113
2008	631,435
2009	607,219
2010	579,248
2011	359,279
2012	95,798
	$ 2,949,092

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2006 is as follows:

Due to/from other funds:

Funds	Due From Other Funds	Due To Other Funds
General Fund	$ 398,145	$ 15,975
SPLOST Fund	755	173,240
Nonmajor governmental funds	-	758
Total governmental funds	398,900	189,973
School Food Service	15,220	58,513
Nonmajor enterprise funds	-	168,457
Total enterprise funds	15,220	226,970
Internal service funds	2,823	-
	$ 416,943	$ 416,943

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

Funds	Transfers In	Transfers Out
General Fund	$ 3,096,814	$ 1,025,113
SPLOST Fund	-	5,036,811
Nonmajor governmental funds	5,908,631	3,076,809
Total governmental funds	9,005,445	9,138,733
Nonmajor enterprise funds	21,600	-
Internal service funds	131,693	20,005
	$ 9,158,738	$ 9,158,738

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 11. OTHER POST EMPLOYMENT BENEFITS

The District extends the coverage of certain post retirement health care and life insurance benefits for retired employees. All costs of retiree health care and life insurance benefits are paid for by the retired employees.

NOTE 12. RETIREMENT PLANS

Teachers Retirement System. Substantially all teachers, administrators, and clerical personnel employed by the District are members of the Teachers Retirement System of Georgia (TRS), a cost-sharing multiple employer public employee retirement system administered by the TRS Board of Trustees. TRS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. Title 47, Chapter 3 of the Official Code of Georgia Annotated, assigns the authority to establish and amend benefit provisions to the TRS Board of Trustees. The TRS Board of Trustees issues a publicly available financial report that includes financial statements and required supplementary information for TRS. That report may be obtained by writing to TRS of Georgia, Two Northside 75, Suite 400, Atlanta GA 30331, or by calling 1-800-352-0650.

Covered employees are required by state law to contribute 5% of their annual covered salary to the plan and the District is required to contribute 9.24% of current covered payroll. Covered employees' contributions for the years ended June 30, 2006, 2005, and 2004, were $5,479,635, $5,223,584, and $5,008,419, respectively. The District's contributions to TRS for the years ended June 30, 2006, 2005, and 2004, were $10,150,439, $9,633,134, and $9,209,335, respectively, which equal the required contribution for each year.

Active members may retire and receive benefits after 30 years of creditable service regardless of age, or after 10 years of creditable service and reaching age 60. Upon retirement, an employee receives a retirement benefit, payable monthly for life. The amount is determined by multiplying 2% by the years of service up to 40 years. This amount in turn is multiplied by the employee's average monthly salary for the two highest paid consecutive years of service. Early retirement benefits are reduced by the lesser of 1/12 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 CPI, will be made in future years. Retirement benefits are payable monthly for life. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary at the member's death.

NOTE 12. RETIREMENT PLANS (CONTINUED)

Public School Employees Retirement System. Substantially all bus drivers, maintenance, custodial, and lunchroom personnel employed by the District are members of the Public School Employees Retirement System of Georgia (PSERS), which is also a cost-sharing multiple employer public employee retirement system. The Board of the Public School Employees Retirement System of Georgia issues a publicly available financial report that includes financial statements and supplementary information for PSERS. That report may be obtained by writing Public School Employee Retirement System, Two Northside 75, Atlanta, Georgia 30318-7778, or by calling 1-800-805-4609.

PSERS provides service retirement, disability retirement and survivor's benefits for its members. A member is eligible for normal service retirement after 10 years of service and attainment of age 65. A member applying for service retirement with 10 years of service and retirees between the ages of 60 and 65 receive a reduced benefit. Monthly retirement benefits paid to members are equal to eight dollars per month multiplied by the number of years of creditable service. Retirement provisions include death and disability benefits. Benefits are established by state statute.

Covered employees are required by state statute to contribute four dollars per month for the nine month school year. Unlike TRS, the District makes no contribution to PSERS. Total contributions from employees of the District made during the fiscal year ended June 30, 2006, totaled $23,268.

The State of Georgia is required by statute to make an annual contribution to PSERS based upon an actuarial calculation. The state's contribution for employees for the fiscal year ended June 30, 2006 for District employees was $26,794.

Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest.

There were 626 employees covered under PSERS for the year ended June 30, 2006.

NOTE 13. DEFERRED COMPENSATION PLAN

The District offers its employees a tax deferred annuity plan created in accordance with Internal Revenue Code Section 403b. The plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional.

It is the opinion of the District's legal counsel that the District has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The District believes these assets are not available to satisfy the claims of general creditors in the future.

NOTE 14. RISK MANAGEMENT

The District is exposed to various risks of loss for claims associated with torts; theft of, damage to and destruction of assets; errors and omissions; natural disaster; workers' compensation; unemployment compensation; and dental benefits.

The District is self-insured for workers' compensation, unemployment compensation, and dental benefits. Premiums are paid into internal service funds by user funds and are available to pay claims, claim reserves, and administrative costs of the program. These interfund premiums are recognized as revenue in the internal service funds. The premiums are calculated on the basis of the percentage of that fund's payroll to total payroll. Liabilities are reported when it is probable that a loss has been incurred and the amount can be reasonably estimated including amounts of claims incurred but not yet reported. An excess coverage insurance policy covers individual claims in excess of $500,000 loss per occurrence, up to the statutory limit. The District has not experienced any significant reduction in insurance coverage from the previous years nor has it paid any settlements in excess of insurance coverage in the past three years.

NOTE 14. RISK MANAGEMENT (CONTINUED)

Changes in the balances of claims liabilities for the past two fiscal years for the funds for which the District is self-insured are as follows:

Workers' Compensation Fund	June 30, 2006	June 30, 2005
Unpaid claims, beginning of fiscal year	$ 67,543	$ 243,775
Incurred claims (including IBNRs)	751,164	649,590
Claim payments and changes in estimates	(656,616)	(825,822)
Unpaid claims, end of fiscal year	$ 162,091	$ 67,543

Unemployment Compensation Fund	June 30, 2006	June 30, 2005
Unpaid claims, beginning of fiscal year	$ -	$ -
Incurred claims (including IBNRs)	74,765	71,417
Claim payments and changes in estimates	(74,765)	(71,417)
Unpaid claims, end of fiscal year	$ -	$ -

Dental Insurance Fund	June 30, 2006	June 30, 2005
Unpaid claims, beginning of fiscal year	$ 97,055	$ 61,762
Incurred claims (including IBNRs)	1,298,127	1,203,063
Claim payments and changes in estimates	(1,287,889)	(1,167,770)
Unpaid claims, end of fiscal year	$ 107,293	$ 97,055

NOTE 15. COMMITMENTS AND CONTINGENCIES

The District is involved in a number of legal matters which either have or could result in litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2006, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

The District is committed under outstanding construction contracts in the Capital Projects funds in the amount of $11,631,535. Construction contracts include new school construction and expansion and renovation of existing facilities.

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COMBINING FUND STATEMENTS & SCHEDULES

BIBB COUNTY SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE	To account for the payments of principal and interest on long-term debt of government funds.
CAPITAL IMPROVEMENTS	To account for local money used to make major repairs.
SCHOOL DISCRETIONARY	To account for the portion of the school activity resources used for general governmental expenditures.

BIBB COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006

ASSETS	Debt Service	Capital Projects Capital Improvements	Special Revenue School Discretionary	Total Nonmajor Governmental Funds
Cash	$ 4,771,738	$ 684,007	$ 616,119	$ 6,071,864
Investments	-	2,394,248	-	2,394,248
Interest receivable	914	-		914
Total assets	$ 4,772,652	$ 3,078,255	$ 616,119	$ 8,467,026
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 338,760	$ -	$ 338,760
Due to other funds	-	758		758
Unearned revenue	-	32,500	-	32,500
Accrued interest payable	-	-	-	-
Accrued payroll and payroll withholdings	-	6,883		6,883
Total liabilities	-	378,901	-	378,901
FUND BALANCES				
Reserved for debt service	4,772,652	-	-	4,772,652
Unreserved:				
Designated for capital projects	-	2,699,354	-	2,699,354
Undesignated	-	-	616,119	616,119
Total fund balances	4,772,652	2,699,354	616,119	8,088,125
Total liabilities and fund balances	$ 4,772,652	$ 3,078,255	$ 616,119	$ 8,467,026

BIBB COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Debt Service	Capital Projects Capital Improvements	Special Revenue School Discretionary	Total Nonmajor Governmental Funds
REVENUES				
Local sources	$ -	$ 251,010	$ 1,999,963	$ 2,250,973
State sources	-	-	-	-
Interest earned	58,186	102,570	-	160,756
Total revenues	58,186	353,580	1,999,963	2,411,729
EXPENDITURES				
Current:				
Instruction	-	-	2,006,392	2,006,392
Maintenance and Operations		6,883		6,883
Capital Outlay	-	167,422	-	167,422
Debt Service:				
Interest and fiscal charges	61,697	-	-	61,697
Principal retirement	310,000	-	-	310,000
Total expenditures	371,697	174,305	2,006,392	2,552,394
Excess (deficiency) of revenues over expenditures	(313,511)	179,275	(6,429)	(140,665)
OTHER FINANCING SOURCES (USES)				
Transfers in	4,556,651	1,351,980	-	5,908,631
Transfers out	(76,809)	(3,000,000)	-	(3,076,809)
Total other financing sources (uses)	4,479,842	(1,648,020)	-	2,831,822
Net change in fund balances	4,166,331	(1,468,745)	(6,429)	2,691,157
FUND BALANCES, beginning of year	606,321	4,168,099	622,548	5,396,968
FUND BALANCES, end of year	$ 4,772,652	$ 2,699,354	$ 616,119	$ 8,088,125

