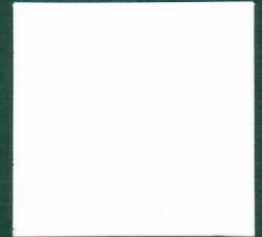
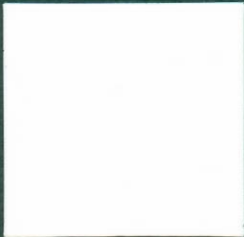
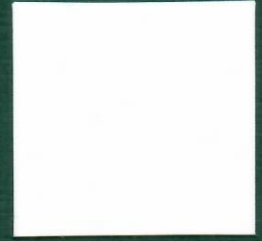
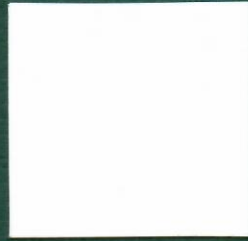
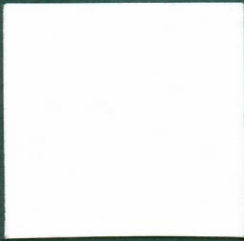


FULTON COUNTY
SCHOOL DISTRICT
ATLANTA, GEORGIA



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

**Fulton
County Schools**
Where Students Come First

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018



Dolvin Elementary
Ana Sofia Reid ~ 3rd Grade



Milton High
Abby Burnett ~ 10th Grade



River Trail Middle
Mahi Shah ~ 7th Grade



Creekside High
Logan Harper ~12th Grade



Hopewell Middle
Laylah Scipio ~ 7th Grade



Milton High
Lizzie Leaman ~12th Grade



Mimosa Elementary
Zariah Saint Preux ~ 5th Grade



Crabapple Crossing Elementary
Gray Tito ~ 2nd Grade



Cogburn Woods Elementary
Samantha Adrianszqa ~ 5th Grade

Prepared by:
Fulton County Board of Education, Georgia
Division of Financial Services
Robert A. Morales, Chief Financial Officer

ACKNOWLEDGEMENTS

On behalf of the Fulton County School Board of Education, the Superintendent, and the Financial Services Division, I am pleased to present the 2018 Comprehensive Annual Financial Report (CAFR). The cover, designed to resemble an art gallery, showcases the work of our extremely talented students in kindergarten through grade twelve.

I would like to thank the student artists who allowed us to share their prized and inspirational artwork for our financial report. I also must give special acknowledgement to the District's art teachers who teach and motivate our student artists.

Finally, as Chief Financial Officer, I wish to acknowledge my appreciation to the members of the Financial Services Division who contributed to the development and the content of this report including Ms. Greta Tinaglia, Executive Director of Accounting and Retirement Services and her Accounting Services staff and Mr. Marvin Dereef, Deputy Chief Financial Officer for their leadership during the transition this year.

Yours very truly,



Robert A. Morales
Chief Financial Officer



STUDENT ARTWORK

Ana Sofia Reed, 3rd Grade
Art Teacher, Hope Knight
Dolvin Elementary School
District 5

Logan Harper, 12th Grade
Art Teacher, Jessica Fleming
Creekside High School
District 4

Zariah Saint Preux, 5th Grade
Art Teacher, Jason Deas
Mimosa Elementary School
District 1

Abby Burnett, 10th Grade
Art Teacher, Drew Brown
Milton High School
District 2

Laylah Scipio, 7th Grade
Art Teacher, Chantel McFarland
Hopewell Middle School
District 2

Gray Tito, 2nd Grade
Art Teacher, Gina Steffensen
Crabapple Crossing Elementary
District 2

Mahi Shah-7th Grade
Art Teacher, Ricci Justis
River Trail Middle School
District 5

Lizzie Leaman, 12th Grade
Art Teacher, Drew Brown
Milton High School
District 2

Samantha Adrianza 5th Grade
Art Teacher, Sue Miller
Cogburn Woods Elementary
District 2

Fulton County Board of Education, Georgia
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2018

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(Unaudited)**

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Fulton County Board of Education, Georgia
Comprehensive Annual Financial Report
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Introductory Section



River Trail Middle
Mahi Shah ~ 7th Grade

*F*ulton
County Schools
Where Students Come First



BOARD OF EDUCATION

Linda P. Bryant, *President*
Linda McCain, *Vice President*
Julia C. Bernath • Gail Dean • Kimberly Dove
Katie Reeves • Katha Stuart
Cindy Loe, Ph.D., *Interim Superintendent*

December 20, 2018

**To the Members of the Fulton County Board of Education,
The Citizens of Fulton County, Georgia and the Financial Community:**

The *Comprehensive Annual Financial Report* (CAFR) of the Fulton County Board of Education, Georgia (the “School District” or “Board”) for the fiscal year ended June 30, 2018, is submitted herewith. This report was prepared by the Financial Services Division and is intended to fulfill the requirements for audit prescribed by Georgia Statutes for local boards of education. Also included in this CAFR is the Uniform Guidance report which is issued to fulfill Single Audit Requirements of Federal and State governments. The School District management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Financial Services Division prepared this report in conformance with standards of the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, and the Government Finance Officers Association.

Mauldin & Jenkins, LLC, have issued an unmodified ("clean") opinion on the Board's financial statements for the fiscal year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) document immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The Comprehensive Annual Financial Report is presented in five sections:

1) Introductory, 2) Financial, 3) Statistical, 4) Special Reports, and 5) Single Audit. The Introductory section includes this transmittal letter, a list of principal officials, and an organizational chart. The Financial section includes the basic financial statements as well as the unmodified opinion of independent public accountants on the basic financial statements.

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Cindy Loe, Ph.D., *Interim Superintendent*

The Statistical section contains selected financial and demographic information, generally presented over a multi-year basis. Included with the Statistical section is a Special Report section. Within this Special Report section is the SPLOST expenditures, lottery expenditures, and QBE allotment and expenditures. The Single Audit section contains federal compliance information including schedules and auditor reports required for the School District to comply with the Revised Single Audit Act of 1996 and 2 CFR 200, the Uniform Guidance.

PROFILE OF THE BOARD

The School District's boundaries are coterminous with those of Fulton County, Georgia (the "County") (except the area within the corporate limits of the City of Atlanta, Georgia which constitutes the territory within the Atlanta Independent School System). The School District reports one blended component unit, the *"Fulton County School Employees' Pension Fund"*.

The School District serves the entire County area excluding the territory within the Atlanta Independent School System. The School District is currently composed of 106 schools: 59 elementary schools (grades K-5), 19 middle schools (grades 6-8) and 18 high schools (grades 9- 12), 2 open campus high schools, and 10 start-up Charter Schools for a total enrollment of approximately 96,700. The School District is governed by an elected seven-member Board of Education, the official policy-making body of the School District and administered by an appointed Superintendent.

The School District is the fourth largest system in Georgia and the 32nd largest in the United States. The District is governed by a Board of Education consisting of seven members elected by the registered voters of the County from seven education districts within the County. A president and a vice-president are elected from the membership and serve as such for a term of two years and one year respectively.

Day-to-day administration of the School District is the responsibility of the Superintendent, who is appointed by the Board for terms of office which may not be less than one year or greater than three years. The School Superintendent acts as the Secretary of the Board of Education, *ex officio*.

BOARD OF EDUCATION

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Cindy Loe, Ph.D., *Interim Superintendent*

As of June 30, 2018, there were more than 7,500 certificated personnel servicing an active enrollment of approximately 96,700 students in the various schools. Services provided by our personnel include: preschool for three and four-year-old special needs students, regular and special education instructional program at the elementary (kindergarten through 5th grade), middle (6th through 8th grade), and secondary (9th through 12th grade) levels. Additional services in community school programs, on-line educational programs and numerous others, which exceed the legal requirements, are also offered in the school system.

All teachers in the School System hold Bachelor's degrees, many have Master's degrees, and some have Specialist's and Doctoral degrees. Most have a continuing interest in professional and personal growth through formal study and staff development workshops.

The School District has been reaccredited by AdvanceEd, which is comprised of three U.S.-based regional accreditation agencies. The regional accreditation agency that conducts the School District's accreditation activities is the Southern Association of Colleges and Schools Council on Accreditation (SACS CASI).

Fulton County has a land area of approximately 529 square miles. The terrain is rolling, and the elevation varies from 900 to 1,050 feet above sea level. The average temperature varies from 41 degrees in January to 79 degrees in July, with an average mean temperature of 61 degrees. Average annual rainfall is 50.77 inches.

LOCAL ECONOMY

The development of the fiscal year 2018 budget, which was approved on June 22, 2017, was a planned, orderly process which evaluated the prioritization of available funds for provision of educational services for Fulton County students. The central focus of the approved fiscal year 2018 budget is to provide competitive wages for teachers, increased support to schools, support the District's strategic plan, support federal programs, and manage increasing benefit costs for all employees.

Our two primary funding sources have experienced growth this fiscal year as the local economy has seen steady growth. Our major General Fund revenue stream for operations is property taxes which generates 60% of the General Fund revenue and increased by \$12.5 million due to growth in the Tax Digest.

Our second major General Fund revenue stream is State revenue through the "Quality Basic Education" Act funding, which represents 38% of General Fund revenue. In fiscal year 2018 QBE state aid of approximately \$375 million was up from fiscal year 2017 by approximately \$10.55 million due to enrollment growth, an increase in training and experience credit for teachers and a reduction in the state austerity adjustments.



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Overall our General Fund revenues are up approximately 2.2%. It is the goal of the School District to strategically use new revenue to support the District’s strategic plan, to provide compensation increases to employees to manage the expenditure growth associated with rising benefit costs. The revenue increases in fiscal year 2018 were used in part to provide a salary increase to employees and to manage rising benefit costs.

LONG TERM FINANCIAL PLANNING

The School District plans capital improvements as future capital needs arise due to increased student population and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with enrollment forecasts, current facility assessments, and anticipated annual receipts of capital outlay funds from the State of Georgia Department of Education. The School District regularly monitors anticipated capital outlay needs.

The School District has adopted financial policies that provide us with an infrastructure for our future financial management decisions. The topics addressed in these policies include:

- Operating budgets and equity reserve policies;
- Capital improvement program policies;
- Debt issuance and management policies (adopted in fiscal year 2010);
- Revenue administration policies
- Accounting, auditing, and financial reporting policies;
- Deposit and investment policies.

STRATEGIC INITIATIVES

Our goal is to prepare all students to graduate ready to pursue and succeed on their chosen paths. At the beginning of the 2017-2018 school year, Fulton County Schools rolled out the new Strategic Plan 2022:

At Fulton County Schools, we are dedicated to our mission to educate every student to be a responsible, productive citizen. We are also committed to our vision that all students will learn to their full potential. This strategic plan provides a focus for our district’s work to support that mission and vision by identifying our top priorities for the next five years:

Student Achievement	People and Culture
Community Collaboration	Fiscal Responsibility

To support this plan, Fulton County Schools will ensure that all students learn to their fullest potential by developing and investing in a Strategic Support Model. The model will pair resources with flexibility and accountability to empower schools and communities so they can continuously improve outcomes for all children and prepare them to succeed on their chosen paths.

AWARDS

Financial Reporting

The School District received a Certificate of Excellence in financial reporting for the fiscal year June 30, 2017 CAFR from Government Finance Officers Association of the United States and Canada (GFOA) and the Association of School Business Officials International (ASBO). This was the 10th year that the School District has submitted and received these prestigious awards.

In order to receive these awards, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. These awards are valid for a period of one year only. We believe that our current CAFR continues to meet GFOA and ASBO requirements and we will be submitting our 2018 CAFR to determine its eligibility for these certificates.

Budget Presentation

The District prepares an official budget document each year which is issued as a separate report. We have received the Meritorious Budget Award from ASBO every year since 2010. The criteria required by ASBO includes an introductory, organizational, financial and information section. We believe the most recent budget continues to conform to program requirements, and we have submitted it to ASBO to determine its eligibility for another award.

In 2018, we also received from GFOA the Award for Best Practices in School Budgeting. This award is presented annually to school districts who demonstrate a budget process aligned with GFOA's best practice recommendations. We won this award by using the GFOA's latest criteria which includes the alignment of resources towards student achievement focusing on collaboration, communication, and rigorous development, evaluation, and prioritization of strategies to achieve the School District's goals and objectives.

BOARD OF EDUCATION

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Katie Reeves • Katha Stuart
Cindy Loe, Ph.D., *Interim Superintendent*

CLOSING

In closing, we want to thank the members of the Fulton County Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of the School District's finances. To the citizens of the Fulton County School District, please accept our gratitude for your support of our successful School District.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated services of the entire professional staff of the Financial Services Division. Each member has our sincere appreciation for his/her timely closing of the School District's financial records and the preparation of this report. A special recognition is made to Ms. Greta Tinaglia, Executive Director of Accounting Services, for leading the comprehensive annual financial report development. We also express our thanks to all department of the School District for their help in collecting and assimilating data. We especially like to recognize the students of our School District for the beautiful artwork found throughout this document.

Respectfully Submitted,



Cindy Loe, Ph.D, Interim Superintendent



Robert A. Morales, CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Fulton County Board of Education
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Fulton County School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Charles E. Peterson, Jr.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso

John D. Musso, CAE
Executive Director

Board of Education

2 0 1 7 - 2 0 1 8



Katha Stuart
District 1



Katie Reeves
District 2



Gail Dean
District 3



Linda Bryant
President - District 4



Linda McCain
Vice President - District 5



Kimberly Dove
District 6



Julia Bernath
District 7



The Fulton County Board of Education includes seven members elected by district to serve four-year terms. The Superintendent serves as an ex-officio member of the Board and acts as Secretary-Treasurer. Board members elect a President for a two-year term and a Vice President for a one-year term.

Duties and Responsibilities

The primary duty of the Board of Education is to enact policy. The Superintendent and staff enforce the policies and ensure that each student has an equal opportunity for a quality education. The Board also:

- Evaluates the educational program,
- Adopts courses of study,
- Approves personnel recommendations,
- Approves the budget, financial reports, audits and major expenditures
- Provides funds for the operation and support of the school system,
- Sets minimum standards for efficient operation and improvement of the system,
- Approves school attendance boundaries, and
- Acts as a tribunal at certain employee and student hearings.

Fulton County Board of Education, Georgia
Superintendent of Schools
Dr. Jeff Rose
June 30, 2018

Superintendent

Dr. Jeff Rose joined Fulton County Schools as its Superintendent of Schools in June 2016. As Superintendent, he is responsible for the leadership, administration and management of approximately 96,700 students, 105 schools, 14,000 full- and part-time employees, and a \$1.01 billion general fund budget.

A key focus of Dr. Rose's leadership is to provide direction for developing Fulton County Schools' new strategic plan. The plan will serve as a guide for the district's work during the next five-year cycle, helping to ensure that all stakeholders in the community – from the School Board, to principals, to teachers and staff, to parents and community members – are working toward a shared set of goals and priorities.

Prior to joining Fulton County Schools, Dr. Rose served for five years as superintendent of Beaverton School District, Oregon's third largest school system located near Portland. During his 21 years in education, Dr. Rose has served as an educational assistant, classroom teacher (taught 4th/5th grades), principal, director of school improvement and the superintendent of schools in Canby School District, also in Oregon. He earned his Doctorate and Master of Education degrees from Lewis and Clark College and holds an undergraduate degree in education from Long Beach State.