BIBB COUNTY SCHOOL DISTRICT

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ -	$ -	$ 58,186	$ 58,186
Total revenues	-	-	58,186	58,186
EXPENDITURES				
Debt service:				
Interest and fiscal charges	-	-	61,697	(61,697)
Principal retirement	395,000	395,000	310,000	85,000
Total expenditures	395,000	395,000	371,697	23,303
Deficiency of revenues over expenditures	(395,000)	(395,000)	(313,511)	81,489
OTHER FINANCING SOURCES (USES)				
Transfer in	395,000	395,000	4,556,651	4,161,651
Transfer out		-	(76,809)	(76,809)
Total other financing sources (uses)	395,000	395,000	4,479,842	4,084,842
Net change in fund balances	-	-	4,166,331	4,166,331
FUND BALANCES, beginning of year	606,321	606,321	606,321	-
FUND BALANCES, end of year	$ 606,321	$ 606,321	$ 4,772,652	$ 4,166,331

BIBB COUNTY SCHOOL DISTRICT

CAPITAL PROJECTS FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Capital Improvements			
	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Local sources	$ 107,251	$ 107,251	$ 251,010	$ 143,759
State sources	5,000,000	5,000,000	-	(5,000,000)
Interest earned	-	-	102,570	102,570
Total revenues	5,107,251	5,107,251	353,580	(4,753,671)
EXPENDITURES				
Current:				
Maintenance and operations	-	-	6,883	-
Capital outlay	9,024,261	9,184,761	167,422	9,017,339
Total expenditures	9,024,261	9,184,761	174,305	9,017,339
Excess (deficiency) of revenues over expenditures	(3,917,010)	(4,077,510)	179,275	4,256,785
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	460,500	1,351,980	891,480
Transfers out	-	-	(3,000,000)	(3,000,000)
Total other financing sources (uses)	300,000	460,500	(1,648,020)	(2,108,520)
Net change in fund balances	(3,617,010)	(3,617,010)	(1,468,745)	2,148,265
FUND BALANCES, beginning of year	4,168,099	4,168,099	4,168,099	-
FUND BALANCES, end of year	$ 551,089	$ 551,089	$ 2,699,354	$ 2,148,265

BIBB COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2000 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Acquisition, construction, renovation and equipping of schools	$ 98,300,000	$ 98,300,000	$ 64,983,316	$ 3,062,780	$ 68,046,096
Debt service payments to Bibb County	86,700,000	86,700,000	66,119,040	5,336,443	71,455,483
	$ 185,000,000	$ 185,000,000	$ 131,102,356	$ 8,399,223	$ 139,501,579

BIBB COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2006 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Acquisition, construction, renovation and equipping of schools	$ 165,600,000	$ 89,100,000	$ -	$ 2,786,673	$ 2,786,673

BIBB COUNTY SCHOOL DISTRICT

NONMAJOR ENTERPRISE FUNDS

STADIUMS	To account for the operations of Henderson Stadium and the Bibb County Sports Complex.
THE WELLNESS CENTER	To account for the operation of the Wellness Center.

BIBB COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2006

ASSETS	Stadiums	Wellness Center	Totals
CURRENT ASSETS			
Cash	$ -	$ 10,002	$ 10,002
Investments	-	58,066	58,066
Accounts receivable	165,497	-	165,497
Total current assets	165,497	68,068	233,565
CAPITAL ASSETS			
Furniture and equipment	45,322	-	45,322
Total depreciable assets	45,322	-	45,322
Less accumulated depreciation	(33,925)	-	(33,925)
Total capital assets	11,397	-	11,397
Total assets	176,894	68,068	244,962
LIABILITIES			
Accounts payable	8,437	422	8,859
Accrued payroll and payroll withholdings	-	3,199	3,199
Due to other funds	168,457	-	168,457
Total liabilities	176,894	3,621	180,515
NET ASSETS			
Invested in capital assets	11,397	-	11,397
Unrestricted	(11,397)	64,447	53,050
Total net assets	$ -	$ 64,447	$ 64,447

BIBB COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Stadiums	Wellness Center	Totals
OPERATING REVENUES			
Local sources	$ 186,459	$ 59,953	$ 246,412
Total operating revenues	186,459	59,953	246,412
OPERATING EXPENSES			
Enterprise operation	159,316	58,449	217,765
Maintenance and operations	45,952	-	45,952
Depreciation	2,791	-	2,791
Total operating expenses	208,059	58,449	266,508
Operating income (loss)	(21,600)	1,504	(20,096)
NONOPERATING REVENUES			
Interest earned on investments	-	2,454	2,454
Total nonoperating revenues	-	2,454	2,454
Income (loss) before transfers	(21,600)	3,958	(17,642)
Transfers in	21,600	-	21,600
Change in net assets	-	3,958	3,958
NET ASSETS, beginning of year	-	60,489	60,489
NET ASSETS, end of year	$ -	$ 64,447	$ 64,447

BIBB COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Stadiums	Wellness Center	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from local sources	$ 133,919	$ 59,953	$ 193,872
Payments to suppliers	(122,202)	(52,799)	(175,001)
Payments to employees	(30,870)	(4,584)	(35,454)
Payments on behalf of employees	(2,447)	(454)	(2,901)
Net cash provided by (used in) operating activities	(21,600)	2,116	(19,484)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	21,600	-	21,600
Net cash provided by noncapital financing activities	21,600	-	21,600
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	2,454	2,454
Net cash provided by investing activities	-	2,454	2,454
Net increase in cash	-	4,570	4,570
Cash, beginning of year	-	63,498	63,498
Cash, end of year	$ -	$ 68,068	$ 68,068
Classified as:			
Cash	$ -	$ 10,002	$ 10,002
Investments	-	58,066	58,066
	$ -	$ 68,068	$ 68,068

(Continued)

BIBB COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Stadiums	Wellness Center	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ (21,600)	$ 1,504	$ (20,096)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	2,791	-	2,791
Decrease in intergovernmental receivables	112,807	-	112,807
Increase in accounts receivable	(165,347)	-	(165,347)
Increase (decrease) in accounts payable	4,873	(341)	4,532
Increase in due to other funds	44,876	-	44,876
Increase in payroll related liabilities	-	953	953
Net cash provided by (used in) operating activities	$ (21,600)	$ 2,116	$ (19,484)

BIBB COUNTY SCHOOL DISTRICT

INTERNAL SERVICE FUNDS

WAREHOUSE	To account for financing of goods or services provided to other funds within the District.
PRINTSHOP	To account for financing of printing services provided to other funds within the District.
WORKERS' COMPENSATION	To account for the self-insured workers compensation claims activity of the District.
UNEMPLOYMENT COMPESATION	To account for the provision of unemployment benefits of the employee of the District.
FIRE LOSS RESERVE	To account for a reserve for fire loss.
DENTAL INSURANCE	To account for the self-insured dental claims activity of the District.

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BIBB COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2006

ASSETS	Warehouse	Print shop	Workers' Compensation
CURRENT ASSETS			
Cash	$ 32,411	$ -	$ 39,567
Investments	-	-	122,524
Accounts receivable	1,196	-	-
Due from other funds	2,823	-	-
Prepaid items	8,910	-	-
Inventories	913,429	-	-
Total current assets	958,769	-	162,091
CAPITAL ASSETS			
Buildings	291,791	-	-
Furniture and equipment	186,063	-	-
Total depreciable assets	477,854	-	-
Less accumulated depreciation	(390,405)	-	-
Total capital assets	87,449	-	-
Total assets	1,046,218	-	162,091
LIABILITIES			
Accounts payable	248,789	-	-
Accrued claims expense	-	-	162,091
Total liabilities	248,789	-	162,091
NET ASSETS			
Invested in capital assets	87,449	-	-
Unrestricted	709,980	-	-
Total net assets	$ 797,429	$ -	$ -

Unemployment Compensation	Dental Insurance	Total
$ -	$ 107,293	$ 179,271
-	-	122,524
-	-	1,196
-	-	2,823
-	-	8,910
-	-	913,429
-	107,293	1,228,153
-	-	291,791
-	-	186,063
-	-	477,854
-	-	(390,405)
-	-	87,449
-	107,293	1,315,602
-	-	248,789
-	107,293	269,384
-	107,293	518,173
-	-	87,449
-	-	709,980
$ -	$ -	$ 797,429

BIBB COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Warehouse	Print shop	Workers' Compensation
OPERATING REVENUES			
Local sources	$ 1,758,326	$ 31,726	$ 708,817
Total operating revenues	1,758,326	31,726	708,817
OPERATING EXPENSES			
Central support services	-	19,246	751,164
Operating and maintenance of plant services	9,663	5,495	-
Depreciation	10,716	-	-
Cost of services	1,787,824	11,483	-
Total operating expenses	1,808,203	36,224	751,164
Operating loss	(49,877)	(4,498)	(42,347)
NON-OPERATING REVENUES (EXPENSES)			
Interest earned	-	-	5,872
Loss on disposal of assets	-	(8,215)	-
Total non-operating revenues (expenses)	-	(8,215)	5,872
Loss before transfers	(49,877)	(12,713)	(36,475)
Transfers in	-	-	5,901
Transfers out	-	(20,005)	-
Change in net assets	(49,877)	(32,718)	(30,574)
NET ASSETS, beginning of year	847,306	32,718	30,574
NET ASSETS, end of year	$ 797,429	$ -	$ -

Unemployment Compensation	Dental Insurance	Total
$ -	$ 1,247,100	$ 3,745,969
-	1,247,100	3,745,969
74,765	1,298,127	2,143,302
-	-	15,158
-	-	10,716
-	-	1,799,307
74,765	1,298,127	3,968,483
(74,765)	(51,027)	(222,514)
-	-	5,872
-	-	(8,215)
-	-	(2,343)
(74,765)	(51,027)	(224,857)
74,765	51,027	131,693
-	-	(20,005)
-	-	(113,169)
-	-	910,598
$ -	$ -	$ 797,429

BIBB COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Warehouse	Print shop	Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 1,763,563	$ 32,090	$ 708,817
Payments to suppliers	(1,758,580)	(17,188)	-
Payments to employees	-	(20,070)	-
Payments on behalf of employees	-	(5,495)	-
Payments for interfund services used	-	-	(656,616)
Net cash provided by (used in) operating activities	4,983	(10,663)	52,201
CASH FLOWS FROM CAPITAL ACTIVITIES			
Proceeds from sale of assets	-	3,835	-
Net cash provided by capital activities	-	3,835	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	-	(20,005)	5,901
Net cash provided (used in) by noncapital financing activities	-	(20,005)	5,901
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	-	5,872
Net cash provided by investing activities	-	-	5,872
Net increase (decrease) in cash and cash equivalents	4,983	(26,833)	63,974
Cash and cash equivalents, beginning of year	27,428	26,833	98,117
Cash and cash equivalents, end of year	$ 32,411	$ -	$ 162,091
Classified as:			
Cash	$ 32,411	$ -	$ 39,567
Investments	-	-	122,524
	$ 32,411	$ -	$ 162,091
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	$ (49,877)	$ (4,498)	$ (42,347)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	10,716	-	-
Decrease in accounts receivable	5,237	364	-
(Increase) decrease in due from other funds	(585)	480	-
Increase in inventories	(164,504)	-	-
Increase (decrease) in accounts payable	203,996	(3,209)	-
Decrease in payroll related liabilities	-	(3,800)	-
Increase in accrued claims expense	-	-	94,548
Net cash provided by (used in) operating activities	$ 4,983	$ (10,663)	$ 52,201

Unemployment Compensation	Dental Insurance	Total
$ -	$ 1,247,100	$ 3,751,570
-	-	(1,775,768)
-	-	(20,070)
-	-	(5,495)
(74,765)	(1,287,889)	(2,019,270)
(74,765)	(40,789)	(69,033)
-	-	3,835
-	-	3,835
74,765	51,027	111,688
74,765	51,027	111,688
-	-	5,872
-	-	5,872
-	10,238	52,362
-	97,055	249,433
$ -	$ 107,293	$ 301,795
$ -	$ 107,293	$ 179,271
-	-	122,524
$ -	$ 107,293	$ 301,795
$ (74,765)	$ (51,027)	$ (222,514)
-	-	10,716
-	-	5,601
-	-	(105)
-	-	(164,504)
-	-	200,787
-	-	(3,800)
-	10,238	104,786
$ (74,765)	$ (40,789)	$ (69,033)

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BIBB COUNTY SCHOOL DISTRICT

AGENCY FUNDS

SCHOOL ACTIVITIES	To account for the portion of school activity funds related to school wide fund raising activities.
SECTION 125 CAFETERIA PLAN	To account for flex medical and dependent care for the employees of the District.

BIBB COUNTY SCHOOL DISTRICT

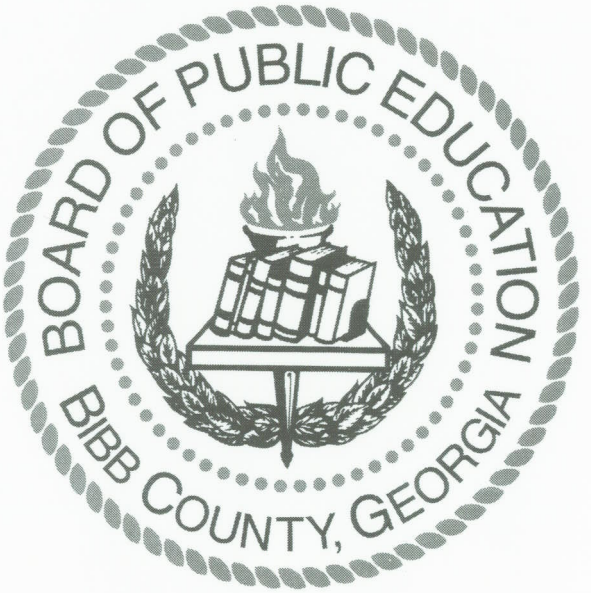
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2006

	Student Activity	Section 125 Cafeteria Plan	Totals
ASSETS			
Cash	$ 406,403	$ 12,654	$ 419,057
Investments	-	65,976	65,976
Total assets	$ 406,403	$ 78,630	$ 485,033
LIABILITIES			
Accounts payable	$ -	$ 15,428	$ 15,428
Due to others	406,403	63,202	469,605
Total liabilities	$ 406,403	$ 78,630	$ 485,033

BIBB COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006
STUDENT ACTIVITY				
ASSETS				
Cash	$ 393,232	$ 1,499,276	$ 1,486,105	$ 406,403
LIABILITIES				
Due to others	$ 393,232	$ 1,499,276	$ 1,486,105	$ 406,403
SECTION 125 CAFETERIA PLAN				
ASSETS				
Cash	$ 25,021	$ 159,557	$ 171,924	$ 12,654
Investments	64,060	2,928	1,012	65,976
Total assets	$ 89,081	$ 162,485	$ 172,936	$ 78,630
LIABILITIES				
Accounts payable	$ 20,698	$ 167,666	$ 172,936	$ 15,428
Due to others	68,383	-	5,181	63,202
Total liabilities	$ 89,081	$ 167,666	$ 178,117	$ 78,630
TOTAL AGENCY FUNDS				
ASSETS				
Cash	$ 418,253	$ 1,658,833	$ 1,658,029	$ 419,057
Investments	64,060	2,928	1,012	65,976
Total assets	$ 482,313	$ 1,661,761	$ 1,659,041	$ 485,033
LIABILITIES				
Accounts payable	$ 20,698	$ 167,666	$ 172,936	$ 15,428
Due to others	461,615	1,499,276	1,491,286	469,605
Total liabilities	$ 482,313	$ 1,666,942	$ 1,664,222	$ 485,033



III. STATISTICAL SECTION

III. STATISTICAL SECTION

This part of the Bibb County School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the District's overall financial health.

Contents **Page**

Financial Trends ..... **66 - 70**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity ..... **71 - 75**

These schedules contain information to help the reader assess the District's most significant local revenue sources.

Debt Capacity ..... **76 - 79**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information ..... **80 and 81**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information ..... **82 - 91**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the District's financial reports for the relevant year. The District implemented GASB 34 in 2002; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.

BIBB COUNTY SCHOOL DISTRICT

NET ASSETS BY ACTIVITY[1]
LAST FIVE FISCAL YEARS

	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets, net of related debt	$ 131,758,075	$ 172,276,942	$ 195,754,453	$ 197,904,023	$ 200,299,280
Restricted	1,449,323	219,738	420,550	606,321	4,772,652 [2]
Unrestricted	84,925,471	67,449,126	45,550,188	40,543,139	45,850,600
Total governmental actives net assets	$ 218,132,869	$ 239,945,806	$ 241,725,191	$ 239,053,483	$ 250,922,532
Business-type activities					
Invested in capital assets, net of related debt	$ 8,710,190	$ 9,381,626	$ 10,385,201	$ 10,420,540	$ 9,897,594
Restricted	-	-		-	-
Unrestricted	5,839,742	6,070,600	4,356,489	4,898,078	5,672,743
Total business-type activities net assets	$ 14,549,932	$ 15,452,226	$ 14,741,690	$ 15,318,618	$ 15,570,337
Primary government					
Invested in capital assets, net of related debt	$ 140,468,265	$ 181,658,568	$ 206,139,654	$ 208,324,563	$ 210,196,874
Restricted	1,449,323	219,738	420,550	606,321	4,772,652 [2]
Unrestricted	90,765,213	73,519,726	49,906,677	45,441,217	51,523,343
Total primary government net assets	$ 232,682,801	$ 255,398,032	$ 256,466,881	$ 254,372,101	$ 266,492,869

[1] **Per Audited Financial Statements**

[2] **Net assets are restricted for debt service for the 2004 Contractual Obligation, related to the financing of the Central Office Building and the 2005 and 2006 General Obligation Bonds.**

Notes: Accrual-basis financial information for the School District as a whole is available back to June 30, 2002, the year GASB Statement 34 was implemented.