Dr. Rose is an instructional leader who believes every student deserves a quality education that prepares him or her for college and/or career. He has built a reputation for establishing focused, collaborative and transparent organizations of learning. He has a proven track record of innovation and an unrelenting focus on student achievement. Jeff has led Beaverton School District through the most difficult financial times in the district's history, helping to focus school and community efforts as an organization.

Dr. Rose and his wife, Lisa, have two school-aged children who attend Fulton County Schools.

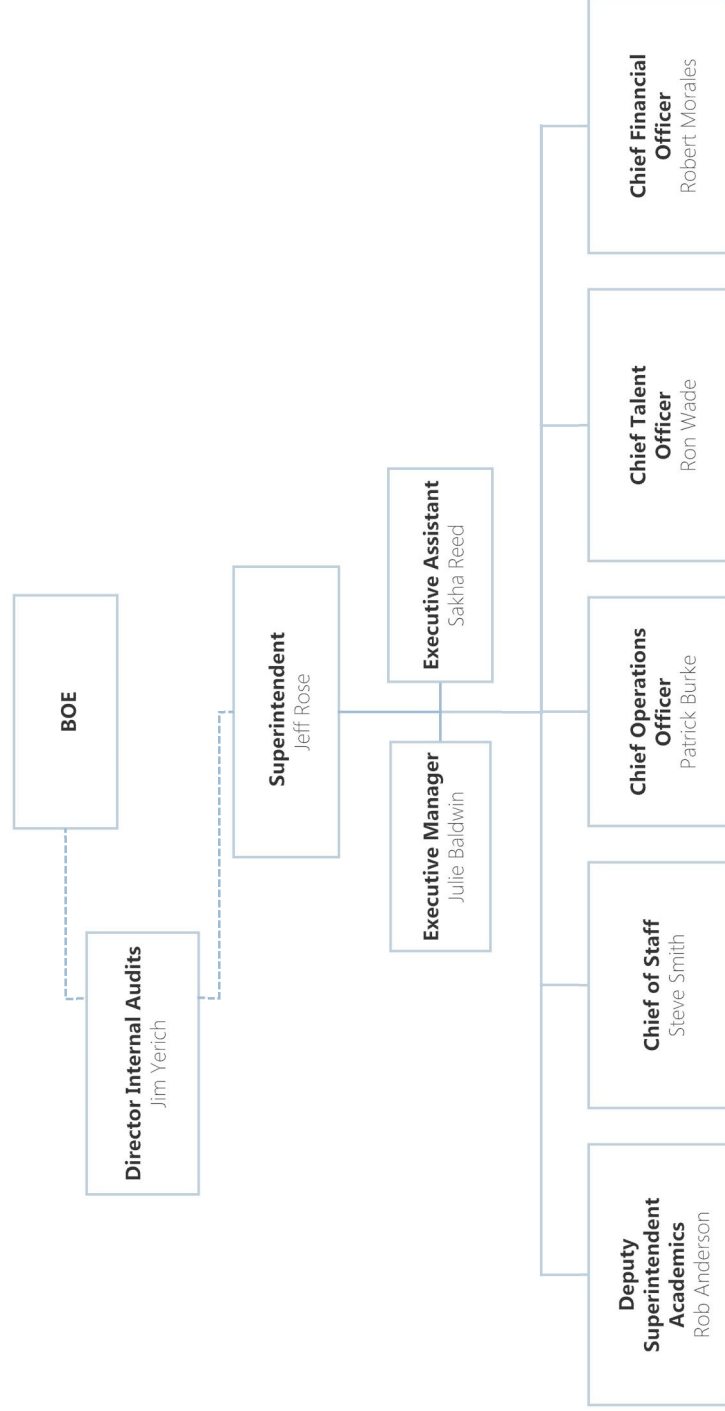
***Fulton County
Board of Education, Georgia***

List of Appointed Principal Officials

June 30, 2018

<u>Name</u>	<u>Position</u>
Dr. Jeff Rose	Superintendent
Dr. Rob Anderson	Deputy Superintendent of Academics
Mr. Patrick Burke	Chief Operations Officer
Ms. Serena Sacks	Chief Information Officer
Mr. Robert A. Morales	Chief Financial Officer
Mr. Ron Wade	Chief Talent Officer
Mrs. Donna Lowry	Chief Communications Officer
Mrs. Julie Baldwin	Board Services Manager

Superintendent



Financial Section



Milton High School
Abby Burnett ~ 10th Grade



INDEPENDENT AUDITOR'S REPORT

**To the Superintendent and Members of the
Fulton County Board of Education
Atlanta, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Fulton County Board of Education** (the "School System") as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fulton County Board of Education as of June 30, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1-E-12, 3-J and 4-F, the School System implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changed the accounting for the School System's net other postemployment benefits (OPEB) Liability and the related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability – Teachers Retirement System of Georgia, the Schedule of Contributions – Teachers Retirement System of Georgia, the Schedule of Changes in the School System's Net Pension Liability and Related Ratios, the Schedule of Investment Returns – Fulton County School Employees' Pension Fund, and the Schedule of Contributions – Fulton County School System's Retirement Plan, the Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund, and the Schedule of Contributions – School OPEB Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fulton County Board of Education's basic financial statements. The combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the schedule of expenditures of federal awards, as required by Title 2, *U.S. Code of Federal Regulations*, (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as well as the introductory, statistical, and special reports sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (continued)

Other Information (continued)

The combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical, and special reports sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018 on our consideration of the Fulton County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the School System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fulton County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 20, 2018

**MANAGEMENT'S
DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Fulton County Board of Education, Georgia's (the "School System") comprehensive annual financial report, the School System's management is pleased to provide this narrative discussion and analysis of the financial activities of the School System for the fiscal year ended June 30, 2018. The School System's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

The School System's assets exceeded its liabilities by \$648,176,531 (net position) at June 30, 2018.

- Total net position are comprised of the following:
 - (1) Net investment in capital assets, of \$1,885,953,984 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position restricted of \$186,627,249 by constraints imposed from outside the School System such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position deficit of (\$1,424,404,702) represent the portion available to maintain the School System's continuing obligations to citizens and creditors.
- The School System's governmental funds reported total ending fund balance of \$393,934,678 at the end of the fiscal year. This amount compared to the prior fiscal year ending fund balance of \$353,188,782, reflects an increase of \$40,745,896 during the current fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$27,634,381 or 2.74% of total general fund expenditures. The fiscal year 2018 unassigned fund balance shows a \$26,907,572 decrease from the prior fiscal year amount.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the School System's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The School System also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

The School System's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the School System's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all the School System's assets, deferred outflows and inflows of resources, and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the School System. Evaluation of the overall health of the School System would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Fulton County Board of Education, Georgia
As of and for The Fiscal Year Ended June 30, 2018

The second government-wide statement is the *Statement of Activities*, which reports how the School System's net position changed during the current fiscal year. All current fiscal year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the School System's distinct activities or functions on revenues provided by the School System's taxpayers.

Both government-wide financial statements distinguish governmental activities of the School System that are principally supported by taxes and grants from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include regular instruction, specialized instruction, and numerous supporting services such as school administration and the operation and maintenance of the schools.

The government-wide financial statements are presented on pages 17 and 18 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The School System uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the School System's most significant funds rather than the School System as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The School System has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the School System's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the fiscal year. Fund financial statements are useful in evaluating annual financing requirements of governmental programs and the commitment of current spendable resources.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements, including the general fund's budgetary statement are presented on pages 19-23 of this report.

Individual fund information for nonmajor governmental funds is found in combining and individual statements and schedules in a later section of this report.

The other fund type, *fiduciary funds*, is used to account for the School System's pension trust fund and its school activity accounts. These statements are presented on pages 24-25.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 26 of this report.

As discussed, the School System reports major funds in the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Fulton County Board of Education, Georgia
As of and for The Fiscal Year Ended June 30, 2018

Required Supplementary Information

This section includes some trend information for its pension trust fund and OPEB fund. This information is presented on page 60.

Financial Analysis of the School System as a Whole

The School System's net position at fiscal year-end is \$648,176,531. The following table provides a summary of the School System's net position (*in thousands*).

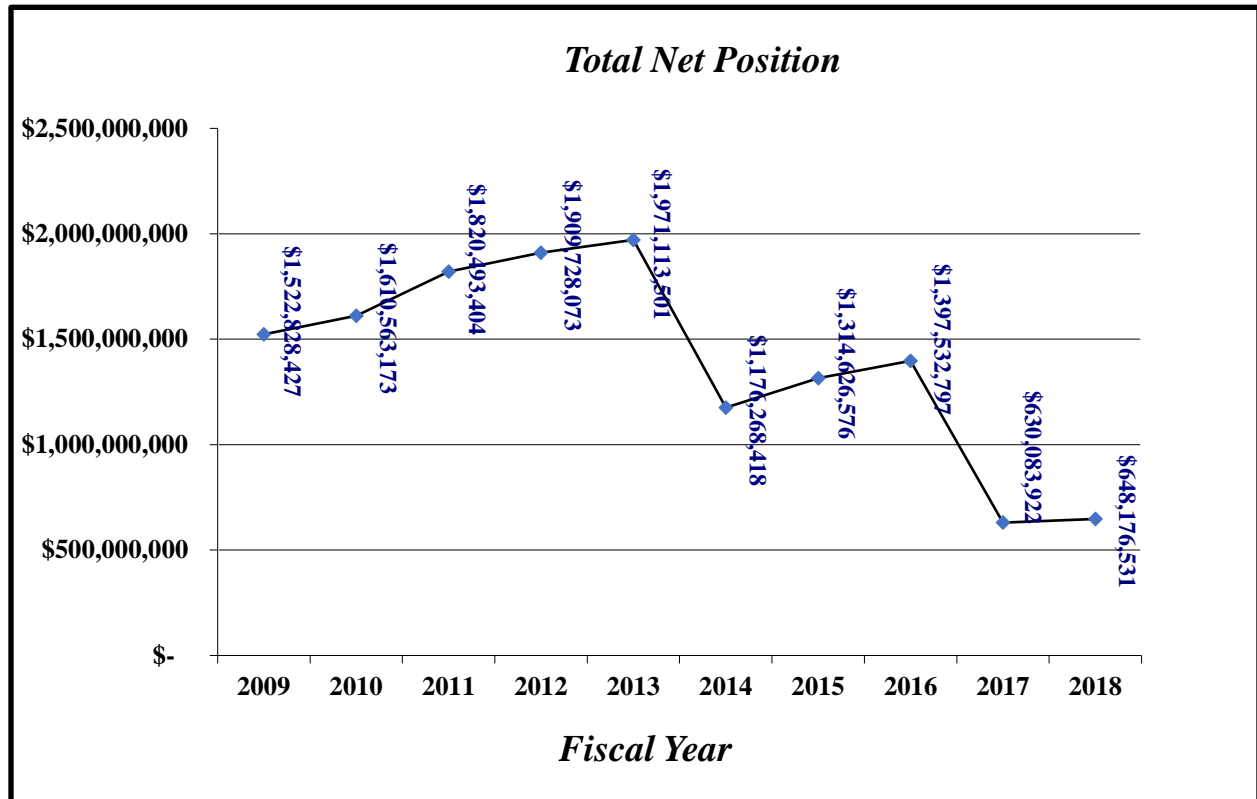
	2018		2017 (Restated)	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Assets				
Current assets	\$549,816	22%	\$500,813	20%
Noncurrent:				
Loans receivable	2,731	0%	1,931	0%
Capital assets	1,940,896	78%	1,953,342	80%
Total assets	2,493,443	100%	2,456,086	100%
Deferred outflows	220,302		298,295	
Liabilities:				
Current liabilities	190,991	10%	177,419	8%
Long-term liabilities	1,787,391	90%	1,916,937	92%
Total liabilities	1,978,382	100%	2,094,356	100%
Deferred inflows	87,187		29,941	
Net position				
Net investments in capital assets	1,885,954	291%	1,883,711	299%
Restricted	186,627	29%	121,750	19%
Unrestricted (deficit)	(1,424,405)	-220%	(1,375,377)	-218%
Total net position	\$648,176	100%	\$630,084	100%

The School System continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 2.9 to 1 at June 30, 2018 versus 2.8 to 1 at June 30, 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Fulton County Board of Education, Georgia
As of and for The Fiscal Year Ended June 30, 2018

The School System reported a positive balance in net position for its governmental activities. The beginning net position was restated from \$1,404,079,333 as reported at June 30, 2017 to \$630,083,922 due to the implementation of GASB 75 requiring the liability associated with Other Post-Employment Benefits, primarily health care costs to be carried on the Statement of Net Position and due to a prior period adjustment relating to the recording of loans receivables that were not recorded in the prior fiscal year. As of June 30, 2018, net position increased by \$19,835,039.

The following chart reports the total net position balances from fiscal year 2009 – 2018.



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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Fulton County Board of Education, Georgia
As of and for The Fiscal Year Ended June 30, 2018

The following table provides a summary of the School System's changes in net position (*in thousands*):

Summary of Changes in Net Position

	2018		2017 (Restated)	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues:				
Program:				
Charges for services	\$ 19,243	1.5%	\$ 19,016	1.5%
Operating grants	462,249	36.5%	450,338	36.6%
Capital grants	3,782	0.3%	2,845	0.2%
General:				
Taxes	768,890	60.8%	747,364	60.7%
Others	11,452	0.9%	11,871	1.0%
Total Revenues	1,265,616	100.0%	1,231,434	100.0%
Program Expenses:				
Instruction	761,933	61.1%	733,085	59.8%
Pupil services	44,054	3.5%	41,768	3.4%
Improvement of instructional services	60,263	4.8%	52,480	4.3%
Educational media services	17,674	1.4%	17,775	1.5%
Federal grant administration	1,260	0.1%	1,506	0.1%
General administration	5,462	0.4%	5,276	0.4%
School administration	60,787	4.9%	58,551	4.8%
Business administration	18,859	1.5%	18,003	1.5%
Maintenance and operation of plant	136,507	10.9%	157,485	12.9%
Student transportation services	59,631	4.8%	58,981	4.8%
Central services	31,193	2.5%	32,958	2.7%
Other support services	235	0.0%	587	0.0%
Food service operations	43,886	3.5%	43,958	3.6%
Interest and fiscal charges	5,780	0.5%	2,475	0.2%
Total Expenses	1,247,524	100.0%	1,224,888	100.0%
Change in Net Position	18,092		6,546	
Beginning Net Position as restated	630,084		623,538	
Ending Net Position	\$648,176		\$630,084	

GOVERNMENTAL REVENUES

The School System's primary revenue sources are property taxes and State aid, primarily the Quality Basic Education aid (QBE). The School System also is reliant on property taxes to support educational operations and capital outlay. Property taxes provided 46.69% of the School System's total governmental revenues as compared to 47.16% in fiscal year 2017.

State and federal aid recognized for operating purposes (excluding capital outlay) total 37.26% of total revenue as compared to 36.57% in fiscal year 2017.

In the State of Georgia, the general State aid, known as Quality Basic Education aid (QBE) is classified as program revenue. The QBE aid is distributed based upon enrollments and a certain amount of this aid must be expended in certain expense functions, as well as an amount on salaries and an amount on operations. In fiscal year 2018, the School System recognized QBE of approximately \$375.1 million or approximately 29.64% of total revenues as compared to approximately \$364.5 million or 29.60% in fiscal year 2017. The reason for this change is explained in the governmental activities financial analysis section presented later in this document.