BIBB COUNTY SCHOOL DISTRICT

CHANGES IN NET ASSETS[1]
LAST FIVE FISCAL YEARS

	2002	2003	2004	2005	2006
Expenses					
Primary government:					
Governmental activities:					
Instruction	$ 144,063,616	$ 150,210,751	$ 153,806,095	$ 163,855,356	$ 168,110,470
General administration	4,828,463	4,966,694	3,822,684	3,869,044	4,211,482
Maintenance and operations	13,836,063	13,743,083	13,851,221	14,227,302	15,670,405
Student transportation	6,332,298	6,321,964	7,270,865	6,526,274	7,430,471
Intergovernmental, Bibb County	3,002,140	3,810,896	30,468,848 [2]	25,488,836 [2]	5,336,443
Interest on long-term debt	257,794	162,748	134,138	128,148	1,799,005
Total governmental activities expenses	172,320,374	179,216,136	209,353,851	214,094,960	202,558,276
Business-type activities:					
School food services	10,203,584	10,963,431	12,117,243	11,986,698	11,870,548
Stadiums	137,331	142,554	179,174	154,007	208,059
Wellness center	28,273	53,217	40,695	49,747	58,449
Total business-type activities expenses	10,369,188	11,159,202	12,337,112	12,190,452	12,137,056
Total primary government expenses	182,689,562	190,375,338	221,690,963	226,285,412	214,695,332
Program revenues					
Primary government:					
Governmental activities:					
Charges for services	5,789,967	4,941,975	4,894,454	5,542,760	4,780,020
Operating grants and contributions	106,824,605	108,043,988	111,786,448	118,404,069	120,144,621
Capital grants and contributions	33,232,311	3,266,671	6,307,313	310,512	6,822,212
Total governmental activities program revenues	145,846,883	116,252,634	122,988,215	124,257,341	131,746,853
Business-type activities:					
Charges for services	2,480,158	2,431,868	2,447,589	2,461,338	2,461,781
Operating grants and contributions	8,456,506	8,970,599	8,594,776	9,739,082	9,744,683
Capital grants and contributions	4,187,132	550,212	536,576	494,042	-
Total business-type activities program revenues	15,123,796	11,952,679	11,578,941	12,694,462	12,206,464
Total primary government revenues	160,970,679	128,205,313	134,567,156	136,951,803	143,953,317
General revenues and other changes in net assets					
Primary government:					
Governmental activities:					
Property taxes	53,336,726	54,821,786	57,407,180	60,216,122	60,917,820
Sales taxes	27,837,463	26,883,198	28,546,246	23,792,896	15,433,796
Other taxes	328,074	341,526	466,435	441,974	986,179
Grants and contributions not restricted to specific programs	2,302,438	1,511,912	1,167,402	1,596,917	1,928,994
Investment earnings	1,762,597	1,238,817	578,558	1,139,602	3,362,916
Gain on sale of assets	-	-	-	-	72,367
Transfers	(26,280)	(20,800)	(20,800)	(21,600)	(21,600)
Total governmental activities general revenues and other changes	85,541,018	84,776,439	88,145,021	87,165,911	82,680,472
Business-type activities:					
Grants and contributions not restricted to specific programs	156,006	67,624	-	-	128,119
Investment earnings	5,679	20,393	26,835	51,318	32,592
Transfers	26,280	20,800	20,800	21,600	21,600
Total business type activities general revenues and other changes in net assets	187,965	108,817	47,635	72,918	182,311
Total primary government general revenues and other changes in net assets	85,728,983	84,885,256	88,192,656	87,238,829	82,862,783
Change in net assets					
Governmental activities	59,067,527	21,812,937	1,779,385	(2,671,708)	11,869,049
Business-type activities	4,942,573	902,294	(710,536)	576,928	251,719
Total primary government change in net assets	$ 64,010,100	22,715,231	$ 1,068,849	$ (2,094,780)	$ 12,120,768

[1] **Per Audited Financial Statements**

[2] **Amounts to repay Bibb County for the 1998 General Obligation Bonds.**

Notes: Accrual-basis financial information for the School District as a whole is available back to June 30, 2002, the year GASB Statement 34 was implemented.

BIBB COUNTY SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS[1]
LAST NINE FISCAL YEARS

	1998	1999	2000	2001	2002
General Fund					
Reserved	$ 3,079,410	$ 694,166	$ 744,983	$ 541,169	$ 1,276,289
Unreserved	5,874,632	4,581,015	3,775,474	18,107,725 [3]	18,147,765
Total general fund	$ 8,954,042	$ 5,275,181	$ 4,520,457	$ 18,648,894	$ 19,424,054
All Other Governmental Funds					
Reserved	$ 1,736,491	$ 1,737,704	$ 7,541,174	$ 31,592,408	$ 58,224,859
Unreserved, reported in:					
Special revenue funds	-	-	-	-	743,783
Capital projects funds	2,434,526 [2]	2,382,138	3,829,303	5,170,170	7,284,553
Total all other governmental funds	$ 4,171,017	$ 4,119,842	$ 11,370,477	$ 36,762,578	$ 66,253,195

[1] Per Audited Financial Statements

[2] Continual reductions in Capital Projects Funds are primarily due to increases in salary and benefits and decreases in overall funding thus resulting in less funding available for capital expenditures.

3 Several positions remained vacant during this fiscal year resulting in a large excess of revenues over expenditures.

Notes: 1997 amounts are not presented due to several prior period adjustments posted as part of the June 30, 1998 audit.

2003	2004	2005	2006
$ 1,172,489	$ 950,055	$ 760,332	$ 1,096,015
17,156,982	20,275,217	23,401,443	26,164,198
$ 18,329,471	$ 21,225,272	$ 24,161,775	$ 27,260,213
$ 43,153,958	$ 18,695,318	$ 11,408,103	$ 77,506,238
699,457	697,631	622,548	616,119
[2] 4,971,762	[2] 4,820,227	[2] 4,168,099	[2] 2,699,354
$ 48,825,177	$ 24,213,176	$ 16,198,750	$ 80,821,711

BIBB COUNTY SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS[1]
LAST FIVE FISCAL YEARS

	2002	2003	2004	2005	2006
Revenues:					
Local sources	$ 60,061,901	$ 61,096,433	$ 63,288,615	$ 66,363,890	$ 83,222,136 [5]
State sources	128,206,033	122,679,955 [3]	127,160,814 [3]	117,382,392 [3]	104,331,892
Federal sources	13,801,489	16,243,148	20,204,323	26,477,525	23,628,315
Interest income	1,699,492	1,235,821	576,626	1,135,580	3,357,044
On behalf payments	1,800,928	1,723,319	1,627,098	1,647,381	3,797,480 [4]
Other local sources	27,486,300 [2]	4,505	-	-	-
Other sources	51,564	16,232	23,619	20,692	80,582
Total revenues	233,107,707	202,999,413	212,881,095	213,027,460	218,417,449
Expenditures:					
Current:					
Instruction	141,581,450	146,071,332	149,198,947	159,025,148	163,023,150
General administration	4,538,199	4,790,258	3,600,908	3,683,175	3,919,171
Maintenance and operations	13,780,047	13,756,725	13,763,650	14,186,144	15,608,875
Student transportation	5,687,353	5,685,667	6,618,644	5,872,484	6,662,909
On behalf payments	1,800,928	1,723,319	1,627,098	1,647,381	3,797,480
Intergovernmental, Bibb County	3,002,140	3,810,896	30,468,848	25,488,836	5,336,443
Capital outlay	35,766,371	43,901,681	30,077,471	8,017,456	23,323,194
Debt service:					
Charges for services	1,597,778	1,440,000	185,000	261,987	1,446,968
Operating grants and contributions	257,794	164,595	134,138	117,509	89,555
Capital grants and contributions	-	-	-	127,674	966,478
Total expenditures	208,012,060	221,344,473	235,674,704	218,427,794	224,174,223
Excess of revenues over expenditures	25,095,647	(18,345,060)	(22,793,609)	(5,400,334)	(5,756,774)
Other financing sources (uses)					
Proceeds from capital lease	-	-	1,398,954	-	-
Bond proceeds	-	-	-	3,135,000	70,733,786 [6]
Payments to refunded bond escrow agent	-	-	-	(2,510,000)	-
Premium on bonds issued	-	-	-	-	2,877,675 [6]
Transfers in	7,440,565	1,042,219	1,541,864	1,147,817	9,005,445
Transfers out	(3,756,713)	(1,219,760)	(1,863,409)	(1,450,406)	(9,138,733)
Total other financing sources (uses)	3,683,852	(177,541)	1,077,409	322,411	73,478,173
Net change in fund balances	$ 28,779,499	$ (18,522,601)	$ (21,716,200)	$ (5,077,923)	$ 67,721,399
Debt service as a percentage of non-capital expenditures	1.08%	0.90%	0.16%	0.24%	1.25%

[1] Per Audited Financial Statements
[2] Special Purpose Local Option Sales Tax (SPLOST) Revenue
[3] FY2003 - FY2005 SPLOST Revenues recorded as state sources
[4] Increase due to increase in state contributions caused by rising health insurance costs
[5] FY2006 SPLOST Revenue recorded as local revenue
[6] Issuance of 2005 and 2006 General Obligation Bonds plus premiums on bonds

Notes: The implementation of GASB 34 beginning with fiscal year ended June 30, 2002 significantly changed the presentation of revenues and expenditures of the School District. As such, the information for years prior to fiscal year 2002 is not available.

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BIBB COUNTY SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY[1]
LAST FIVE FISCAL YEARS

Fiscal Year	Assessed Value					
	Residental Property	Commercial Property	Industrial Property	Motor Vehicle Property	Other Property	Total Property
2002	$ 1,620,352,658	$ 1,114,201,161	$ 635,364,860	$ 324,096,580	$ 186,351,957	$ 3,880,367,216
2003	1,620,758,540	1,157,412,913	632,038,946	328,567,130	198,376,090	3,937,153,619
2004	1,661,991,867	1,152,613,977	602,736,285	342,161,490	200,840,965	3,960,344,584
2005	1,701,150,635	1,193,120,826	604,434,155	363,895,790	192,196,469	4,054,797,875
2006	1,745,708,592	1,227,692,770	526,337,089	378,221,080	193,589,387	4,071,548,918

[1] Source: Bibb County Tax Commissioner's Office

Notes: The county assesses property at 40% of actual value. Actual tax value is calculated by dividing assessed value by 40 percent. Tax rates are per $1,000 of assessed value.

Information has been provided beginning with the year of implementation of GASB Statement 34, June 30, 2002.

Total Taxable Property				
Less: Exemptions	Assessed Value	Actual Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
$ 430,294,717	$ 3,450,072,499	$ 9,700,918,040	15.7988	35.56%
424,111,443	3,513,042,176	9,842,884,048	15.7988	35.69%
451,845,079	3,508,499,505	9,900,861,460	16.7988	35.44%
430,565,398	3,624,232,477	10,136,994,688	17.2988	35.75%
408,077,567	3,663,471,351	10,178,872,295	17.2988	35.99%

BIBB COUNTY SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES[1]
LAST FIVE FISCAL YEARS

	Fiscal Year Taxes Are Payable				
	2006	2003	2004	2005	2006
Bibb County Board of Education Direct Rate	15.7988	15.7988	16.7988	17.2988	17.2988
County Rates (Direct)					
General	11.6739	13.1739	12.1739	12.6739	12.6739
Bond	1.2228	1.2165	1.2093	1.2064	-
Fire District	1.2918	1.3089	1.3231	1.3452	1.3566
	14.1885	15.6993	14.7063	15.2255	14.0305
City Rates					
Macon					
Bond	7.3560	7.3560	8.6600	10.1600	10.1600
Fire District	0.5200	0.5200	0.5000	0.5000	-
	7.8760	7.8760	9.1600	10.6600	10.1600

[1] **Source: Bibb County Tax Commissioner's Office**

Notes: Information has been provided with the year of implementation of GASB Statement 34, June 30, 2002.

BIBB COUNTY SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2006			1997		
Employer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Brown & Williamson Corporation	$ 95,960,278	1	2.60%	$ 128,227,998	1	4.21%
Graphic Packaging International, Inc.	75,322,171	2	2.04%	-	-	-
YKK (USA), Inc.	55,637,176	3	1.51%	58,117,332	3	1.91%
Georgia Power Company	39,480,751	4	1.07%	45,911,400	4	1.51%
Bellsouth Telecommunications	36,818,420	5	1.00%	36,960,073	5	1.21%
Coliseum Medical Centers	34,172,506	6	0.93%	18,965,113	9	0.62%
Macon Mall	33,171,800	7	0.90%	26,006,520	7	0.85%
Atlanta Southeast Airlines	31,221,318	8	0.85%	-		-
Paragon Trade Brands, Inc.	24,941,538	9	0.68%	27,058,370	6	0.90%
Armstrong World Industries, Inc.	16,408,675		0.44%	20,323,454	8	0.68%
Riverwood International	-		-	118,547,668	2	3.89%
AT&T Communications	-	10	-	16,516,538	10	0.54%
	$ 443,134,633		12.11%	$ 496,634,466		16.32%

Sources: 2006 provided by Bibb County Tax Commissioner's Office
1997 from the Bibb County Comprehensive Annual Report for the fiscal year ended September 30, 1997.

BIBB COUNTY SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS[1]
LAST FIVE FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2002	$ 54,507,006	$ 59,112	$ 54,566,118	$ 53,621,184	98.37%	$ 1,558,021	$ 55,179,205	101.12%
2003	55,501,851	192,764	55,694,615	54,670,351	98.50%	1,091,716	55,762,067	100.12%
2004	58,938,580	318,454	59,257,034	57,799,540	98.07%	912,711	58,712,251	99.08%
2005	62,694,873	29,954	62,724,827	60,675,219	96.78%	864,797	61,540,016	98.11%
2006	63,373,658	(146,949)	63,226,709	61,423,673	96.92%	-	61,423,673	97.15%

[1] Source: Bibb County Tax Commissioner's Office

Notes: Information has been provided with the year of implementation of GASB Statement 34, June 30, 2002.

BIBB COUNTY SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				
Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	% of Personal Income [2]	Per Capita [3]
1997	-	7,447,916	7,447,916	0.21%	48.19
1998	-	7,295,992	7,295,992	0.20%	46.92
1999	-	6,170,062	6,170,062	0.16%	39.79
2000	-	5,861,904	5,861,904	0.15%	38.00
2001	-	5,732,778	5,732,778	0.14%	37.27
2002	-	4,135,000	4,135,000	0.10%	26.90
2003	-	2,982,616	2,982,616	0.07%	19.32
2004	-	3,908,954	3,908,954	0.09%	25.30
2005	-	4,271,967	4,271,967	0.09%	27.59
2006	73,087,641 [1]	2,825,000	75,912,641	N/A [4]	490.02

[1] Includes 2005 and 2006 General Obligation Bonds total of $70,535,000 plus unamortized Bond Premium of $2,552,641

[2] Source: U.S. Department of Commerce, Bureau of Economic Analysis

[2] Notes: See additional personal income data on Schedule of Demographic and Economic Statistics on page 80

[3] Source: U.S. Department of Commerce, Bureau of Economic Analysis

[3] Notes: See additional population statistics on Schedule of Demographic and Economic Statistics on page 80

[4] N/A - Not available

BIBB COUNTY SCHOOL DISTRICT

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	% of Estimated Actual Taxable Value of Property	Per Capita
1997	$ -	$ -	$ -	-	$ -
1998	-	-	-	-	-
1999	-	-	-	-	-
2000	-	-	-	-	-
2001	-	-	-	-	-
2002	-	-	-	-	-
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006 [1]	73,088	4,534	68,554	0.67%	443

[1] The Bibb County School District received Fiscal Independence on November 2, 2004 and issued our first ever General Obligation Bonds during the 2005-2006 Fiscal Year.

BIBB COUNTY SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2006

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct General Obligation Debt			
2005 & 2006 General Obligation Bonds	$ 70,535,000	100%	$ 70,535,000
Total Direct General Obligation Debt	70,535,000		70,535,000
Direct Contractual Obligation Debt			
2004 Contractual Obligation Debt	2,825,000	100%	2,825,000
Total Direct Contractual Obligation Debt	2,825,000		2,825,000
Overlapping Debt			
Bibb County 2003 Public School Refunding Bonds	11,045,000	100%	11,045,000
Macon-Bibb County Hospital Authority Revenue Anticipation Certificates Series 1977	585,000	100%	585,000
Macon Water Authority 1977	643,563	100%	643,563
Macon-Bibb County Industrial Authority Revenue Bonds			
Series 2000 Airport South Industrial Park Project	900,000	100%	900,000
Series 2005 Bass Pro Shop Project	7,900,000	100%	7,900,000
Macon-Bibb County Urban Development Authority Revenue Bonds			
Series 2000 Public Building Project	13,385,000	100%	13,385,000
Series 1994 Refunding Bonds DFACS & Health Department	1,090,000	100%	1,090,000
Series 1996 Public Library Project	885,000	100%	885,000
Series 2002A Public Facilities Project	10,975,000	100%	10,975,000
Series 2002B Riverside Drive Project	1,210,000	100%	1,210,000
Series 2002 Law Enforcement Center Project	21,895,000	100%	21,895,000
Series 2005 Law Enforcement Center Project	13,000,000	100%	13,000,000
Certificates of Participation	7,152,000	100%	7,152,000
City of Macon General Obligation Bonds	890,000	100%	890,000
City of Macon Contractual Obligation Debt	37,384,126	100%	37,384,126
Total Overlapping Debt	128,939,689		128,939,689
Total Direct and Overlapping Debt	$ 202,299,689		$ 202,299,689

Source: Bibb County information provided by Bibb County
Source: City of Macon information provided by the City of Macon

Notes

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Bibb County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

BIBB COUNTY SCHOOL DISTRICT

LEGAL DEBT MARGIN
LAST FIVE FISCAL YEARS [1]

	2002	2003	2004	2005	2006
Debt limit	$ 365,282,979	$ 371,156,718	$ 370,828,922	$ 382,076,740	$ 385,918,269
Total net debt applicable to limit	-	-	-	-	70,535,000 [2]
Legal debt margin	$ 365,282,979	$ 371,156,718	$ 370,828,922	$ 382,076,740	$ 315,383,269
Total net debt applicable to the limit as a percentage of debt limit					18.3%

Legal Debt Margin Calculation for Fiscal Year 2006

Gross tax digest for the School District as of January 1, 2005	$ 4,071,548,918
Less school bond exemptions	212,366,231
Net bond tax digest	3,859,182,687
Debt limit (10% of net bond tax digest)	385,918,269
Less amount of outstanding debt applicable to limit	70,535,000
Legal debt margin	$ 315,383,269

[1] Source: Bibb County Tax Commissioner's Office

[2] Represents $56.0 million General Obligation Bonds issued December 29, 2005 and $14,535 million General Obligation Bonds issued February 1, 2006 for the 2005 Capital Improvement Program.

Notes: Information has been provided beginning with the year of implementation of GASB Statement 34, June 30, 2002.

BIBB COUNTY SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population[1]	Personal Income[2] (thousands of dollars)	Per Capita Personal Income[2]	Median Age[3]	School Enrollment[4]	Unemployment Rate[5]
1997	154,551	$ 3,605,775	$ 23,331	33.90	23,983	5.1%
1998	155,489	3,684,996	23,699	33.90	23,838	5.7%
1999	155,077	3,863,147	24,911	32.60	23,822	4.7%
2000	154,254	3,948,141	25,595	32.60	23,813	4.8%
2001	153,826	4,161,429	27,053	34.70	24,045	4.3%
2002	153,692	4,313,125	28,063	34.70	24,595	4.3%
2003	154,349	4,557,302	29,526	34.68	24,861	4.6%
2004	154,475	4,466,528	28,914	34.61	25,276	4.4%
2005	154,861	4,698,653	30,341	34.66	25,148	5.1%
2006	154,918	N/A [6]	N/A [6]	34.66	25,253	5.8%

[1] Source: U.S. Census Bureau, Population Estimates Program. Figures are for the prior calendar year.

[2] Source: U.S. Department of Commerce, Bureau of Economic Analysis

[3] Source: Middle GA Regional Development Center

[4] Source: School District Records

[5] Source: GA Department of Labor

[6] N/A = not available

BIBB COUNTY SCHOOL DISTRICT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND FOUR YEARS AGO

	2006			2002		
Employer	Employees[1]	Rank[1]	Percentage of Total Employment[3]	Employees[2]	Rank[2]	Percentage of Total Employment[3]
Medical Center of Central GA	5,195	1	7.62%	4,043	1	5.89%
GEICO	3,634	2	5.33%	3,700	2	5.39%
Bibb County Board of Education	3,500	3	5.13%	3,330	3	4.85%
City of Macon	1,606	4	2.36%	1,334	6	1.94%
Mercer University	1,338	5	1.96%	1,297	7	1.89%
Coliseum Health Systems	1,300	6	1.91%	1,805	5	2.63%
Brown & Williamson Tobacco Company	1,251	7	1.83%	3,000	4	4.37%
Bibb County	884	8	1.30%	—		—
YKK (USA), Inc.	877	9	1.29%	1,100	8	1.60%
United States Postal Service	678	10	0.99%	706	10	1.03%
The Boeing Company	—	—	—	787	9	—
	20,263		29.72%	21,102		30.72%

[1] **Source: Macon-Bibb County Industrial Authority**

[2] **Source: Macon Economic Development Commission**

[3] **Source: Georgia Department of Labor, 2005**

Notes: Information has been provided with the year of implementation of GASB Statement 34, June 30, 2002.