In addition, the School System earned \$3,920,333 in unrestricted investment earnings to support educational activities. Also, note that program revenues cover approximately 38.95% of governmental operating expenses. This means that the School System's taxpayers, through property taxes and sales taxes, fund almost 61.05% of the governmental activities revenues.

The School System recorded over \$178 million in special purpose local option sales taxes (SPLOST) during the current fiscal year. In May 2016, a new referendum was approved authorizing a 1% special purpose local option sales tax, which commenced July 1, 2017 and expires June 30, 2022. These taxes are used for acquiring school sites, constructing, and equipping new school facilities, and renovating existing facilities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The following table presents the cost of each of the School System's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the School System's taxpayers by each of these functions.

The instruction function makes up 61.1% of total expenses or almost \$762 million. The School System spends an additional \$121 million on direct instructional support, including pupil services, improvement of instructional services and educational media services. The administration costs of operating our 106 schools are approximately \$86 million. The operation and maintenance of the School System's buildings costs approximately \$136 million.

The school nutrition program gross expenses are over \$43 million and this program netted approximately \$3.4 million after meal charges, State, and Federal aid. Finally, operating approximately 788 buses costs the School System over \$59.6 million.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Fulton County Board of Education, Georgia
As of and for The Fiscal Year Ended June 30, 2018

The following table compares total cost and net cost for the last two fiscal years (*in thousands*):

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Instruction	\$761,933	\$733,085	\$443,238	\$418,343
Pupil services	44,054	41,768	32,604	31,590
Improvement of instructional services	60,263	52,480	35,695	29,044
Educational media services	17,674	17,775	5,429	6,034
Federal grant administration	1,260	1,506	1,260	1,506
General administration	5,462	5,276	(6,602)	(4,858)
School administration	60,787	58,551	35,714	37,468
Business administration	18,859	18,003	18,668	17,723
Maintenance and operation of plant	136,507	157,485	106,182	125,585
Student transportation services	59,631	58,981	54,141	53,373
Central services	31,193	32,958	31,023	32,458
Other support services	235	587	194	(71)
Enterprise operations	-	-	(709)	-
Food service operations	43,886	43,958	3,409	2,803
Facilities acquisition and construction services	-	-	(3,775)	-
Interest and fiscal charges	5,780	2,475	5,780	1,690
Total Expenses	\$1,247,524	\$1,224,888	\$762,251	\$752,688

Although the instruction function makes up 61.08% of total gross costs in fiscal year 2018, it is 58.15% of net costs. This reduction relates to the QBE aid reported as a program-operating grant and State aid capital grants for school construction.

Financial Analysis of the School System's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the fiscal year in comparison with upcoming financing requirements.

Governmental funds reported ending fund balances of \$393,934,678. Of this fiscal year-end total, \$183,306,859 is legally restricted, \$158,451,623 is for capital outlay, \$4,711,385 is for debt service, and \$16,136,519 is for the school nutrition program, \$3,934,764 is for the principal's fund, \$72,568 is for other uses, \$175,057,775 is committed primarily for safeguards set aside to protect the School System against economic recessions, and \$2,969,492 of fund balance is non-spendable

Finally, \$5,006,750 is assigned and \$27,593,802 is unassigned and available for future educational purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Fulton County Board of Education, Georgia
As of and for The Fiscal Year Ended June 30, 2018

Major Governmental Funds

General Fund - The general fund is the School System's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance decreased by \$29,768,066 or 12.51%, from fiscal year 2017 amount.

The property taxes increased approximately \$12.5 million or 2.18% over the fiscal year 2017 amount due to an increase in the tax digest property valuations.

In fiscal year 2018, the QBE State aid of approximately \$375 million increased from the fiscal year 2017 amount by approximately \$10.55 million or 2.90%. This increase relates to increased enrollment and a special one-time payment from DOE.

Federal revenues increased by approximately \$931,000 from fiscal year 2017. Other 2018 revenues decreased by \$3.0 million. Overall revenues increased \$20.98 million or 2.2% over our fiscal year 2017 revenues due to growth in the property tax digest, moderate growth in QBE and an improving interest rate environment for investment earnings.

On the expenditure side, total general fund expenditures, increased approximately \$46.1 million or 4.79% in line with salary increases given to employees for fiscal year 2018 and rising benefit costs.

Direct instruction expenditures increased approximately \$37.6 million or just 5.95%. The improvement of instructional services function costs was approximately \$7.4 million or 21.17% more than the prior fiscal year due to increasing benefit cost related to TRS and Health Insurance and a salary step increase paid to all employees and the addition of instructional support teachers serving schools.

Business administration costs increased by \$2.4 million or 14.22%. The increase was due to rising salary and benefit cost and a payment for general liability insurance formerly charged to a different function. Central support services decreased by \$1.8 million dollars or 5.73% because of a reduction in technical specialist positions, decreased spending on software licensing and professional services.

The maintenance function expenditures decreased by \$3.7 because of rising salary/benefit and utility costs offset by reductions in insurance and equipment maintenance costs and a completion of a HVAC modification project for which most of expenditures occurred in fiscal year 2017.

Most other expenditure functions were consistent with the fiscal year 2017 amounts and increased in line with the salary and step increases given to all employees.

The general fund's ending unassigned fund balance is \$27,634,381, representing the equivalent of 2.74% of annual expenditures. The unassigned fund balance was 5.66% of annual expenditures at June 30, 2017. The decrease in this percentage is reflective of the draw on fund balance for operating purposes during fiscal year 2018.

2012 SPLOST Capital Projects Fund – On November 11, 2011, the voters approved a special purpose local option sales tax for a period of five years. The District is authorized to use \$912.4 million for building construction and renovation and \$57 million for debt service. During fiscal year 2018, this fund expended approximately \$39 million on construction and approximately \$2.2 million on debt service. In this fiscal year, this fund recognized approximately \$3 in state and federal intergovernmental revenue. At June 30, 2018, this fund reported a fund balance of approximately \$53.0 million, which will be used for future construction and debt service.

2017 SPLOST Capital Projects Fund – On May 24, 2016, the voters approved a special purpose local option sales tax for a period of five years. The District is authorized to use \$976.3 million for building construction and renovation and \$48.5 million for debt service. During fiscal year 2018, this fund expended \$59.4 million on construction and \$16.6 million on debt service. In this fiscal year, this fund recognized approximately \$178.0 in sales tax revenue. At June 30, 2018, this fund reported a fund balance of approximately \$101.62 million, which will be used for future construction and debt service.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Fulton County Board of Education, Georgia
As of and for The Fiscal Year Ended June 30, 2018

General Fund Budgetary Highlights

The revenue budget was amended downward by \$11,420,604 or 1.13% due to a decline in property taxes against the forecast as result of a freeze of the 2017 digest values by the County Commission. The freeze was later ruled unconstitutional by Georgia Department of Revenue for which the District joined with the Fulton County and the Atlanta Independent School System to file for a temporary collection order on the 2017 digest. These activities resulted in disruption to the property tax revenue stream.

The State revenue budget was amended upward by a total of \$1.1 million or just .31%. The final actual was more than the final budget by \$4.0 million due to a one-time payment awarded by the Georgia Department of Education.

The property taxes revenue was less than the final budget by \$25.2 million as this revenue source was disrupted by a freeze placed on property assessments by the Fulton County Commission as described above.

The expenditure side of the original budget for the general fund was revised upward approximately \$34.02 million or 3.36% increase resulting from the rollover of outstanding 2017 purchase orders, the de-commitment of fund balance, and subsequent increase in budget for a text book adoption.

The total expenditures for direct instruction ended the year less than 1% under budget because of rising benefit costs over forecast and teacher staffing at the lower end of the experience scale versus the mid-point budgeted. Improvement of Instructional Services function returned a positive budget variance of 4.16% due to salary lines and professional service and supply reductions. Pupil Services returned a positive budget variance of 15.08% due to the need for support and contracting services not being as high as estimated. In addition, benefit costs were below the forecasted amount. The Transportation function was under budget by \$1.80 million as driver supplements' that were budgeted were not paid out as anticipated. The Maintenance and Operation function returned a positive budget variance in the amount of \$13.70 million because of the reduced need for portables due to moderating enrollment, reduced equipment maintenance and contracted services cost and HVAC modification projects completed under budget for 2018. Finally, the Central Support Function was 19.72% under budget due to contracted services for technology being over estimated and a decrease in technology specialist positions. All other functions performed with minor variances.

Overall, the School System spent 96.48% of the final expenditure budget as compared to 98% in fiscal year 2017.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Fulton County Board of Education, Georgia
As of and for The Fiscal Year Ended June 30, 2018

Capital Assets and Debt Administration

Capital Assets

The School System's investment in capital assets for governmental activities as of June 30, 2018, was \$1,940,896,051. The total decrease was \$12,446,180 in the net investment or .64%. See Note 3-D for additional information about changes in capital assets during the current fiscal year and outstanding balances at the end of the fiscal year.

The following table provides a summary of capital asset activity.

	Capital Assets Governmental Activities			
	2018	2017	2018	2017
Nondepreciable				
Land	\$265,381,037	\$265,943,554	93%	80%
Construction in Progress	19,493,602	65,348,799	7%	20%
Total nondepreciable	<u>284,874,639</u>	<u>331,292,353</u>	<u>100%</u>	<u>100%</u>
Depreciable assets:				
Buildings and improvements	2,370,964,971	2,332,225,706	95%	96%
Machinery and equipment	113,117,718	99,810,416	5%	4%
Total depreciable assets	2,484,082,689	2,432,036,122	<u>100%</u>	<u>100%</u>
Less accumulated depreciation	<u>828,061,277</u>	<u>809,986,244</u>		
Book value depreciable assets	1,656,021,412	1,622,049,878		
Percentage depreciated	<u>33%</u>	<u>33%</u>		
Book Value all assets	<u>\$1,940,896,051</u>	<u>\$1,953,342,231</u>		

At June 30, 2018, the depreciable capital assets for governmental activities were 33% depreciated. This percentage compares as equal to the June 30, 2017 percentage. This comparison indicates that the School System is replacing its assets at almost the same rate as they are depreciating which is a positive indicator.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Fulton County Board of Education, Georgia
As of and for The Fiscal Year Ended June 30, 2018

The major projects added to the construction in progress account in thousands are as follows:

Construction in Progress			
(in thousands)			
ABBOTS HILL ES	\$ 12.57	MCNAIR MS	\$ 57.50
ALPHARETTA HS	546.48	MEDLOCK BRIDGE ES	240.28
ALPHARETTA STEM HS	3,747.16	MIMOSA ES	81.12
AUTREY MILL MS	15.09	MOUNTAIN PARK ES	2.72
BANNAKER HS	5.06	NEW PROSPECT ES	104.34
BETHUNDE ES	142.92	OPERATIONS	6,338.98
BROOKVIEW ES	52.99	NORTH SPRINGS CHARTER HS	464.30
CAMBRIDGE HS	5.35	NORTHVIEW HS	40.08
CAMP CREEK MS	658.93	NORTHWESTERN MS	92.05
CAMPBELL ES	1,137.18	NORTHWOOD ES	526.75
CENTENNIAL HS	343.41	OCEE ES	77.19
CHATTAHOOCHEE HS	70.19	PARKLANE ES	170.34
COGBURN WOODS ES	189.66	RANDOLPH ES	2,381.71
CONLEY HILLS ES	2.46	RIDGEVIEW CHARTER MS	12.05
CRABAPPLE MS	1,328.34	RIVER EVES ES	360.57
CREEKSIDE HS	17.67	RIVERWOOD CHARTER HS	6,008.88
DOLVIN ES	10.00	ROSWELL HS	16.48
DUNWOODY SPRINGS CHARTER ES	11.49	ROSWELL NORTH ES	24.30
ELKINS POINT MS	135.35	S.L. LEWIS ES	74.75
EVOLINE C. WEST ES	(1.99)	SANDTOWN MS	132.47
FINDLEY OAKS ES	134.21	SANDY SPRINGS MS	6.55
GULLATT ES	2,140.09	SEABORN LEE ES	0.35
HAMILTON HOLMES ES	86.90	SHAKERAGE ES	25.19
HEMBREE SPRINGS ES	49.52	SPALDING DRIVVE CHARTER ES	0.35
HERITAGE ES	87.26	STATE BRIDGE ES	344.77
HIGH POINT ES	18.98	STONEWALL TELL ES	(0.30)
HILLSIDE ES	124.98	SUMMIT HILL ES	118.86
HOLCOMB BRIDGE MS	141.42	SWEET APPLE ES	114.34
HOPEWELL MS	1.78	TAYLOR ROAD MS	0.35
INDEPENDENCE HS	3,989.47	TRI-CITIES HS	0.34
JACKSON ES	20.00	VICKERY MILL ES	1.61
LAKE WINDWARD ES	250.60	WEBB BRIDGE MS	171.26
LIBERTY POINT ES	75.97	WESTLAKE HS	628.75
LOVE T. NOLAN ES	70.63	WILSON CREEK ES	16.03
MANNING OAKS ES	441.90	WOLF CREEK ES	0.94

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Fulton County Board of Education, Georgia
As of and for The Fiscal Year Ended June 30, 2018

Long-term Debt

At June 30, 2018, there is one general obligation bond issue outstanding, totaling \$32,715,000. The School System retired \$9,805,000 or 23% of the outstanding bonds in fiscal year 2018.

District workers compensation claims decreased by 44.64% due to revision of estimates in conjunction with the implementation of a new third-party administrator. Pension and OPEB liabilities declined modestly and compensated absences increased.

The following table presents the outstanding long-term debt balances at June 30, 2018 and 2017:

<u>Long-term debt and obligations</u>	<u>Governmental Activities</u>		<u>% Change</u>
	<u>2018</u>	<u>Restated 2017</u>	
1998 general obligation bonds	\$32,715,000	\$42,520,000	-23.06%
Intergovernmental agreement	21,380,998	23,756,665	-10.00%
Workers' Compensation	3,621,707	6,541,867	-44.64%
Other Claims and Judgements	640,232	262,834	143.59%
Net OPEB Liabilities	759,529,022	804,113,286	-5.54%
Net Pension Liabilities	980,974,748	1,054,206,269	-6.95%
Compensated Absences	<u>36,547,656</u>	<u>32,136,697</u>	13.73%
Total	<u>\$1,835,409,363</u>	<u>\$1,963,537,618</u>	-6.53%

See note 3-H for more information.

(This page continued the subsequent page)

Economic Conditions Affecting the School System

Fiscal Year 2018 Budget – The fiscal year 2018 budget was presented to the public on May 09, 2017 and adopted by the Board of Education at the June 13, 2017 meeting. This budget was developed using an open, transparent, and all-inclusive process, which solicited input at different stages of the budget development process from budget stakeholders. The 2018 budget increased expenditure levels from the final 2017 budget by \$61.13 million or 6.43% to a total of \$1.01 billion. The most significant items include:

- TRS Benefit increases from 14.27% to 16.81% for a \$17 million impact;
- Classified Health Insurance increased by \$4.6 million;
- STEP and salary increases for all employees amounted to \$22.6 million;
- Increase in Instructional Support Teachers \$1.3 million;
- Increase in the Special Education \$3.1 million; and
- Increase in the Local Fair Share \$11.2 million.