BIBB COUNTY SCHOOL DISTRICT

DISTRICT EMPLOYEES[1]
LAST FIVE FISCAL YEARS
(as of October 31 of each fiscal year)

	2006	2005	2004	2003	2002
Classroom Teachers	1,719	1,663	1,634	1,599	1,558
Administrators and Supervisors	139	124	122	127	114
Media Specialist, Guidance Counselors, and Psychologists	181	174	173	171	168
Professional/Technical Support	41	38	36	39	35
Aides and Clerical Personnel	652	613	572	556	516
Transportation and Maintenance Personnel	223	205	206	215	197
Food Service Personnel and Custodians	481	494	469	469	467
Other	66	67	64	69	51
	3,502	3,378	3,276	3,245	3,106

[1] Source: School District Records

Notes: Information has been provided with the year of implementation of GASB Statement 34, June 30, 2002.

BIBB COUNTY SCHOOL DISTRICT

OPERATING STATISTICS
LAST FIVE FISCAL YEARS

Fiscal Year	Total Governmental Activities Expenditures[1]	Full Student Membership[2]	Cost per Pupil	Percentage Change	Teaching Staff (FTEs)[3]	Pupil/ Teacher Ratio
2002	$ 172,320,374	24,595	$ 7,006	-	1476.55	16.66
2003	179,216,136	24,861	7,209	2.89%	1445.44	17.20
2004	209,353,851	25,276	8,283	14.90%	1509.58	16.74
2005	214,094,960	25,148	8,513	2.79%	1586.15	15.85
2006	202,884,736	25,253	8,034	-5.63%	1617.14	15.62

[1] Per Audited Financial Statements

[2] Source: School District Records

[3] Source: GA Department of Education; Full-Time Equivalent teaching slots

Notes: Information has been provided with the year of implementation of GASB Statement 34, June 30, 2002.

BIBB COUNTY SCHOOL DISTRICT

TEACHER SALARIES
LAST FIVE FISCAL YEARS

Fiscal Year	Number of Full & Part Time Teachers[2] 4 Yr Bachelors	5 Yr Masters	6 Yr Specialists	7 Yr Doctoral	Other	Total	Minimum Salary (based on 4 yr cert/ 0 yrs exp)[1]	Maximum Salary (based on 7 yr cert/ 21+ yrs exp)[1]	Bibb Co Average Annual Salary[2]	Statewide Average Annual salary[2]
2002	699	657	122	15	2	1,495	$ 30,438	$ 65,110	$ 43,786	$ 43,933
2003	676	654	113	14	3	1,460	31,359	67,048	45,001	45,414
2004	697	692	141	12	3	1,545	31,359	67,048	44,995	45,848
2005	779	701	135	11	2	1,628	31,984	70,169	44,284	46,437
2006	829	675	146	8	3	1,661	32,541	71,463	45,644	48,247

[1] Source: School District records

[2] Source: GA Department of Education

Notes: Information has been provided with the year of implementation of GASB Statement 34, June 30, 2002.

BIBB COUNTY SCHOOL DISTRICT

FREE & REDUCED PRICE LUNCH ELIGIBILITY[1]
LAST FIVE FISCAL YEARS
(as of October 31 of each fiscal year)

Fiscal Year	Number of Students Eligible for Free Meals	Number of Students Eligible for Reduced Price Meals	Total Number of Students Eligible for Free & Reduced Price Meals	Total Student Enrollment (FTE)	% of Students Eligible for Reduced Price Meals
2002	13,899	1,855	15,754	24,675	63.85%
2003	13,187	1,774	14,961	24,938	59.99%
2004	15,426	1,693	17,119	25,276	67.73%
2005	15,547	1,659	17,206	25,148	68.42%
2006	15,986	1,720	17,706	25,253	70.11%

[1] Source: GA Department of Education

Notes: Information has been provided with the year of implementation of GASB Statement 34, June 30, 2002.

BIBB COUNTY SCHOOL DISTRICT

SCHOOL DATA [19]
LAST FIVE FISCAL YEARS

	FY2002	FY 2003	FY2004	FY2005	FY2006
ALEXANDER II MAGNET					
Grade levels served	K - Gr 6	K - Gr 6	K - Gr 6	K - Gr 6	K - Gr 6
Square feet	66,320	80,263 [12]	80,263	80,263	80,263
Capacity	425	500	500	500	500
Enrollment	360	360	463 [15]	517 [14]	577 [14]
BARDEN					
Grade levels served	K - Gr 6	K - Gr 6	K - Gr 6	Pre K - Gr 6	Pre K - Gr 6
Square feet	62,445	62,445	62,445	62,445	62,445
Capacity	500	500	500	500	500
Enrollment	565	579	532	462	445
BERND					
Grade levels served	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 5 [1]
Square feet	35,310	56,994 [13]	56,994	56,994	56,994
Capacity	300	475	475	475	475
Enrollment	412	408	569	530	473
BROOKDALE					
Grade levels served	K - Gr 6	K - Gr 6	K - Gr 6	K - Gr 5 [2]	Pre K - Gr 5
Square feet	58,715	58,715	58,715	58,715	58,715
Capacity	600	600	600	600	600
Enrollment	565	573	497	473	453
BRUCE					
Grade levels served	K - Gr 6	K - Gr 6	Gr 3 - Gr 5 [3, 5]	-	Pre K - Gr 5 [5]
Square feet	64,246	64,246	64,246	-	62,000 [12]
Capacity	500	500	500	-	475
Enrollment	575	499	293	-	556
BURDELL/HUNT MAGNET					
Grade levels served	K - Gr 6	K - Gr 6	K - Gr 6	K - Gr 6	K - Gr 5 [1]
Square feet	62,181	62,181	62,181	62,181	62,181
Capacity	525	525	525	525	525
Enrollment	678	584	565	503	421
BURGHARD					
Grade levels served	K - Gr 6	K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6
Square feet	57,745	57,745	57,745	57,745	57,745
Capacity	475	475	475	475	475
Enrollment	485	461	513	502	493
BURKE					
Grade levels served	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6
Square feet	53,812	53,812	53,812	53,812	53,812
Capacity	475	475	475	475	475
Enrollment	395	423	520	531	485
CARTER					
Grade levels served	K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 5 [2]	Pre K - Gr 5
Square feet	62,003	62,003	62,003	62,003	62,003
Capacity	500	500	500	500	500
Enrollment	837	518 [11]	640	608	584

BIBB COUNTY SCHOOL DISTRICT

SCHOOL DATA [19]
LAST FIVE FISCAL YEARS

	FY2002	FY 2003	FY2004	FY2005	FY2006
DANFORTH					
Grade levels served	Pre K - Gr 2	Pre K - Gr 2	Pre K - Gr 2	Pre K - Gr 2	Pre K - Gr 5 [1, 6]
Square feet	36,291	36,291	36,291	36,291	36,291
Capacity	375	375	375	375	375
Enrollment	310	308	255	232	411
HAMILTON					
Grade levels served	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6
Square feet	46,205	46,205	46,205	46,205	46,205
Capacity	400	400	400	400	400
Enrollment	385	320	378	350	400
HARTLEY					
Grade levels served	Pre K - Gr 6	K - Gr 6	K - Gr 6	Pre K - Gr 6	Pre K - Gr 6
Square feet	62,187	62,187	62,187	62,187	62,187
Capacity	525	525	525	525	525
Enrollment	568	532	389	383	338
HEARD					
Grade levels served	K - Gr 6	Pre K - Gr 6	Pre K - Gr 5 [3]	Pre K - Gr 5	Pre K - Gr 5
Square feet	53,394	53,394	53,394	53,394	53,394
Capacity	400	400	400	400	400
Enrollment	568	568	512	484	541
HERITAGE					
Grade levels served	-	Pre K - Gr 6 [12]	Pre K - Gr 6	Pre K - Gr 5 [4]	Pre K - Gr 5
Square feet	-	72,500	72,500	72,500	72,500
Capacity	-	625	625	625	625
Enrollment	-	781	928	878	888
INGRAM/PYE					
Grade levels served	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6
Square feet	63,275	63,275	63,275	63,275	63,275
Capacity	600	600	600	600	600
Enrollment	449	409	437	384	365
JONES					
Grade levels served	K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 5 [1]
Square feet	69,368	69,368	69,368	69,368	69,368
Capacity	450	450	450	450	450
Enrollment	528	594	481	495	430
KING					
Grade levels served	Gr 3-Gr 6	Gr 3-Gr 6	Gr 3-Gr 6	Gr 3-Gr 6 [6]	-
Square feet	71,106	71,106	71,106	71,106	-
Capacity	500	500	500	500	-
Enrollment	342	342	314	246	-
LANE					
Grade levels served	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 5 [2]	Pre K - Gr 5
Square feet	48,010	48,010	48,010	48,010	48,010
Capacity	450	450	450	450	450
Enrollment	447	481	477	450	441
MORGAN					
Grade levels served	K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 5 [4]	Pre K - Gr 5
Square feet	36,690	36,690	54,839	54,839	54,839
Capacity	400	400	500	500	500
Enrollment	621	520	482	420	418

BIBB COUNTY SCHOOL DISTRICT

SCHOOL DATA [19]
LAST FIVE FISCAL YEARS

	FY2002	FY 2003	FY2004	FY2005	FY2006
PORTER					
Grade levels served	K - Gr 6	K - Gr 6	K - Gr 5 [3]	Pre K - Gr 5	Pre K - Gr 5
Square feet	41,640	41,640	41,495	41,495	41,495
Capacity	400	400	475	475	475
Enrollment	558	572	445	495	552
REDDING					
Grade levels served	K - Gr 6 [7]	-	-	-	-
Square feet	36,264	-	-	-	-
Capacity	342	-	-	-	-
Enrollment	459	-	-	-	-
RICE					
Grade levels served	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6
Square feet	47,164	47,164	47,164	47,164	47,164
Capacity	500	500	500	500	500
Enrollment	614	656	507	520	531
RILEY					
Grade levels served	K - Gr 6	K - Gr 6	K - Gr 6	Pre K - Gr 5 [4]	Pre K - Gr 5
Square feet	55,971	55,971	55,971	55,971	55,971
Capacity	425	425	425	425	425
Enrollment	349	349	442	392	422
SKYVIEW					
Grade levels served	-	Pre K - Gr 6 [7]	Pre K - Gr 5 [3]	Pre K - Gr 5	Pre K - Gr 5
Square feet	-	67,542	72,342	72,342	72,342
Capacity	-	500	625	625	625
Enrollment	-	524	679	722	811
SPRINGDALE					
Grade levels served	K - Gr 6	K - Gr 6	K - Gr 6	Pre K - Gr 5 [2]	Pre K - Gr 5
Square feet	64,564	64,564	64,564	64,564	64,564
Capacity	500	500	500	500	500
Enrollment	831	804	810	707	670
TAYLOR			New		
Grade levels served	K - Gr 6	K - Gr 6	K - Gr 6 [8]	Pre K - Gr 5	Pre K - Gr 5
Square feet	33,220	33,220	72,372 [12]	72,372	72,372
Capacity	475	475	600	600	600
Enrollment	557	449	589 [11]	549	527
TINSLEY					
Grade levels served	K - Gr 6	K - Gr 6 [8]	-	-	-
Square feet	59,359	59,359	-	-	-
Capacity	500	500	-	-	-
Enrollment	380	359	-	-	-
UNION					
Grade levels served	K - Gr 6	K - Gr 6	K - Gr 6	Pre K - Gr 5 [4]	Pre K - Gr 5
Square feet	71,646	71,646	71,646	71,646	71,646
Capacity	625	625	625	625	625
Enrollment	675	500 [11]	548	406	425
VINEVILLE MAGNET					
Grade levels served	K - Gr 6	K - Gr 6	Pre K - Gr 6	K - Gr 6	K - Gr 6
Square feet	68,639	68,639	68,639	68,639	68,639
Capacity	500	500	500	500	500
Enrollment	524	497	464	452	466

BIBB COUNTY SCHOOL DISTRICT

SCHOOL DATA [19]
LAST FIVE FISCAL YEARS

	FY2002	FY 2003	FY2004	FY2005	FY2006
WEIR					
Grade levels served	Pre K - Gr 6	Pre K - Gr 6	K - Gr 2 [5]	Pre K - Gr 5 [5]	-
Square feet	61,875	61,875	61,875	61,875	-
Capacity	500	500	500	500	-
Enrollment	459	507	312	589	-
WILLIAMS					
Grade levels served	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6	Pre K - Gr 6
Square feet	73,955	73,955	73,955	73,955	73,955
Capacity	475	475	475	475	475
Enrollment	439	497	461	451	411
MIDDLE SCHOOLS					
APPLING					
Grade levels served	Gr 7 - Gr 8	Gr 7 - Gr 8	Gr 7 - Gr 8	Gr 7 - Gr 8	Gr 6 - Gr 8 [1]
Square feet	60,495	60,495	60,495	74,069	74,069
Capacity	475	475	475	760	760
Enrollment	562	566	587	575	791
BALLARD					
Grade levels served	Gr 7 - Gr 8	Gr 7 - Gr 8 [9]	-	-	-
Square feet	61,826	61,826	-	-	-
Capacity	500	500	-	-	-
Enrollment	423	464	-	-	-
HOWARD					
Grade levels served	-	-	-	Gr 6 - Gr 8 [2]	Gr 6 - Gr 8
Square feet	-	-	-	113,620 [12]	113,620
Capacity	-	-	-	910	910
Enrollment	-	-	-	738	1,025
MCEVOY					
Grade levels served	Gr 7 - Gr 8	Gr 7 - Gr 8	Gr 7 - Gr 8	Gr 7 - Gr 8	Gr 7 - Gr 8
Square feet	122,566	122,566	122,566	122,566	122,566
Capacity	760	760	760	760	760
Enrollment	759	830	845	624	626
MILLER					
Grade levels served	Gr 6 - Gr 8	Gr 6 - Gr 8	Gr 6 - Gr 8	Gr 6 - Gr 8	Gr 6 - Gr 8
Square feet	105,170	105,170	105,170	105,170	105,170
Capacity	675	675	675	675	675
Enrollment	802	815	801	809	735
RUTLAND					
Grade levels served	-	-	Gr 6 - Gr 8	Gr 6 - Gr 8	Gr 6 - Gr 8
Square feet	-	-	112,153	112,153	112,153
Capacity	-	-	910	910	910
Enrollment	-	-	990	1,132	1,136
WEAVER					
Grade levels served	Gr 7 - Gr 8	Gr 7 - Gr 8	Gr 7 - Gr 8	Gr 6 - Gr 8 [4]	Gr 6 - Gr 8
Square feet	97,010	97,010	97,010	97,010	97,010
Capacity	760	760	760	760	760
Enrollment	1,065	1,103	1,132	1,142	972

BIBB COUNTY SCHOOL DISTRICT

SCHOOL DATA [19]
LAST FIVE FISCAL YEARS

	FY2002	FY 2003	FY2004	FY2005	FY2006
HIGH SCHOOLS					
CENTRAL					
Grade levels served	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12
Square feet	107,025	107,025	107,025	107,025	107,025
Capacity	1,025	1,025	1,025	1,025	1,025
Enrollment	1,270	1,327	1,282	1,297	1,202
HUTCHINGS					
Grade levels served	-	Gr 9 - Gr 10	Gr 9 - Gr 11	Gr 9 - Gr 12	Gr 9 - Gr 12
Square feet	-	160,131	160,131	160,131	160,131
Capacity	-	768	768	768	768
Enrollment	-	207	289	348	440
NORTHEAST					
Grade levels served	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12
Square feet	200,320	200,320	200,320	200,320	200,320
Capacity	1,575	1,575	1,575	1,575	1,575
Enrollment	939	875	929	922	909
RUTLAND HS					
Grade levels served	-	-	Gr 9 - Gr 12 [10]	Gr 9 - Gr 12	Gr 9 - Gr 12
Square feet	-	-	222,388	222,388	222,388
Capacity	-	-	950	950	950
Enrollment	-	-	797	917	1,059
SOUTHEAST					
Grade levels served	Gr 9 - Gr 12	Gr 9 - Gr 12 [10]	-	-	-
Square feet	126,244	126,244	-	-	-
Capacity	1,100	1,100	-	-	-
Enrollment	894	747	-	-	-
SOUTHWEST					
Grade levels served	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12
Square feet	208,549	208,549	208,549	208,549	208,549
Capacity	1,525	1,525	1,525	1,525	1,525
Enrollment	1,160	1,184	1,171	1,026	949
WESTSIDE					
Grade levels served	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12	Gr 9 - Gr 12
Square feet	169,250	169,250	169,250	169,250	169,250
Capacity	1,200	1,200	1,200	1,200	1,200
Enrollment	1,698	1,681	1,711	1,668	1,782
SPECIALTY SCHOOLS					
BUTLER					
Grade levels served	Pre K	Pre K	Pre K	Pre K	Pre K
Square feet	22,023	22,023	22,023	22,023	22,023
Capacity	171	171	171	171	171
Enrollment	90	106	101	91	93
ELAM ALEXANDER					
Grade levels served	K - Gr 6	K - Gr 6	K - Gr 6	K - Gr 6	K - Gr 6
Square feet	28,579	28,579	28,579	28,579	28,579
Capacity	190	190	190	190	190
Enrollment	- [18]	- [18]	- [18]	- [18]	- [18]

BIBB COUNTY SCHOOL DISTRICT

SCHOOL DATA [19]
LAST FIVE FISCAL YEARS

	FY2002	FY 2003	FY2004	FY2005	FY2006
NEEL ALTERNATIVE					
Grade levels served	Gr 6 - Gr 12	Gr 6 - Gr 12	Gr 6 - Gr 12	Gr 6 - Gr 12	Gr 6 - Gr 12
Square feet	39,244	39,244	39,244	39,244	39,244
Capacity	285	285	285	285	285
Enrollment	- [18]	- [18]	- [18]	- [18]	- [18]
RENAISSANCE/TEEN PARENT CENTER					
Grade levels served	Gr 6 - Gr 12	Gr 6 - Gr 12	Gr 6 - Gr 12	Gr 6 - Gr 12	Gr 6 - Gr 12
Square feet	22,470	22,470	22,470	22,470	22,470
Capacity	114	114	114	114	114
Enrollment	- [17]	- [17]	139 [17]	128 [17]	- [17]
Total Enrollment	24,597	24,879	25,276	25,148	25,253

[1] Sixth grade classes at Bernd, Burdell/Hunt, Jones, and Danforth/King Elementary Schools moved to Appling Middle School effective with the 2005-2006 school year.

[2] Sixth grade classes at Brookdale, Carter, Lane, and Springdale Elementary Schools moved to Howard Middle School effective with the 2004-2005 school year.

[3] Sixth grade classes at Bruce, Heard, Porter, and Skyview Elementary Schools moved to Rutland Middle School effective with the 2003-2004 school year.

[4] Sixth grade classes at Heritage, Morgan, Riley, and Union Elementary Schools moved to Weaver Middle School effective with the 2004-2005 school year.

[5] Bruce Elementary and Weir Elementary Schools began the process of merging during the 2003-2004 school year. During that school year, students in grades K-2 were housed at Weir and the students in grades 3-5 were housed at Bruce. During the 2004-2005 school year, all students were housed at the Weir facility while the Bruce facility was being completely rebuilt. For the 2005-2006 school year, Weir closed and the students moved into a newly constructed facility located on the Bruce Elementary School site.

[6] Danforth Primary and King Elementary Schools merged effective with the 2005-2006 school year. King closed and the students moved into the Danforth Primary facility.