On the revenue side, the millage rate remained constant with a forecasted increase in the property tax digest of 7.95%. QBE revenues are expected to increase by 3.27% to accommodate enrollment growth and the increase of the training and experience rate. Overall, the revenue budget increased \$55.4 million or 5.82% from the Fiscal Year 2017 budget.

Fiscal Year 2019 Budget – The fiscal year 2019 budget was presented to the public on June 12, 2018 and adopted by the Board of Education at the June 28, 2018 meeting. This budget was developed using an open, transparent, and all-inclusive process, which solicited input at different stages of the budget development process from budget stakeholders. The 2019 budget increased expenditure levels from the final 2018 budget by \$38.8 million or 3.83% to a total of \$1.051 billion. The most significant items include:

- TRS Benefit increases from 16.81% to 20.90% for a \$22 million impact;
- Increase in Local Fair Share for a \$158.3 million impact;
- Austerity Cuts Eliminated \$7.1 million impact;
- Increase in Class Size \$11 million;
- Employee Furlough Day \$3 million; and
- Salary Increase for all staff \$15 million.

On the revenue side, the millage rate was reduced to 17.796 mill to provide tax relief to homeowners. QBE revenues are expected to decrease by 1.59% because of the District's increase in Local Fair Share. Overall, the revenue budget increased \$29.87 million or 3.05% from the Fiscal Year 2018 budget.

Contacting the School System's Financial Management

This financial report is designed to provide a general overview of the School System's finances, comply with finance-related laws and regulations, and demonstrate the School System's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the School System's Chief Financial Officer at the Administrative Center, 6201 Powers Ferry Road, NW, Atlanta, GA 30339.

**BASIC FINANCIAL
STATEMENTS**

Fulton County Board of Education, Georgia
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 446,030,856
Receivables (net):	
Accounts	1,112,459
Property taxes	19,250,894
Sales taxes	14,962,251
Intergovernmental	65,058,067
Loans	435,464
Prepaid items	2,244,213
Inventory	722,018
Total Current Assets	549,816,222
<i>Noncurrent Assets</i>	
Loans receivable	2,731,251
Capital assets	
Nondepreciable	284,874,639
Depreciable, net	1,656,021,412
Total Noncurrent Assets	1,943,627,302
Deferred Outflows of Resources	220,301,530
Total Assets and Deferred Outflows of Resources	2,713,745,054
Liabilities	
<i>Current Liabilities</i>	
Accounts payable	48,564,268
Accrued salaries and benefits payable	88,748,092
Accrued interest payable	1,742,430
Other payables	938,993
Retainage payable	846,069
Payable to external parties	2,132,391
Workers' compensation insurance claims payable	1,810,853
Other claims and judgments payable	608,909
Compensated absences payable	32,892,890
Intergovernmental agreement payable	2,375,667
General obligation bonds payable	10,330,000
Total Current Liabilities	190,990,562
<i>Long-Term Liabilities: (net of current portion)</i>	
Workers' compensation insurance claims payable	1,810,854
Other claims and judgments payable	31,323
Compensated absences payable	3,654,766
Intergovernmental agreement payable	19,005,331
General obligation bonds payable	22,385,000
Net pension liabilities	980,974,748
Net OPEB liability	759,529,022
Total Long-Term Liabilities	1,787,391,044
Deferred Inflows of Resources	87,186,917
Total Liabilities and Deferred Inflows of Resources	2,065,568,523
Net Position	
Net investment in capital assets	1,885,953,984
Restricted for:	
Capital projects	160,124,215
Debt service	5,611,047
School nutrition program	16,858,537
Permanent fund - nonspendable	3,261
Program purposes	4,030,189
Unrestricted (deficit)	(1,424,404,702)
Total Net Position	\$ 648,176,531

See accompanying notes to the basic financial statements

Fulton County Board of Education, Georgia
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Function	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants, Contributions and Rest. Interest	Capital Grants Contributions and Rest. Interest	Revenue and Changes in Net Position
					Governmental Activities
Primary Government					
Governmental Activities					
Instruction	\$ 761,933,117	\$ 5,580,837	\$ 313,114,427	\$ -	\$ (443,237,853)
Support services					
Pupil services	44,053,894	-	11,449,386	-	(32,604,508)
Improvement of instructional services	60,262,827	-	24,567,434	-	(35,695,393)
Educational media services	17,673,710	-	12,244,361	-	(5,429,349)
Federal grant administration	1,259,707	-	-	-	(1,259,707)
General administration	5,462,403	-	12,065,088	-	6,602,685
School administration	60,786,516	-	25,072,129	-	(35,714,387)
Business administration	18,859,184	-	190,780	-	(18,668,404)
Maintenance and operation of plant	136,507,157	1,676,734	28,642,418	5,830	(106,182,175)
Student transportation services	59,631,037	-	5,490,162	-	(54,140,875)
Central services	31,193,212	-	170,432	-	(31,022,780)
Other support services	234,803	-	40,067	-	(194,736)
Enterprise operations	-	709,851	-	-	709,851
Food service operations	43,886,456	11,275,291	29,201,947	-	(3,409,218)
Facilities acquisition and construction services	-	-	-	3,775,787	3,775,787
Interest and fiscal charges	5,779,722	-	-	-	(5,779,722)
Total Governmental Activities	\$ 1,247,523,745	\$ 19,242,713	\$ 462,248,631	\$ 3,781,617	(762,250,784)
General Revenues					
Property taxes levied for:					
General purposes					
					590,867,168
Debt service					
					1,503
Sales taxes					
					178,021,932
Unrestricted - investment earnings					
					3,920,333
Miscellaneous					
					7,532,457
Total General Revenues					
					780,343,393
Change in Net Position					
					18,092,609
Net Position Beginning of Fiscal Year, as restated					
					630,083,922
Net Position End of Fiscal Year					
					\$ 648,176,531

See accompanying notes to the basic financial statements

Fulton County Board of Education, Georgia
Balance Sheet
Governmental Funds
June 30, 2018

	<u>General</u>	<u>2012 SPLOST Capital Projects</u>	<u>2017 SPLOST Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 263,671,274	\$ 55,865,206	\$ 94,497,324	\$ 31,997,052	\$ 446,030,856
Receivables (net):			-		
Accounts	1,048,681	-	-	63,778	1,112,459
Property taxes	19,250,894	-	-	-	19,250,894
Sales taxes	-	-	14,962,251	-	14,962,251
Intergovernmental	56,034,133	830,095	-	8,193,839	65,058,067
Interfund	3,693,433	-	-	43,164	3,736,597
Prepaid items	478,927	-	842,767	922,519	2,244,213
Inventory	-	-	-	722,018	722,018
Total Assets	<u>\$ 344,177,342</u>	<u>\$ 56,695,301</u>	<u>\$ 110,302,342</u>	<u>\$ 41,942,370</u>	<u>\$ 553,117,355</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 35,837,682	\$ 2,774,436	\$ 7,892,562	\$ 2,059,588	\$ 48,564,268
Accrued salaries and benefits payable	84,630,017	-	-	4,118,075	88,748,092
Other payables	-	-	-	938,993	938,993
Retainage payable	-	59,069	787,000	-	846,069
Payable to external parties	2,132,391	-	-	-	2,132,391
Interfund payable	12,977	-	-	3,723,620	3,736,597
Total Liabilities	122,613,067	2,833,505	8,679,562	10,840,276	144,966,410
Deferred Inflow of Resources	13,386,442	829,825	-	-	14,216,267
Total Liabilities and Deferred Inflow of Resources	<u>135,999,509</u>	<u>3,663,330</u>	<u>8,679,562</u>	<u>10,840,276</u>	<u>159,182,677</u>
Fund Balances					
Nonspendable	478,927	-	842,767	1,647,798	2,969,492
Restricted	-	53,031,971	100,780,013	29,494,875	183,306,859
Committed	175,057,775	-	-	-	175,057,775
Assigned	5,006,750	-	-	-	5,006,750
Unassigned (deficit)	27,634,381	-	-	(40,579)	27,593,802
Total Fund Balances	<u>208,177,833</u>	<u>53,031,971</u>	<u>101,622,780</u>	<u>31,102,094</u>	<u>393,934,678</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 344,177,342</u>	<u>\$ 56,695,301</u>	<u>\$ 110,302,342</u>	<u>\$ 41,942,370</u>	<u>\$ 553,117,355</u>

See accompanying notes to the basic financial statements

Fulton County Board of Education, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position
June 30, 2018

Total Governmental Fund Balances	\$	393,934,678
Amounts Reported for Governmental Activities in the Government-wide Statement of Net Position is Different Because:		
Long-term receivables that are not due and payable in the current period and therefore are not reported in the governmental funds' balance sheet but are reported on the government-wide statement of net position.		
Loans receivable	\$ 3,166,715	\$ 3,166,715
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, but are reported on the government-wide statement of net position.		
Cost	\$ 2,768,957,328	
Less accumulated depreciation	<u>(828,061,277)</u>	1,940,896,051
Various receivables not collected within 60 days of fiscal year-end are not considered available and are deferred on the governmental funds' balance sheet but are recognized as revenue on the government-wide statement of net position.		
Property taxes	\$ 13,386,442	
Intergovernmental	<u>829,825</u>	14,216,267
Deferred outflows for pensions and OPEB reported on the government-wide statement of position but not reported on the governmental fund balance sheet.		
Deferred outflows of resources - cost sharing plan	\$ 175,746,477	
Deferred outflows of resources - single employer local plan	16,405,777	
Deferred outflows of resources - OPEB plan	<u>28,149,276</u>	220,301,530
Deferred inflows for pensions and OPEB reported on the government-wide statement of position but not reported on the governmental fund balance sheet.		
Deferred inflows of resources - cost sharing plan	\$ (25,545,954)	
Deferred inflows of resources - single employer local plan	(1,312,016)	
Deferred inflows of resources - OPEB plan	<u>(60,328,947)</u>	(87,186,917)
Interfund receivables and payables between governmental funds are reported on the governmental funds' balance sheet but are eliminated on the government-wide statement of net position.		
Interfund receivables	\$ (3,736,597)	
Interfund payables	<u>3,736,597</u>	-
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the governmental funds' balance sheet but are reported on the government-wide statement of net position.		
Bonds payable	\$ (32,715,000)	
Accrued interest payable	(1,742,430)	
Intergovernmental agreement payable	(21,380,998)	
Workers' compensation insurance claims payable	(3,621,707)	
Other claims and judgments payable	(640,232)	
Net pension liability cost sharing plan	(892,266,512)	
Net pension liability-single employer plan	(88,708,236)	
Net OPEB liability	(759,529,022)	
Compensated absences payable	<u>(36,547,656)</u>	(1,837,151,793)
Net Position of Governmental Activities	\$	<u>648,176,531</u>

See accompanying notes to the basic financial statements

Fulton County Board of Education, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	2012 SPLOST Capital Projects	2017 SPLOST Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 586,807,403	\$ -	\$ -	\$ 1,503	\$ 586,808,906
Sales taxes	-	-	178,021,932	-	178,021,932
Intergovernmental - state	375,107,589	2,204,025	-	8,114,892	385,426,506
Intergovernmental - federal	4,443,356	784,617	787,145	80,184,461	86,199,579
Investment earnings	3,209,935	861,811	710,398	196,277	4,978,421
Charges for services	5,381,195	-	-	13,861,518	19,242,713
Installment sales	325,115	-	-	-	325,115
Other	4,277,185	318,973	1,200	2,935,099	7,532,457
Total Revenues	979,551,778	4,169,426	179,520,675	105,293,750	1,268,535,629
Expenditures					
Current:					
Instruction	670,282,946	-	-	37,134,761	707,417,707
Support services					
Pupil services	37,418,245	-	-	5,774,666	43,192,911
Improvement of instructional services	42,436,216	-	-	16,065,424	58,501,640
Educational media services	15,271,087	-	-	80,940	15,352,027
Federal grant administration	-	-	-	1,226,208	1,226,208
General administration	3,959,268	-	-	1,461,700	5,420,968
School administration	57,841,073	-	-	181,642	58,022,715
Business administration	19,756,477	-	-	-	19,756,477
Maintenance and operation of plant	81,369,109	-	-	-	81,369,109
Student transportation services	51,070,890	-	-	2,557,947	53,628,837
Central support services	30,091,681	-	-	122,746	30,214,427
Other support services	38,292	-	-	33,886	72,178
Food service operations	-	-	-	40,200,521	40,200,521
Capital Outlay	-	39,118,323	59,444,707	654,016	99,217,046
Debt Service:					
Principal retirement	-	-	2,375,667	9,805,000	12,180,667
Interest and fiscal charges	-	843,767	866,804	2,326,721	4,037,292
Total Expenditures	1,009,535,284	39,962,090	62,687,178	117,626,178	1,229,810,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,983,506)	(35,792,664)	116,833,497	(12,332,428)	38,724,899
Other Financing Sources (Uses)					
Proceeds from the sale of capital assets	254,371	-	-	1,553,574	1,807,945
Insurance proceeds	213,052	-	-	-	213,052
Transfers in	1,346,097	2,477,571	51,290	12,865,543	16,740,501
Transfers out	(1,598,080)	(1,323,017)	(13,403,071)	(416,333)	(16,740,501)
Total Other Financing Sources (Uses)	215,440	1,154,554	(13,351,781)	14,002,784	2,020,997
Net Change in Fund Balances	(29,768,066)	(34,638,110)	103,481,716	1,670,356	40,745,896
Fund Balances (Deficits) Beginning of Fiscal Year	237,945,899	87,670,081	(1,858,936)	29,431,738	353,188,782
Fund Balances End of Fiscal Year	\$ 208,177,833	\$ 53,031,971	\$ 101,622,780	\$ 31,102,094	\$ 393,934,678

See accompanying notes to the basic financial statements

Fulton County Board of Education, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Government-wide Statement of Activities
For the Fiscal Year Ended June 30, 2018