[7] Redding Elementary School closed at the end of the 2001-2002 school year. The students moved to the newly constructed Skyview Elementary School.

[8] Taylor Elementary and Tinsley Elementary Schools merged effective with the 2003-2004 school year. Tinsley closed and the students moved into a newly constructed facility located on the Taylor Elementary School site.

[9] Ballard Hudson Middle School closed at the end of the 2002-2003 school year. The students moved to the newly constructed Rutland Middle School.

[10] Southeast High School was closed at the end of the 2002-2003 school year. The students were moved to the newly constructed Rutland High School.

[11] Enrollment fluctuations caused by redistricting.

[12] New facility.

[13] New addition to facility.

[14] Two new classes added at magnet school.

[15] Four new classes added at magnet school.

[16] Remodeling/renovations completed.

[17] For the 2003-2004 and the 2004-2005 school years only, separate FTE counts were reported for the Renaissance Academy and the Teen Parent Center. During the 2005-2006 school year, the district reverted back to its prior practice of reporting these students at their home schools.

[18] Students are counted at their home schools.

[19] Source: District Records

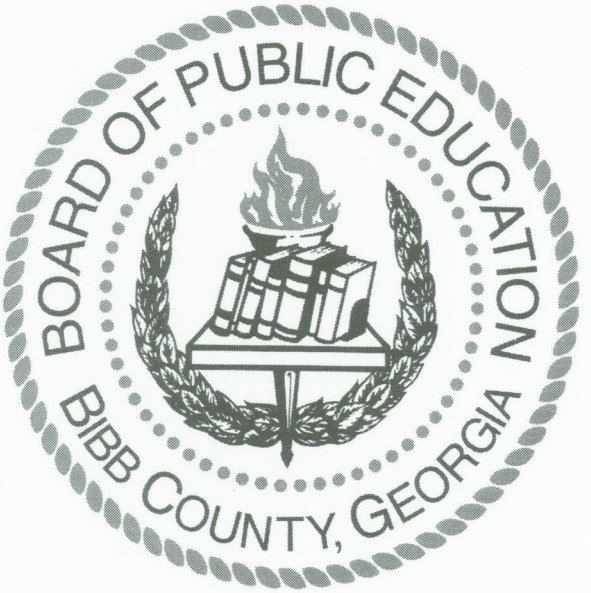
Notes:

All other enrollment fluctuations are due to the transient population in this community.

Pre-Kindergarten classes are moved between sites based on number of applications received.

Information has been provided with the year of implementation of GASB Statement 34, June 30, 2002

of GASB Statement 34, June 30, 2002.



IV. SINGLE AUDIT SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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*

To the Members of the Board of Education
of the Bibb County School District
Macon, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bibb County School District as of and for the year ended June 30, 2006, which collectively comprise the Bibb County School District's basic financial statements and have issued our report thereon dated September 1, 2006. 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 the Bibb County School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Bibb County School District in a separate letter dated September 1, 2006.

This report is intended solely for the information and use of the audit committee, management, and 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.

Mauldin & Jenkins, LLC

Macon, Georgia
September 1, 2006

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

To the Members of the Board of Education
of the Bibb County School District
Macon, Georgia

Compliance

We have audited the compliance of the Bibb County School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The Bibb County School District'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 the Bibb County School District's management. Our responsibility is to express an opinion on the Bibb County School District'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 Bibb County School District'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 of the Bibb County School District's compliance with those requirements.

In our opinion, the Bibb County School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is described in the accompanying schedule of findings and questioned costs as item 06-2.

Internal Control Over Compliance

The management of the Bibb County School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Bibb County School District'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 the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving internal control over compliance 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 internal control over compliance that, in our judgment, could adversely affect the Bibb County School District's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 06-01.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management, and 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.

Mauldin & Jenkins, LLC

Macon, Georgia
September 1, 2006

BIBB COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through Georgia Department of Education:			
USDA-Food Distribution (non-cash)	10.550	N/A	$ 555,176
School Breakfast Program	10.553	N/A	2,101,971
National School Lunch Program	10.555	N/A	6,350,922
School Snack Program	10.555	N/A	76,271
Total U. S. Department of Agriculture			9,084,340
U. S. DEPARTMENT OF DEFENSE			
Junior R.O.T.C.	Unknown	05/06	292,190
Total U. S. Department of Defense			292,190
U. S. DEPARTMENT OF JUSTICE			
Direct Programs:			
COPS in Schools	16.710	2000SHWX0654	64,401
Total U. S. Department of Justice			64,401
U. S. DEPARTMENT OF EDUCATION:			
Direct programs:			
Smaller Learning Communities	84.215L	V215L032134	168,525
Technology-Research to Practice	84.327M	H327M000013	99,499
Emergency Response Crisis Management	84.184E	Q184E030198	89,256
Subtotal direct programs, Department of Education			357,280

(Continued)

BIBB COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through WJCC Public Schools			
Teaching American History	84.215X	S215X020014	$ 2,999
Subtotal - Passed through WJCC Public Schools			2,999
Passed through Georgia Department of Education:			
Title I Programs - Local Education Agency	84.010	30	9,930,109
Title I Programs - School Improvement Grant	84.010	576	424,691
Title I Programs - Academic Awards	84.010	577	53,655
Title I Programs - Reading First	84.357	98	340,673
			10,749,128
Title VI-B Flowthrough	84.027	39	4,066,073
Special Ed Capacity Building Improvement Grant	84.027	369	23,703
Special Ed Capacity Building Improvement Grant - SED	84.027	559	20,848
Title VI-B PL 94-142 SED Centers	84.027	184	382,279
			4,492,903
Title II - Part A	84.367	569/143	2,803,526
Title II - Part D	84.318	568/580	151,063
Title III - Part A	84.365	565	60,786
Title IV-B, 21st Century Community Learning Centers	84.287	578	344,573
Title V - Part A	84.298	570	112,089
Title VI-B Preschool Incentive	84.173	37	120,808

(Continued)

BIBB COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U. S. DEPARTMENT OF EDUCATION (Continued):			
Passed through Georgia Department of Education (continued):			
Drug Free Schools and Communities - State Grants	84.186A	61	$ 240,911
Safe Schools/Healthy Students	84.184L	Q184L030216	2,534,400
Education for Homeless Children and Youth-Grant for State and Local Activities - State Grants	84.196A	55	71,176
Vocational Education - Basic Grants to States	84.048A	429/430	319,546
Title I-C, Migrant Education	84.011A	04/05	32,036
Hurricane Education Recovery	84.938	05/06	534,941
Fund for the Improvement of Education	84.215K	U215K050160	34,286
Subtotal - Passed through Georgia Department of Education			22,602,172
Total U. S. Department of Education			22,962,451
U. S. DEPARTMENT OF THE TREASURY			
Passed through Bureau of Alcohol, Tobacco and Firearms			
G.R.E.A.T. Program	21.053	ATC030017	50,322
Total U. S. Department of The Treasury			50,322
Total Expenditures of Federal Awards			$ 32,453,704

BIBB COUNTY SCHOOL DISTRICT

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Bibb County School District and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

BIBB COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weaknesses identified? ___ yes _X_ no

Reportable conditions identified not considered to be material weaknesses? ___ yes _X_ none reported

Noncompliance material to financial statements noted? ___ yes _X_ no

Federal Awards

Internal Control over major programs:
Material weaknesses identified? ___ yes _X_ no

Reportable conditions identified not considered to be material weaknesses? _X_ yes ___ none reported

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

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

Identification of major program:

CFDA Number	Name of Federal Program
	U.S. Department of Education
84.010	Title I, Improving Academic Achievement
84.367	Title II, Improving Teacher Quality

Dollar threshold used to distinguish between Type A and Type B programs: $973,611

Auditee qualified as low-risk auditee? _X_ yes ___ no

BIBB COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

B. FINDINGS: FINANCIAL STATEMENTS AUDIT

None reported.

C. FINDINGS AND QUESTIONED COSTS: MAJOR FEDERAL AWARD PROGRAMS AUDIT

06-1: Proper approval of disbursement under the Title I grant

Criteria: Sound internal controls require policies and procedures be in place to monitor expenditures under federal programs to ensure grant funds are only spent on allowable expenditures.

Condition: Two of the 40 expenditures tested were not properly approved prior to disbursement of funds.

Context: Lack of proper approval was noted during control testing related to the grant.

Effect: Without proper approval and review, unallowable expenditures could be charged to the grant

Cause: Approval of the expenditures did not occur due to oversight on the part of School District officials.

Recommendation: The School District should take appropriate measures to ensure that all expenditures are approved to prevent the possibility of unallowable expenditures being charged to the grant.

Views of Responsible Officials: We concur. We will take appropriate measures to ensure that all expenditures are properly reviewed and approved prior to disbursement.

06-2: Lack of consolidation of Title I funds with other federal grant funds

Criteria: Per the Title I grant requirements, Title I grant funds must be consolidated with other federal funds in schoolwide Title I programs

Condition: The School District did not consolidate Title I funds with other federal grant funds.

Context: During our audit the Title I program, we noted that Title I funds were not being consolidated with other federal grant funds.

Effect: By not consolidating funds, the School District violated the requirements of the Title I grant.

BIBB COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

C. FINDINGS AND QUESTIONED COSTS: MAJOR FEDERAL AWARD PROGRAMS AUDIT (CONTINUED)

06-2: Lack of consolidation of Title I funds with other federal grant funds (Continued)

Cause: In prior years, the state did not enforce this grant requirement. The state is not requiring full implementation of this grant requirement until fiscal year 2009, however, the requirement is a federal requirement and thus must be followed by all school districts regardless of the requirements of the state pass-through entity.

Recommendation: The School District should take appropriate measures to begin consolidating Title I funds with other federal grant funds as required by the grant.

Views of Responsible Officials: We concur. We will take appropriate measures to begin consolidating Title I funds as appropriate under the grant requirements.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.

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