Net Changes In Fund Balances - Total Governmental Funds	\$	40,745,896
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement, however, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Depreciation expense	\$ (55,616,473)	
Capital outlay	<u>57,075,074</u>	1,458,601
The book value of capital assets sold and related revenue from the initiation of long-term installment loan receivable are reported on the government-wide statement of activities but not reported in the governmental funds' operating statement.		
Net book value of capital assets sold		(13,904,781)
Issuance of long-term installment loan receivable related to buildings sold during the current fiscal year that will be paid to the District over future periods.		1,555,000
Certain property taxes that are reported in the government-wide statement of activities do not provide current financial resources, therefore are not reported as revenues in the governmental funds' operating statement.		
Deferred @ 6/30/2018	\$ 13,386,442	
Deferred @ 6/30/2017	<u>(10,156,502)</u>	3,229,940
Certain state capital outlay grants are reported in the government-wide statement of activities do not provide current financial resources, therefore, are not reported as revenues in the governmental funds' operating statement.		
Deferred @ 6/30/2018	\$ 829,825	
Deferred @ 6/30/2017	<u>(6,649,636)</u>	(5,819,811)
Transfers between governmental funds are reported in the governmental funds' operating statement but are eliminated on the government-wide statement of activities:		
Transfers in	\$ (16,740,501)	
Transfers out	<u>16,740,501</u>	-
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. This is the net change in deferred outflows and inflows of resources related to the cost sharing pension plan and the net pension liability.		
		(5,727,239)
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. This is the net change in deferred outflows and inflows of resources related to the OPEB plan and net OPEB liability.		
		(15,782,282)
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. This is the net change in deferred outflows and inflows of resources related to the single employer pension plan and the net pension liability.		
		4,086,530
Accrued interest is reported in the government-wide statement of activities, but does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds.		
Liability @ 6/30/18	\$ (1,742,430)	
Liability @ 6/30/17	<u>-</u>	(1,742,430)
Repayment of loans receivable is reported as revenue in governmental funds, but the repayment reduces long receivable in the government-wide statement of net position.		
		(319,285)
Repayment of long-term debt principal is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net position.		
		12,180,667
Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 6/30/2018	\$ (36,547,656)	
Liability @ 6/30/2017	<u>32,136,697</u>	(4,410,959)
Workers compensation claims are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 6/30/2018	\$ (3,621,707)	
Liability @ 6/30/2017	<u>6,541,867</u>	2,920,160
Claims and judgments are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 6/30/2018	\$ (640,232)	
Liability @ 6/30/2017	<u>262,834</u>	(377,398)
Change In Net Position of Governmental Activities	\$	18,092,609

See accompanying notes to the basic financial statements

Fulton County Board of Education, Georgia
General Fund
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	2018			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental - state	\$ 369,920,750	\$ 371,070,424	\$ 375,107,589	\$ 4,037,165
Intergovernmental - federal	2,710,000	2,710,000	4,443,356	1,733,356
Local sources:				
Property taxes	626,537,879	612,048,734	586,807,403	(25,241,331)
Investment earnings	540,000	1,102,467	3,209,935	2,107,468
Installment sales	-	-	325,115	325,115
Other	7,572,333	8,928,733	9,658,380	729,647
Total Revenues	1,007,280,962	995,860,358	979,551,778	(16,308,580)
Expenditures				
Current:				
Instruction	684,845,223	675,773,149	670,282,946	5,490,203
Support services				
Pupil services	41,520,127	44,061,439	37,418,245	6,643,194
Improvement of instructional services	28,054,573	44,276,099	42,436,216	1,839,883
Educational media services	15,086,957	15,876,793	15,271,087	605,706
General administration	2,602,649	3,122,111	3,959,268	(837,157)
School administration	55,266,990	58,315,129	57,841,073	474,056
Business administration	15,760,531	19,465,237	19,756,477	(291,240)
Maintenance and operation of plant	82,066,530	95,079,263	81,369,109	13,710,154
Student transportation services	52,880,420	52,874,251	51,070,890	1,803,361
Central support services	34,223,677	37,485,576	30,091,681	7,393,895
Other support services	40,035	40,035	38,292	1,743
Total Expenditures	1,012,347,712	1,046,369,082	1,009,535,284	36,833,798
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,066,750)	(50,508,724)	(29,983,506)	20,525,218
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	2,043,243	494,554	254,371	(240,183)
Insurance proceeds	-	-	213,052	213,052
Transfers in	106,693	1,378,420	1,346,097	(32,323)
Transfers out	(965,563)	(1,771,180)	(1,598,080)	173,100
Total Other Financing Sources (Uses)	1,184,373	101,794	215,440	113,646
Net Change in Fund Balances	\$ (3,882,377)	\$ (50,406,930)	\$ (29,768,066)	\$ 20,638,864

See accompanying notes to the basic financial statements

Fulton County Board of Education, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Pension Trust	Agency Club and Athletics
Assets		
Cash and cash equivalents	\$ 283,706	\$ 5,987,114
Investments, at fair value:		
Mutual funds invested in domestic equities	178,192,940	-
Mutual funds invested in foreign equities	131,308,749	-
Mutual funds invested in fixed income securities	100,960,992	-
Limited partnerships equities	3,803,960	-
Receivables:		
Due from plan sponsor	2,132,391	-
Other	22,367	97,159
Prepaid items	2,260	334,168
Total Assets	416,707,365	6,418,441
Liabilities		
Accounts payable	673,508	101,656
Due to student organizations	-	6,316,785
Unearned revenue	-	-
Total Liabilities	673,508	\$ 6,418,441
Net Position Restricted for Pensions	\$ 416,033,857	

See accompanying notes to the basic financial statements

Fulton County Board of Education, Georgia
Comparative Statement of Changes in Fiduciary Net Position
Pension Trust Fund
For the Fiscal Year Ended June 30, 2018

	2018
Additions	
Contributions:	
Employer	\$ 23,193,000
Plan members	2,572,698
Total contributions	25,765,698
Investment earnings :	
Interest and dividends	10,658,983
Net increase in the fair value of investments	21,054,130
Less investment expense	(906,637)
Net investment earnings	30,806,476
Total Additions	56,572,174
Deductions	
Administrative expenses	872,896
Benefits	32,283,533
Refunds	1,398,290
Total Deductions	34,554,719
Increase in Net Position	22,017,455
Net Position Restricted for Pensions:	
Beginning of Fiscal Year	394,016,402
End of Fiscal Year	\$ 416,033,857

See accompanying notes to the basic financial statements.

**NOTES TO BASIC FINANCIAL
STATEMENTS**

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The Fulton County Board of Education, Georgia (the “School System”) was established under the laws of the State of Georgia and is governed by an elected seven-member board (the “Board”). Board members are elected by the public. The School System provides public education throughout Fulton County, Georgia, excluding the City of Atlanta, Georgia.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the School System have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the School System’s accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School System consists of all funds, departments, boards, and agencies that are not legally separate from the School System. More specifically, the Board has the authority to make decisions, the power to approve selection of management personnel, the ability to significantly influence operations, and the primary accountability for fiscal matters.

Component units are legally separate organizations for which the School System is financially accountable. The School System is financially accountable for an organization if the School System appoints a voting majority of the organization's governing board and (1) the School System is able to significantly influence the programs or services performed or provided by the organizations; or (2) the School System is legally entitled to or can otherwise access the organization's resources; the School System is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School System is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the School System in that the School System approves the budget, levies their taxes or issues their debt and also has a financial benefit or burden relationship with the School System.

The School System reports one fiduciary component unit as follows:

Fulton County School Employees’ Pension Fund (the “Pension Trust Fund”) – The pension trust fund is governed by a committee of the Board of Education, known as the “Pension Board.” Although the pension trust fund is legally separate from the School System, the pension trust fund is reported as a part of the primary government because its primary purpose is to provide retirement benefits to the employees of the School System and because the pension trust fund is fiscally dependent on the School System. Separate financial statements of the pension trust fund can be obtained at 6201 Powers Ferry Road NW, Atlanta, Georgia 30339.

The School System is not considered a component unit of any other governmental reporting entity.

1-B. Basis of Presentation

The School System’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the School System as a whole. Fiduciary funds are not presented in the government-wide financial statements.

The statement of net position presents the financial position of the governmental activities of the School System.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School System’s governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The School System does not allocate indirect expenses to functions in the statement of activities.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report tuition, fees and other charges to users of the School System's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the School System. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School System.

Fund Financial Statements - During the fiscal year, the School System segregates transactions related to certain School System functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School System at this more detailed level. Fund financial statements are provided for governmental and fiduciary funds.

Major individual governmental funds are reported in separate columns.

Fund Accounting - The School System uses funds to maintain its financial records during the fiscal year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The School System uses two categories of funds: governmental and fiduciary.

Governmental Funds - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The School System reports the difference between governmental fund assets and liabilities and deferred inflows of resources as fund balance. The School System reports the following major governmental funds:

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the School System for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

The 2012 SPLOST Capital Projects Fund – This fund accounts for the special purpose local option sales tax as authorized in 2012 and is being used primarily for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities.

The 2017 SPLOST Capital Projects Fund – This fund accounts for the special purpose local option sales tax as authorized in 2017 and is being used primarily for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities.

Fiduciary Funds - The School System reports the following fiduciary fund types:

Pension Trust Fund – This fund accounts for pension benefits within a defined benefit pension plan, for School System employees not covered by the Teachers Retirement System of Georgia as well as some employees who were employed prior to July 1, 1988, who transferred to the Teachers Retirement System of Georgia, but retained certain benefit guarantees in the local plan.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Agency Funds – These funds account for assets held by the School System as an agent for various school clubs or individuals.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School System are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities, along with deferred inflow of resources, generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

The pension trust fund type is accounted for on a flow of economic resources measurement focus on the fund financial reporting level. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., additions) and decreases (i.e., deductions) in net total assets. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Fiduciary funds are reported on the accrual basis at the fund reporting level. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School System, the phrase “available for exchange transactions” means expected to be collected within 60 days of fiscal year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the School System receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School System must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School System on a reimbursement basis.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School System over the same twelve month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent fiscal year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each fiscal year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days of fiscal year-end).

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, state Quality Basic Education (QBE) revenue, and federal and state grants. All other revenue items are considered to be measurable and available only when the School System receives cash.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities, and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the School System. Time deposits are classified as cash and cash equivalent without regard to maturity date. Official Code of Georgia Annotated (OCGA) Section 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. 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 principle (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair value as of year-end and the School System's investment in the Georgia Fund 1 is reported at fair value. The School System considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. Increases or decreases in fair value during the year are recognized as a component of interest income.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

The School System operates a cash and investment pool which generally all funds utilize, the principal's account fund and the pension trust fund. The School System pools money from the funds to facilitate disbursement and investment and to maximize investment earnings. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable (Note 3-B).

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net position (Note 3-E).

1-E-4 Consumable Inventories

On the government-wide financial statements and at the fund financial reporting level, inventories are presented at cost using the weighted average cost method and are expensed when used (i.e., the consumption method). Donated food commodities are presented at fair value.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the fiscal year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, as this amount is not available for general appropriation.

1-E-6 Capital Assets

General capital assets are those assets that generally result from expenditures in governmental funds. The School System reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value as of the date received. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets (Note 3-D).

Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Governmental Activities Estimated Lives	Capitalization Threshold
Buildings and improvements	15 - 50 Years	\$5,000
Furniture, equipment and vehicles	5 - 15 Years	\$5,000

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

At the inception of capital leases at the governmental fund reporting level, expenditures and an “other financing sources” of an equal amount are reported at the net present value of future minimum lease payments.

1-E-7 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only “when due.”

1-E-8 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current fiscal year. General obligation bonds are recognized as a liability in the governmental fund financial statements when due.

1-E-9 Fund Equity (Note 3-K)

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity at the government-wide financial reporting level is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School System is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School System or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the School System Board of Education through the approval of a formal motion and passage of a resolution. Only, the School System Board of Education also may modify or rescind the commitment through approval of a resolution.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the School System’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the School System Board of Education has authorized the School System’s superintendent or designee to assign fund balances.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

- **Unassigned** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The School System reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School System’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School System’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond related amounts (such as premiums, discounts, or deferred gains or losses on refundings). Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School System or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

1-E-10 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted) (Note 3-E).

Transfers between funds reported in the governmental activities column are eliminated on the government-wide statement of activities.

1-E-11 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-12 Implementation of New GASB Standard

In fiscal year 2018, the School System implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In conjunction with the implementation of GASB Statement No. 75, the School System is required to change its accounting treatment of the Other Postemployment Benefits (OPEB) liabilities and the related OPEB expense. The new standard requires that the School System’s proportionate share of the net OPEB liability be recorded on the statement of net position for its governmental activities. Additional information about this new standard can be found in Notes 3-J and 4-F.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The School System adopts an annual budget for its general fund, all special revenue funds (excluding the principals’ accounts), and the debt service fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167. The School System adopts a project budget for its capital projects funds. Budgets are adopted on a basis consistent with GAAP.

The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) for the adopted annual operating budget for the general fund, school nutrition program, special revenue funds and the debt service fund is the function level within fund. For budgeted special revenue funds (excluding the school nutrition program), the legal level of budgetary control is the function level within the aggregate of the total of all special revenue funds with budgets. The School System’s management is authorized to transfer appropriations between functions within the same fund totaling less than \$100,000. The School Board approves all transfers of appropriations between functions of \$100,000 or more and all transfers of appropriations between funds, except as described below.

The budget is allocated to schools (i.e., cost centers) and cost center managers may transfer appropriations between functions as long as the transfer to one function can be offset by unused budget dollars in another function.

The original 2018 budget was amended during the fiscal year. All unexpended annual appropriations lapse at fiscal year-end.

2-B. Excess of Expenditures over Appropriations

The following functions were overspent in the final 2018 annual budget:

General fund:	
General administration	\$ 837,157
Business administration	291,240
All budgeted special revenue funds:	
School administration	\$ 73,301
Transfers out	16,106

Note 3 – Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits (Governmental Funds)

The School System’s cash and investment policy limits deposits to demand and money market accounts, and time deposits at local banks. The School System’s deposits shall be secured by Federal Depository Insurance Corporation (FDIC) coverage and/or bank pledges. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2018, the financial institutions holding all of the School System’s deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the state. As of June 30, 2018, all of the School System’s bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 – Detailed Notes on All Funds (Continued)

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the School System’s deposits may not be recovered or may not be able to recover collateralized securities that are in the possession of an outside party.

Funds included in the Georgia Fund 1, administered by the Office of the State Treasurer, are not required to be collateralized.

The fair value of the School System’s position in the pool approximates the value of the School System’s pool shares. Credit risk, value, and interest risk at June 30, 2018 are as follows:

<u>Credit Risk</u>	<u>Value</u>	<u>Interest Risk</u>
AAAF rated	\$ 403,089,314	10 day WAM

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the School System does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy established by GASB Statement No. 72.

Investments (Governmental Funds)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The School System’s surplus funds management policy does not formally limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Quality Risk – Credit quality risk is that an issuer or other counterparty to an investment will not fulfill its obligations. The School System does not have a specific investment policy for investments of its governmental funds.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the School System’s investments may not be recovered. Because of the collateralization requirements, the School System has no custodial credit risk for its investments.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the School System’s investment in a single issuer. The School System does not have a formally adopted investment policy for managing concentration of credit risk.

The cash and cash equivalents reconciliation follows:

	<u>Cash and</u> <u>Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
Primary Government - Fund Reporting Level:			
Governmental Funds - Balance Sheet	\$ 446,030,856	\$ -	\$ 446,030,856
Statement of Fiduciary Net Position	6,270,820	414,266,641	420,537,461
 Total	 \$ 452,301,676	 \$ 414,266,641	 \$ 866,568,317

Deposits (Pension Trust Fund)

Custodial Credit Risk – Deposits – As of June 30, 2018, all of the Pension Trust Fund’s deposits were covered either by FDIC coverage or collateralized by the financial institution or a combination of the two.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 – Detailed Notes on All Funds (Continued)

Investments (Pension Trust Fund)

Pension Trust Fund investments are managed by a separate investment policy adopted by the Pension Trust Fund Board in compliance with State law, particularly O.C.G.A. §47-20-10 and O.C.G.A. §47-20-80. The Pension Trust Fund assets are invested in United States Government securities, domestic common stocks, international stocks, and domestic bonds based on asset allocation ranges and performance benchmarks.

Interest Rate Risk -The Pension Trust Fund investment policy adopts the following asset mix to achieve the lowest level of risk for the plan:

- Equity Securities between 45% and 75%.
- Fixed Income Securities between 15% and 48%.
- Alternative Investments between 0% and 5%.

At June 30, 2018, the Pension Trust Fund had the following investments and maturities:

Investment Type	Fair Value	Maturity Range (Time to Maturity)	
		Low	High
Mutual Funds, Invested in Fixed Income Securities	\$ 100,960,992	3.00	9.31
Mutual Funds, Invested in Domestic Equities	178,192,940	n/a	n/a
Mutual Funds, Invested in International Equities	131,308,749	n/a	n/a
Limited Partnerships	<u>3,803,960</u>	n/a	n/a
Total	<u>\$ 414,266,641</u>		

Credit Quality Risk –The Pension Trust Fund policy prohibits investments in direct real estate, and no more than 75% (at cost) of Pension Trust Fund assets shall be invested in equities. It is the Pension Trust Fund’s policy to limit investments in common or preferred stock of a corporation to those corporations listed on one or more of the recognized national stock exchanges in the United States, or those traded on the NASDAQ National Market as required by Georgia law. Domestic bonds are limited to those with ratings that meet or exceed Standard and Poor’s BBB or Moody’s Baa ratings. The policy also limits stock investments to not more than five (5) percent of the cost of any assets of any fund in common or preferred stock of any one issuing corporation and the aggregate investment of any fund in any one issuing corporation shall not exceed three (3) percent of the outstanding capital stock of that corporation.

The Pension Trust Fund’s investments at June 30, 2018 are comprised of only mutual funds and limited partnership holdings that are not rated by any of the major ratings agencies.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Pension Trust Fund’s investment in a single issuer. The only investments in excess of 5% of the School System’s investment portfolio are federal securities and mutual funds, both of which are not subject to this risk.

Foreign Currency Risk – As of June 30, 2018, \$131,308,749 or 31.5% of the Pension Trust Fund’s assets had exposure of foreign currency risk through investments in foreign companies. These investments had the form of US dollars invested in mutual funds with only international equity holdings.

Rate of Return – For the fiscal year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Long-range Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-range expected rate of return as of June 30, 2018 is 7%.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 – Detailed Notes on All Funds (Continued)

Fair Value Measurements – The Pension Trust Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Pension Trust Fund has the following recurring fair value measurements as of June 30, 2018:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Investments by Fair Value Level				
Mutual funds invested in:				
Domestic equities	\$ 178,192,940	\$ -	\$ -	\$ 178,192,940
International equities	131,308,749	-	-	131,308,749
Fixed income securities	100,960,992	-	-	100,960,992
Total investments by fair value level	<u>\$ 410,462,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>410,462,681</u>
Investments Measured at Net Asset Value (NAV)				
Private investment fund (limited partnership)				<u>3,803,960</u>
Total investments measured at NAV				<u>3,803,960</u>
Total investments measured at fair value				<u>\$ 414,266,641</u>

The investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes the mutual funds invested in both equity and fixed income securities.

The private investment fund measured at the net asset value invests primarily in venture capital investments, leveraged buyouts (LBOs), and distressed debt and equity. As of June 30, 2018, the fund is invested in complex structures in underlying holdings, alternative investments, and items that fall within Level 3 of the fair value hierarchy. The limited partnership will continue until the dissolution of the last underlying fund or termination at the General Partner’s discretion. Withdrawals, redemptions, or transfers are not permitted during the life of the partnership.

3-B. Receivables

Receivables at June 30, 2018, consisted of property taxes, sales taxes, accounts (billings for user charges), installment loans (arising from the sale of the School System’s buildings) and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the School System’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

On June 19, 2015, the School System sold its 2861 Lakeshore Drive, College Park property to a third party at a sales price of \$1,750,000 and executed a promissory note for \$1,749,000 at a zero percent interest rate over a 120 month term with monthly payments commencing in June 2015. The loan receivable matures in June 2025. The loan receivable balance due from this third party as of June 30, 2018 is \$1,322,000.

On December 18, 2015, the School System sold its 3121 Norman Berry Drive, East Point property to a third party at a sales price of \$600,000 and executed a promissory note for \$600,000 at a zero percent interest rate over a 60 month term with monthly payments commencing in December 2015. The loan receivable matures in December 2020. The loan receivable balance due from this third party as of June 30, 2018 is \$300,000.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 – Detailed Notes on All Funds (Continued)

3-B. Receivables (Continued)

On May 23, 2018, the School System sold its 2626 Hogan Road, East Point property to a third party at a sales price of \$1,730,000 and executed a promissory note for \$1,555,000 at a 5% interest rate over a 120 month term with monthly payments commencing in June 2018. The loan receivable matures in May 2028. The loan receivable balance due from this third party as of June 30, 2018 is \$1,544,715.

Annual installment loan receivable balances due to the System to maturity as of June 30, 2018 for these three (3) promissory notes are as follows:

Fiscal Year Ending	Principal	Interest	Total
2019	\$ 435,464	\$ 66,925	\$ 502,389
2020	441,274	61,115	502,389
2021	387,351	55,039	442,390
2022	333,706	48,683	382,389
2023	340,354	42,035	382,389
2024-2028	1,228,566	99,265	1,327,831
Total	<u>\$ 3,166,715</u>	<u>\$ 373,062</u>	<u>\$ 3,539,777</u>

3-C. Property Taxes

Property taxes for June 30, 2018 fiscal year were levied and billed in November 2017, based on the property values assessed as of January 1, 2017, and are payable on or before January 15, 2018. An interest penalty of 10% per annum is charged on property taxes not paid within 90 days of the due date. Property taxes become an enforceable lien on January 31, 2018.

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Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 – Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2018</u>
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 265,943,554	\$ 17,623	\$ 580,140	\$ 265,381,037
Construction in progress	65,348,799	34,700,315	80,555,512	19,493,602
Total nondepreciable capital assets	<u>331,292,353</u>	<u>34,717,938</u>	<u>81,135,652</u>	<u>284,874,639</u>
Depreciable capital assets:				
Buildings and improvements	2,332,225,706	80,555,512	41,816,247	2,370,964,971
Machinery and equipment	38,519,023	4,953,421	6,025,215	37,447,229
Vehicles	61,291,393	17,403,715	3,024,619	75,670,489
Total depreciable capital assets	<u>2,432,036,122</u>	<u>102,912,648</u>	<u>50,866,081</u>	<u>2,484,082,689</u>
Total capital assets	<u>2,763,328,475</u>	<u>137,630,586</u>	<u>132,001,733</u>	<u>2,768,957,328</u>
Accumulated depreciation:				
Buildings and improvements	746,670,938	50,080,474	29,103,951	767,647,461
Machinery and equipment	26,095,676	1,879,787	5,498,310	22,477,153
Vehicles	37,219,630	3,656,212	2,939,179	37,936,663
Total accumulated depreciation	<u>809,986,244</u>	<u>55,616,473</u>	<u>37,541,440</u>	<u>828,061,277</u>
Governmental activities capital assets, net	<u>\$ 1,953,342,231</u>	<u>\$ 82,014,113</u>	<u>\$ 94,460,293</u>	<u>\$ 1,940,896,051</u>
Governmental activities depreciation expense:				
Instruction		\$ 39,590,262		
Pupil services		205,574		
Improvement of instructional services		844,342		
Educational media services		2,015,107		
General administration		26,761		
School administration		1,208,247		
Business administration		510,841		
Maintenance and operation of plant		1,076,613		
Student transportation services		6,013,240		
Central services		500,434		
Other support services		13,384		
Food service		<u>3,611,668</u>		
Total governmental activities depreciation expense		<u>\$ 55,616,473</u>		

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 – Detailed Notes on All Funds (Continued)

3-E. Interfund Balances and Transfers

Interfund Balances - Interfund receivables and payables relate to cash overdrafts in the cash and investment pool.

<u>Payable to:</u>	<u>Payable from:</u>		<u>Payable to:</u>	<u>Payable from:</u>
	Nonmajor governmental fund	General fund		General fund
Nonmajor governmental fund	\$ 30,187	\$ 12,977	Pension trust fund	\$ 2,132,391
General fund	3,693,433	-		
	<u>\$ 3,723,620</u>	<u>\$ 12,977</u>		

Interfund Transfers –The transfers between the general fund and nonmajor governmental funds are for miscellaneous items. Transfers between the general fund and the 2012 SPLOST fund are for reimbursement of SPLOST expenditures that were paid by the general fund in the prior fiscal years. The transfers between the 2017 SPLOST Fund to the nonmajor governmental funds (specifically the Debt Service Fund) were for debt service payments on the District’s outstanding general obligation bonds in accordance with the SPLOST Referendum.

<u>Transfers to:</u>	<u>Transfers from:</u>				<u>Total</u>
	General fund	Nonmajor governmental fund	2012 SPLOST fund	2017 SPLOST fund	
General fund	\$ -	\$ 23,080	\$ 1,323,017	\$ -	1,346,097
2017 SPLOST fund	51,290	-	-	-	51,290
2012 SPLOST fund	812,591	393,253	-	1,271,727	2,477,571
Nonmajor governmental funds	734,199	-	-	12,131,344	12,865,543
Total	<u>\$ 1,598,080</u>	<u>\$ 416,333</u>	<u>\$ 1,323,017</u>	<u>\$ 13,403,071</u>	<u>\$ 16,740,501</u>

3-F. Deferred Inflows/Outflows of Resources

Fund Financial Reporting Level - In addition to liabilities, the Statement of Net Position and the governmental funds balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School System reports one of these items, *unavailable revenue*, only in the governmental funds balance sheet. The governmental funds report unavailable revenues for both property taxes (\$13,386,442) and state grants for construction (\$829,825). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Government-wide Financial Reporting Level - The School System also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability and net other postemployment benefits (OPEB) liability. Certain changes in the net pension liability and net OPEB liability are recognized as pension and OPEB expenses over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the School System’s actuary which adjust the net pension liability and net OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and OPEB expenses over the expected remaining service lives of Plan members.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Deferred Inflows/Outflows of Resources (Continued)

Changes in actuarial assumptions, changes in proportion, and the difference between School System contributions and the proportionate share of contributions, which adjust the net pension liability and net OPEB liability, are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension and OPEB expense over a five-year period. Additionally, any contributions made by the School System to the pension and OPEB plans before fiscal year end but subsequent to the measurement date of the School System's net pension liability and net OPEB liability are reported as deferred outflows of resources.

3-G. Compensated Absences

School System employees can earn annual vacation leave based on length of service, up to a maximum of 20 days after 10 years of service. Annual vacation leave may be accumulated up to a maximum of 60 days. Sick and personal leave is accrued at 1.25 to 2 days per month, and may be accumulated, up to 20 days per year, with a maximum accumulation of 120 days. If an employee retires from the School System with a minimum of 10 years of service, the School System will pay the employee for one-half of their accumulated sick and personal leave, up to 40 days (a total of 80 days of accumulated leave).

3-H. Long-term Debt and Obligations

Governmental Activities – The School System has the following long-term debt obligations at June 30, 2018.

1998 Series General Obligation Bonds – On June 15, 1998, the School System issued \$135,150,000 of general obligation refunding bonds, Series 1998, with interest payments due semiannually on January 1 and July 1 and principal payments due on January 1 of each fiscal year. Interest rates vary from 4.0% to 5.5%. This debt refunded general obligation bonds, Series 1993 in the amount of \$160,710,000. The estimated amount of refunded debt related to this issue still outstanding at June 30, 2018 is \$32,715,000.

Annual debt service requirements to maturity as of June 30, 2018 are as follows:

Fiscal Year Ending	Principal	Interest	Total
2019	\$ 10,330,000	\$ 1,799,325	\$ 12,129,325
2020	10,890,000	1,231,175	12,121,175
2021	11,495,000	632,225	12,127,225
Total	<u>\$ 32,715,000</u>	<u>\$ 3,662,725</u>	<u>\$ 36,377,725</u>

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 – Detailed Notes on All Funds (Continued)

2011 Intergovernmental Agreement – City of Union City, Georgia – On August 1, 2011, the School System entered into an intergovernmental agreement with the City of Union City, Georgia to pay the City installments sufficient for the City to pay their debt service on bonds. The bonds, issued in the amount of \$35,635,000, are special limited obligation revenue term bonds (federally taxable qualified school construction bonds – direct payment) of the City. The bonds carry an interest rate of 4.730% and are due January 1, 2027. Under the agreement, the School System will pay the City installment payments sufficient to pay the debt service on the bonds. The School System’s obligation to make payments is absolute and unconditional. The bonds are being issued for the purpose of paying a portion of the cost of constructing and equipping a replacement high school for the existing Banneker High School.

Annual debt service requirements to maturity as of June 30, 2018 are as follows:

Fiscal Year Ending	Principal	Interest	Total
2019	\$ 2,375,667	\$ 1,685,536	\$ 4,061,203
2020	2,375,667	1,685,536	4,061,203
2021	2,375,667	1,685,536	4,061,203
2022	2,375,667	1,685,535	4,061,202
2023	2,375,666	1,685,535	4,061,201
2024-2027	<u>9,502,664</u>	<u>6,742,142</u>	<u>16,244,806</u>
Total	<u>\$ 21,380,998</u>	<u>\$ 15,169,820</u>	<u>\$ 36,550,818</u>

Changes in Long-term Debt and Obligations – Changes in the School System’s long-term debt and obligations consisted of the following for the fiscal year ended June 30, 2018:

	Outstanding 6/30/2017 (restated)	Additions	Reductions	Outstanding 6/30/2018	Amounts Due in One Year
Governmental Activities					
1998 general obligation bonds	\$ 42,520,000	\$ -	\$ 9,805,000	\$ 32,715,000	\$ 10,330,000
2011 intergovernmental agreement	23,756,665	-	2,375,667	21,380,998	2,375,667
Workers' compensation					
insurance claims	6,541,867	3,691,859	6,612,019	3,621,707	1,810,853
Other claims and judgments	262,834	415,048	37,650	640,232	608,909
Net OPEB liabilities	804,113,286	43,931,558	88,515,822	759,529,022	-
Net pension liabilities	1,054,206,269	195,870,175	269,101,696	980,974,748	-
Compensated absences	<u>32,136,697</u>	<u>37,216,241</u>	<u>32,805,282</u>	<u>36,547,656</u>	<u>32,892,890</u>
Total Governmental Activities	<u>\$ 1,963,537,618</u>	<u>\$ 281,124,881</u>	<u>\$ 409,253,136</u>	<u>\$ 1,835,409,363</u>	<u>\$ 48,018,319</u>

The beginning balances for governmental activities long-term debt and obligations has been restated as a result of the School System implementing GASB 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*. For further discussions, see footnotes 3-J and 4-F.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 – Detailed Notes on All Funds (Continued)

Changes in Long-term Debt (Continued) – The debt service fund retires the general obligation bonds. The 2012 and 2017 SPLOST capital projects funds will retire the intergovernmental agreement. If future special purpose local option sales taxes are not approved, the general fund will retire this obligation. Primarily the general fund retires the workers' compensation insurance claims, other claims and judgments and compensated absences and is used to liquidate pension and OPEB liabilities.

3-I. Pensions

The School System's employees either belong to the Teachers' Retirement System of Georgia (TRS), which is a cost-sharing multiple employer public employees' retirement system or the Fulton County School Employees Pension Plan, a single employer defined benefit pension plan.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and the Fulton County School Employees Pension Plan and additions to/deductions from these plans fiduciary net position have been determined on the same basis as they are reported by these plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Teachers' Retirement System of Georgia (TRS)

Plan Description - Substantially all teachers, administrators, and clerical personnel employed by the School System are members of TRS. 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. TRS, is a cost-sharing multiple-employer defined benefit pension plan, and is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. which assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Plan Benefits - A member is eligible for retirement after 30 years of creditable service, regardless of age, or after 10 years of creditable service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service. If an employee retires under this provision, the benefit will be permanently reduced by the lesser of one-twelfth of 7% for each month below age 60, or 7% for each year or fraction of a year less than 30 years of creditable service. Retirement benefits paid to members are equal to 2% of the average of the member's two consecutive highest paid years of service multiplied by the number of years of creditable service up to 40 years. The normal retirement pension is payable monthly for life. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary on the member's death.

Retirement benefits also include death and disability benefits whereby the disabled member or surviving spouse is entitled to receive annually an amount equal to the member's service retirement benefit or disability retirement, whichever is greater. The benefit is based on the member's creditable service (minimum of 10 years) and compensation up to the date of death.

Members become fully vested after ten years of service. If a member is terminated with less than ten years of service, no vesting of employer contributions occurs, but the member's contribution is refunded with interest.

Funding Policy - Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2018. The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 16.81% of annual School District payroll. District contributions to TRS were \$96,215,329 for the fiscal year ended June 30, 2018.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2018, the School System reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School System by the State of Georgia for certain public school support personnel.

The amount recognized by the School System as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

District's proportionate share of the net pension liability	\$ 892,266,512	
State of Georgia's proportionate share of the net pension liability associated with the School System		631,715
Total	\$ 892,898,227	

The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2017. At June 30, 2017, the District's proportion was 4.800924%, which was an increase of 0.117276% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized total pension expense of \$121,049,039 (\$101,942,568 for the TRS Plan and \$19,106,471 for the Local Pension Plan) and revenue of \$10,119 (pertaining to the TRS Plan) for support provided by the State of Georgia for certain support personnel. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions (TRS) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between School System contributions and proportionate share of contributions	\$ 26,595,296	\$ 16,038,348
Differences between expected and actual experience	33,376,264	3,367,320
Changes of assumptions	19,559,588	-
Contributions made by the School System subsequent to the measurement date	96,215,329	-
Net difference between projected and actual earnings on pension plan investments	-	6,140,286
Total	\$ 175,746,477	\$ 25,545,954

District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Fiscal Year Ending June 30,	Amount
2019	\$ (1,582,207)
2020	50,539,100
2021	23,918,083
2022	(19,826,936)
2023	937,154
Total	\$ 53,985,194

Actuarial assumptions: The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.75%
- Salary increases 3.25 – 9.00%, average, including inflation
- Investment rate of return 7.50%, net of pension plan investment expense, including inflation

Postretirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries’ projection scale BB (set forward one year for males) for service requirements and dependent beneficiaries. The RP-2000 Disabled Mortality table with future mortality improvement projected to 2025 with Society of Actuaries’ projection scale BB (set forward two years for males and four years for females) was used for the death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB. There is a margin for future mortality improvements in the tables used by the School System. Based on the results of the most recent experience study adopted by the Board on November 18, 2015, the numbers of expected future deaths are 8-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rated of Return*
Fixed Income	30.00%	-0.50%
Domestic large equities	39.80%	9.00%
Domestic mid equities	3.70%	12.00%
Domestic small equities	1.50%	13.50%
International developed market equities	19.40%	8.00%
International emerging market equities	5.60%	12.00%
Total	<u>100.00%</u>	

*Rates are reported net of the 2.75% assumed rate of inflation

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the School System proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 %) or 1-percentage-point higher (8.50 %) than the current rate:

	1% Decrease or 6.5%	Current Discount Rate 7.5%	1% Increase or 8.5%
District's proportionate share of the net pension liability	\$ 1,464,314,034	\$ 892,266,512	\$ 421,027,928

Fulton County School Employees’ Pension Plan

Plan Description - All full-time School System employees who are not members of TRS are required to participate in the Fulton County School Employees’ Pension Fund (the "Fund"), a mandatory, single-employer defined benefit pension plan established by state statute. All full-time School System personnel employed prior to June 30, 1988 and who were transferred to TRS on July 1, 1988, retained membership in the Fund, as well as potential benefits from the Fund, although primary benefits will be from TRS. All Plan participant, actuarial and fund data include these employees as members.

The Fulton County School Employees’ Pension Fund board administers the Fund. The Pension Board consists of seven voting members and one non-voting member. The school superintendent is the non-voting member. The voting members of the board include:

- The chief financial officer
- The executive director of fiscal services
- Two members nominated by the Pension Board and appointed by the School Board for four year terms who shall be former teachers or employees of the School System and participants in the Plan.
- Two members nominated by the Pension Board and appointed by the School Board for four year terms who shall be active teachers or employees of the School System and participants in the Plan.
- One member nominated by the Pension Board and appointed by the School Board for four year terms who shall be a school administrator of the School System and a participant in the Plan.

The School System issues a publicly available financial report that includes financial statements and required supplementary information for the Fund. The financial reports may be obtained by writing to Fulton County School Employees’ Pension Fund, at 6201 Powers Ferry Road NW, Atlanta, Georgia 30339.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Fund Membership - At July 1, 2017, the date of the most recent actuarial valuation, there were 5,411 participants respectively, consisting of the following:

	July 1, 2017
Active plan participants	1,880
Inactive plan members entitled to but not yet receiving benefits	481
Inactive plan members or beneficiaries currently receiving benefits	3,050
 Total participants	 5,411

Plan Benefits – Benefits for members covered under the 1978 Pension Law are 2% of the participant’s final average monthly earnings multiplied by the years of creditable service. For members covered under the 1962 Pension Law, benefits are 1.76% of the participant’s final average monthly earnings multiplied by years of creditable service. The maximum monthly benefit is equal to 75% of final average monthly earnings. The Fund awards a 3% cost of living increase annually.

Benefits vest after 10 years of service. Most participants are eligible to receive benefits at 65 and 55 years old with 25 and 30 years of creditable service, respectively, at the time of disability and at death. Benefits vary based on certain benefit elections made by members.

Funding Policy - The contribution requirements of Plan members and the School System are established in accordance with the applicable state and local pension law. Fund members covered under the 1978 law contribute 6.6% of gross salary if beneficiary coverage is elected and 5.6% of gross salary if beneficiary is not elected. Members covered under the 1962 law contribute 6% of gross salary if beneficiary coverage is elected and 5% of gross salary if beneficiary coverage was not elected. Members covered under laws prior to 1962 contribute amounts prescribed in those laws. The School System’s contribution is the actuarially determined amount necessary to fund Plan benefits; the current rate is 39.52% of annual covered payroll. The contribution requirements of Plan members and the School System are established and may be amended by the Pension Board. Total contributions to the Plan for the fiscal year ended June 30, 2018 was \$23,193,000.

Net Pension Liability - The School System’s net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability of the School System at June 30, 2018 were as follows:

Total pension liability	\$	504,742,093
 Plan fiduciary net position		 416,033,857
 Net pension liability	 \$	 88,708,236
 Plan fiduciary net position as a percentage of the total pension liability		 82.43%

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2017 with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2018. The following actuarial assumptions apply to all periods included in the measurement:

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Inflation	2.75%
Salary increases	Service-graded rates
Mortality	RP-2000 mortality set forward 2 years for employees and healthy annuitants with generational projection per Scale AA
Investment rate of return	7% net of expenses, including inflation
Cost of living adjustments	3%

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period of July 1, 2006 – June 30, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return	Long-term Expected Geometric Real Rate of Return
Core Fixed Income	16.80%	2.65%	2.51%
Bank/Leverage Loans	7.90%	2.95%	2.64%
Inflation-Indexed Bonds	4.40%	1.81%	1.67%
High Yield Bonds	4.90%	5.61%	5.05%
Emerging Market Bonds	4.00%	3.91%	2.94%
Large Cap US Equities	7.00%	4.57%	3.37%
Mid Cap US Equities	26.80%	4.78%	3.52%
Small Cap US Equities	6.90%	5.81%	3.86%
Developed Foreign Equities	17.10%	6.06%	4.35%
Emerging Markets Equities	3.40%	8.12%	4.84%
Master Limited Partnerships	0.80%	4.23%	2.83%
Assumed Inflation - Mean		2.75%	2.75%
Assumed Inflation - Standard Deviation		1.85%	1.85%
Assumed Investment Management Fees		-0.10%	-0.10%
Portfolio Nominal Mean Return		4.44%	3.75%
Portfolio Real Mean Return		7.20%	6.59%
Portfolio Standard Deviation			11.61%
Long-term Expected Rate of Return			7.00%

Discount Rate – The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the School System’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the School System, calculated using the discount rate of 7%, as well as the School System’s net pension liability would be if it were calculated using a discount rate that is 1% lower (i.e., 6%) or 1% higher (i.e., 8%) than the current rate.

	1% Decrease or 6%	Current Discount Rate 7%	1% Increase or 8%
Total Pension Liability	\$ 559,388,998	\$ 504,742,093	\$ 458,486,205
Fiduciary Net Position	416,033,857	416,033,857	416,033,857
Net Pension Liability	<u>\$ 143,355,141</u>	<u>\$ 88,708,236</u>	<u>\$ 42,452,348</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2018 and the current sharing pattern of costs between employer and employee.

Changes in the Net Pension Liability of the School System - The changes in the components of the net pension liability of the School System for the fiscal year ended June 30, 2018, were as follows:

	(a)	(b)	(a) - (b)
	Total Pension Liability	Increase (Decrease) in Plan Fiduciary Net Position	Net Pension Liability
Balances @ June 30, 2017	\$ 481,933,866	\$ 394,016,402	\$ 87,917,464
Changes for the Fiscal Year:			
Service cost	4,381,345	-	4,381,345
Interest on total pension liability	32,882,506	-	32,882,506
Differences between expected and actual experience	19,226,199	-	19,226,199
Benefit payments	(33,681,823)	(33,681,823)	-
Employer contributions	-	23,193,000	(23,193,000)
Member contributions	-	2,572,698	(2,572,698)
Net investment income	-	30,806,476	(30,806,476)
Administration expenses	-	(872,896)	872,896
Total Changes for the Fiscal Year	<u>22,808,227</u>	<u>22,017,455</u>	<u>790,772</u>
Balances @ June 30, 2018	<u>\$ 504,742,093</u>	<u>\$ 416,033,857</u>	<u>\$ 88,708,236</u>

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

For the fiscal year ended June 30, 2018, the School System recognized pension expense of \$19,106,471. Also at June 30, 2018, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,105,385	\$ 1,312,016
Net difference between projected and actual earnings on pension plan investments	4,300,392	-
Total	\$ 16,405,777	\$ 1,312,016

Amounts currently reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount
2019	\$ 12,759,248
2020	7,596,697
2021	(4,646,519)
2022	(615,665)
Total	\$ 15,093,761

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Other Postemployment Employment Benefits

Plan Description - The School System participates in the State of Georgia School Employees Postemployment Benefit Fund (the "School OPEB Fund") which is another postemployment benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and non-certified employees of the School System as defined in §20-2-875 of the *Official Code of Georgia Annotated* (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund of the State of Georgia and administered by a Board of Community Health (DCH Board). Title 20 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the DCH Board. The School OPEB Fund is included in the State of Georgia Comprehensive Annual Financial Report which is publicly available and can be obtained at <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

Benefits - The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the OPEB Fund is permitted.

Contributions - As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School System were \$27,927,127 for the fiscal year ended June 30, 2018. Active employees are not required to contribute to the School OPEB Fund.

Other Postemployment Benefits - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia School Employees Postemployment Benefit Fund (School OPEB) and additions to/deductions from the School OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Effective July 1, 2017, the School System implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly changed the School System's accounting for OPEB amounts. The information disclosed in this note is presented in accordance with this new standard.

At June 30, 2018, the School System reported a liability of \$759,529,022 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2016. An expected total OPEB liability as of June 30, 2017 was determined using standard roll-forward techniques. The School System's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2017. At June 30 2017, the School System's proportion was 5.405916%, which was a decrease of 0.019845% from its proportion measured as of June 30, 2016.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

For the fiscal year ended June 30, 2018, the School System recognized OPEB expense of \$43,709,409. At June 30, 2018, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 222,149	\$ -
Changes in proportion and differences between School System contributions and proportionate share of contributions	-	2,492,749
Changes in plan assumptions	-	57,836,198
School System contributions subsequent to the measurement date	27,927,127	-
Total	<u>\$ 28,149,276</u>	<u>\$ 60,328,947</u>

School System contributions subsequent to the measurement date of \$27,927,127 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year ending June 30:	
2019	\$ (10,794,994)
2020	(10,794,994)
2021	(10,794,994)
2022	(10,794,994)
2023	(10,850,531)
2024	(6,076,291)
Total	<u>\$ (60,106,798)</u>

Actuarial assumptions - The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017:

Inflation	2.75%
Salary increases	TRS - 3.25 – 9.00%, including inflation P S E R S – N / A
Long-term expected rate of return	3.88%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare Eligible	7.75%
Medicare Eligible	5.75%
Ultimate trend rate	
Pre-Medicare Eligible	5.00%
Medicare Eligible	5.00%
Year of Ultimate trend rate	2022

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

- For TRS Members: The RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward 1 year for males) was used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 2 years for males and four years for females) was used for death after disability retirement.
- For PSERS Members: The RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) was used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the pension system, which covered the five-year period ending June 30, 2014.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the School System and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

Additionally, there was a change that affected measurement of the total OPEB liability since the prior measurement date. The methodology used to determine employee and retiree participation in the School OPEB Fund is based on their current or last employer payroll location. Current and former employees of public school districts, libraries, regional educational service agencies, and community colleges are allocated to the School OPEB Fund irrespective of retirement system affiliation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Local Government Investment Pool	100%	3.88%

Discount rate - The discount rate has changed since the prior measurement date from 3.07% to 3.58%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.58% was used as the discount rate. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.56% per the Bond Buyer Index). The projection of cash flows used to determine the discount rate assumed that the current sharing of costs between the employer and the member will continue and that contributions from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2115. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2029. Therefore, the long-term expected rate of return on OPEB plan investments was applied to discount projected benefit payments until 2029. The discount rate of 3.58% was the single rate which, when applied to all projected benefit payments, resulted in the same present value of benefit payments when the above discussed calculations are combined. The calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the discount rate - The following presents the School System's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the School System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate:

	<u>1% Decrease (2.58%)</u>	<u>Current discount rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
School System's proportionate share of the net OPEB liability	\$ 901,804,660	\$ 759,529,022	\$ 647,244,728

Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate - The following presents the School System's proportionate share of the net OPEB liability calculated using the healthcare cost trend rates of 5.00% to 7.75%, as well as what the School System's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00% to 6.75%) or 1-percentage-point higher (6.00% to 8.75%) than the current rates:

	<u>1% Decrease (4.00% to 6.75%)</u>	<u>Current discount rate (5.00% to 7.75%)</u>	<u>1% Increase (6.00% to 8.75%)</u>
School System's proportionate share of the net OPEB liability	\$ 629,563,028	\$ 759,529,022	\$ 928,744,547

3-K. Fund Equity (Note 1-E-10)

Fund Balances – Fund balances are classified as follows:

- **Nonspendable** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:

Prepaid items \$ 478,927

2017 SPLOST Capital Projects Fund:

Prepaid items \$ 842,767

Nonmajor Governmental Funds:

Prepaid items \$ 922,519
Inventories 722,018
\$ 1,644,537

Nonmajor Permanent Fund

Balance \$ 3,261

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Restricted – The following fund balances are legally restricted to specified purposes:

2012 SPLOST Capital Projects Fund:	
Capital projects	<u>\$ 53,031,971</u>
2017 SPLOST Capital Projects Fund:	
Capital projects	<u>\$ 100,780,013</u>
Nonmajor Governmental Funds:	
School nutrition program	\$ 16,136,519
Capital projects	4,639,639
Principal and interest on long-term bonds	4,711,385
Principals' funds	3,934,764
Program purposes	<u>72,568</u>
Total Nonmajor Governmental Funds:	<u>\$ 29,494,875</u>

- **Committed** – The following fund balances are committed to specific purposes:

General Fund:	
Working capital reserve	\$ 50,617,386 *
Catastrophic event reserve	50,617,386 **
Revenue stabilization reserve	50,617,386 ***
Textbooks	10,000,000
Risk management	4,000,000
Charter school	4,400,000
Proficiency scales	300,000
Musical instruments	805,617
Student information system	2,100,000
Midyear	<u>1,600,000</u>
Total General Fund	<u>\$ 175,057,775</u>

* This was approved and established by the Board based upon 5% of annual budgeted expenditures and is intended to be permanent in nature and not subject to draw down.

** This was approved and established by the Board based upon 5% of annual budgeted expenditures and may be drawn down in the event of unanticipated catastrophic events.

*** This was approved and established by the Board based upon 5% of annual budgeted expenditures and may be drawn down in the event of a decrease in the property tax digest or reduction of state funding.

- **Assigned** – The following fund balances are assigned to specific purposes:

General Fund:	
Subsequent year's operating budget	<u>\$ 5,006,750</u>

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Net Investment in Capital Assets – The net investment in capital assets reported on the government-wide statement of net position as of June 30, 2018 are as follows:

	Governmental Activities
Net investment in capital assets:	
Cost of capital assets	\$ 2,768,957,328
Less accumulated depreciation	828,061,277
Book value	1,940,896,051
Less capital related debt	54,095,998
Less retainage payable	846,069
Net investment in capital assets	\$ 1,885,953,984

3-L. Operating Leases

Lessor Agreement - The School System leases certain parcels of land for use by others (cell towers) for varying terms. The leases are accounted for as operating leases and revenues are recorded when earned. Revenue derived from these leases during fiscal year 2018 was \$730,112 and is reported as local revenue in the School System’s general fund.

The following is a schedule of minimum future rentals to be received under these operating leases at June 30, 2018:

Fiscal Year Ending June 30,	Amount
2019	\$ 141,995
2020	93,970
2021	63,230
2022	65,259
2023	63,230
2024-2028	253,784
Total	\$ 681,468

3-M. On-behalf Payments for Fringe Benefits

The School System has recognized revenue and expenditures of \$62,560 for teachers’ pension cost paid by the Georgia Department of Education on the School System’s behalf to the Georgia Department of Community Health for non-certified personnel.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 4 – Other Notes

4-A. Risk Management

The School System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets (property, plant and equipment); Management Liability (School Board Legal); Workers Compensation (job related injuries or illnesses to employees); Fleet accidents (vehicle(s)); theft of funds (money, securities, etc.); Acts of God and Unemployment Compensation.

The School System has in place commercial insurance for risk of loss exposures associated with assets (property, plant and equipment) and theft of funds (money, securities, etc.). Effective July 1, 2009 the School System began self-insuring the following exposures under a Defense and Indemnity Agreement: Fleet (all District owned vehicles), School Children in Transit; Employment Related Incidents, excluding Workers Compensation, Management Liability, and General Liability. The School System also relies on the protection of Sovereign Immunity under the Georgia Constitution.

Workers' Compensation Claims – The School System has elected to self-insure its Workers' Compensation exposure. The School System has established a Risk Management Program to include Workers' Compensation administration and claims. In connection with this program, a Self-Insurance Reserve Fund has been established within the General Fund by the School System. The School System accounts for claims within the General Fund with expenses/expenditures and liabilities being reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

Changes in the Workers' Compensation claims liability during the last three fiscal years are as follows:

Fiscal Year Ended June 30,	Beginning of Fiscal Year Liability	Current Fiscal Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2016	\$ 7,915,014	\$ 7,120,340	\$ 8,733,354	\$ 6,302,000
2017	6,302,000	7,031,225	6,791,358	6,541,867
2018	6,541,867	3,691,859	6,612,019	3,621,707

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

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$100,000

4-B. Contingent Liabilities

Grant Contingencies - The School System has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the School System believes such disallowances, if any, will be immaterial.

Litigation - The School System was a defendant in several lawsuits at June 30, 2018. The total range of reasonably possible amounts for these cases is from \$16,000 to \$975,000. In the opinion of School System management and legal counsel, any potential liability related to these suits pending or unasserted claims are not estimable.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 4 – Other Notes (Continued)

4-C. Commitments

Construction Commitments - As of June 30, 2018, the School System has made the following significant construction commitments:

<u>Contractor</u>	<u>Total Contract</u>	<u>Remaining Commitments</u>
Complete Demolition Services, LLC	\$ 1,216,633	\$ 47,640
Field Turf USA, Inc.	3,045,511	1,948,626
Gilbane Construction	23,357,399	22,834,118
NetPlanner Systems, Inc.	4,055,456	2,351,099
R.K. Redding Construction	2,626,694	90,472
SRS, Inc.	2,219,500	1,795,198
Winter Construction Group	3,821,961	2,105,254
Total	<u>\$ 40,343,154</u>	<u>\$ 31,172,407</u>

Encumbrance Commitments - As of June 30, 2018, the School System has encumbered amounts that they intend to honor in the subsequent fiscal year for the following major governmental funds:

Major Governmental Funds:	
General Fund	\$ 20,911,956
2017 SPLOST Capital Projects Fund	51,247,458
2012 SPLOST Capital Projects Fund	<u>3,800,238</u>
Total Major Governmental Funds:	<u>\$ 75,959,652</u>
Total Nonmajor Governmental Funds	<u>\$ 1,053,428</u>

The majority of the construction commitments also are encumbered and included in the above amounts.

4-D. Pollution Remediation Obligations

The School System has been named as the potentially responsible party for remediation of the petroleum contamination at two of our facilities - Old South Fulton Transportation Facility located at 71 Heath Street, Fairburn and Old North Fulton Transportation Facility located at 1540 Warsaw Road, Roswell. After meeting the obligation of the \$10,000 deductible for each site, the Georgia Underground Storage Tank (GUST) Trust Fund began reimbursing the School System for funds spent on remedial activities. There is no liability reported since all costs will be reimbursed.

4-E. Tax Abatements

For the fiscal year ended June 30, 2018, School System tax revenues were reduced by \$4,832,479 as a result of agreements entered into by the Development Authority of Fulton County. Under these agreements, taxes on both real and personal property are reduced based on incentives and economic development programs offered by the Development Authority.

Fulton County Board of Education, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 4 – Other Notes (Continued)

4-F. Restatements

In conjunction with the implementation of Governmental Accounting Standards (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the School District is required to change its accounting treatment of the OPEB liability and the related OPEB expense. The new standard requires that the School System’s proportionate share of the net OPEB liability be recorded on the statement of net position for its governmental activities. Therefore, in conjunction with the implementation of GASB Statement No. 75, the following restatement was required to the beginning net position of governmental activities to properly recognize the School’s net OPEB liability and related deferred outflows of resources for contributions subsequent to the measurement date as of the end of the prior period.

	Governmental Activities
Net position, as previously reported	\$ 1,404,079,333
Restatement for implementation of GASB Statement No. 75:	
Net OPEB liability as of June 30, 2017	(804,113,286)
Deferred outflows of resources - contributions	28,186,875
Net position, as restated (before the below prior period adjustment)	\$ 628,152,922

During fiscal year 2018, the School System determined that a restatement of beginning net position of governmental activities was required due to an error made in prior years of not recording a note receivable on the statement of net position under the full accrual basis of accounting pertaining to the sale of property owned by the School System. At the time of the sales of property, the School System entered into a promissory note with two (2) third parties in which the School System would paid in installments over a certain timeframe. The School System properly removed the property from its capital assets in the prior periods but failed to record the installment loan receivables on the statement of net position and the related revenue (or reduction of the loss from sale of capital assets that was allocated to program expenses) on the statement of activities in the prior years.

As result of this error, the following prior period adjustment was required:

	Governmental Activities
Restated net position after GASB 75 adjustment from above	\$ 628,152,922
Record Loan Note Receivables for sale of property in prior years	1,931,000
Net position, as restated	\$ 630,083,922

**REQUIRED SUPPLEMENTARY
INFORMATION**

Fulton County Board of Education, Georgia
Required Supplementary Information
Schedule of the School System's Proportionate Share of Net Pension Liability
Teachers Retirement System of Georgia
For the Fiscal Years Ended June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School System's proportion of the net pension liability	4.800924%	4.683648%	4.840253%	4.721326%
School System's proportionate share of the net pension liability	\$ 892,266,512	\$ 966,288,805	\$ 736,880,456	\$ 596,477,266
State of Georgia's proportionate share of the net pension liability associated with the District	<u>631,715</u>	<u>839,686</u>	<u>733,949</u>	<u>321,780</u>
Total	<u>\$ 892,898,227</u>	<u>\$ 967,128,491</u>	<u>\$ 737,614,405</u>	<u>\$ 596,799,046</u>
School System's covered payroll	\$ 551,257,463	\$ 513,749,166	\$ 508,061,985	\$ 480,206,823
School System's proportionate share of the net pension liability as a percentage of its covered payroll	161.86%	188.09%	145.04%	124.21%
Plan fiduciary net position as a percentage of the total pension liability	79.33%	76.06%	81.44%	84.03%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Fulton County Board of Education, Georgia
Required Supplementary Information
Schedule of School System's Contributions
Teachers Retirement System of Georgia
For the Fiscal Years Ended June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 96,215,329	\$ 78,664,440	\$ 73,312,006	\$ 66,810,151
Contributions in relation to the contractually required contributions	96,215,329	78,664,440	73,312,006	66,810,151
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School System's covered payroll	572,369,595	551,257,463	513,749,166	508,061,985
Contributions as a percentage of covered payroll	16.81%	14.27%	14.27%	13.15%

Notes to the Schedule:

(1) **Changes of assumptions:** Postretirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on November 18, 2015, the numbers of expected future deaths are 8-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

(2) **Schedule is intended to show ten (10) years of information; additional years will be added as they are available.**

Fulton County Board of Education, Georgia
Required Supplementary Information
Schedule of Changes in the School System's Net Pension Liability and Related Ratios
Fulton County School Employees' Pension Fund
For the Fiscal Years Ended June 30

Total Pension Liability	2018	2017	2016	2015	2014
Service cost	\$ 4,381,345	\$ 4,370,809	\$ 4,623,790	\$ 5,625,193	\$ 5,091,739
Interest on total pension liability	32,882,506	33,036,913	32,687,981	32,346,582	31,987,391
Differences between expected and actual experience	19,226,199	(6,560,082)	(765,488)	(3,609,613)	1,959,567
Benefit payments, including refunds of employee contributions	(33,681,823)	(32,457,819)	(31,694,134)	(30,973,571)	(30,693,628)
Net Change in Total Pension Liability	22,808,227	(1,610,179)	4,852,149	3,388,591	8,345,069
Total Pension Liability - Beginning of Fiscal Year	481,933,866	483,544,045	478,691,896	475,303,305	466,958,236
Total Pension Liability - End of Fiscal Year	\$ 504,742,093	\$ 481,933,866	\$ 483,544,045	\$ 478,691,896	\$ 475,303,305
Plan Fiduciary Net Position					
Employer contributions	\$ 23,193,000	\$ 24,333,000	\$ 26,319,000	\$ 29,385,000	\$ 29,179,000
Employee contributions	2,572,698	2,714,675	2,684,487	2,998,844	2,700,403
Net investment income (expense)	30,806,476	44,818,599	(9,257,318)	3,277,028	61,848,328
Benefit payments, including refunds of employee contributions	(33,681,823)	(32,457,819)	(31,694,134)	(30,973,571)	(30,788,335)
Administrative expenses	(872,896)	(787,441)	(962,392)	(960,758)	(924,980)
Net Change in Plan Fiduciary Net Position	22,017,455	38,621,014	(12,910,357)	3,726,543	62,014,416
Total Plan Fiduciary Net Position - Beginning of Fiscal Year	394,016,402	355,395,388	368,305,745	364,579,202	302,564,786
Total Plan Fiduciary Net Position - End of Fiscal Year	\$ 416,033,857	\$ 394,016,402	\$ 355,395,388	\$ 368,305,745	\$ 364,579,202
School System's Net Pension Liability - End of Fiscal Year	\$ 88,708,236	\$ 87,917,464	\$ 128,148,657	\$ 110,386,151	\$ 110,724,103
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.43%	81.76%	73.50%	76.94%	76.70%
Covered Payroll	\$ 58,693,797	\$ 63,420,099	\$ 65,643,933	\$ 67,286,403	\$ 73,331,881
Net Pension Liability as a Percentage of Covered Payroll	151.14%	138.63%	195.22%	164.05%	150.99%

Notes to this Schedule:

This schedule will present 10 years of information once it is accumulated.

Schedule of Investment Returns - Fulton County School Employees' Pension Fund

Annual money-weighted rate of return, net of investment expensed	7.79%	12.75%	-2.86%	1.07%	20.49%
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Notes to this Schedule:

This schedule will present 10 years of information once it is accumulated.

Fulton County Board of Education, Georgia
Required Supplementary Information
Schedule of School System's Contributions
Fulton County School Employees' Pension Fund
For the Last Ten Fiscal Years

<i>Fiscal Year Ended June 30,</i>	<i>Actuarially Determined Contribution</i>	<i>Actual Employer Contribution</i>	<i>Contribution Deficiency (Excess)</i>	<i>Covered Payroll</i>	<i>Contributions as a % of Covered Payroll</i>
2009	\$ 27,035,000	\$ 26,234,000	\$ 801,000	\$ 120,527,736	21.77%
2010 *	27,525,000	27,525,000	-	-	-
2011	29,258,000	29,258,000	-	110,563,251	26.46%
2012	29,534,000	29,534,000	-	95,551,169	30.91%
2013	29,758,000	29,758,000	-	79,060,187	37.64%
2014	29,179,000	29,179,000	-	73,331,881	39.79%
2015	29,385,000	29,385,000	-	67,286,403	43.67%
2016	26,319,000	26,319,000	-	65,643,933	40.09%
2017	24,333,000	24,333,000	-	63,420,099	38.37%
2018	23,193,000	23,193,000	-	58,693,797	39.52%

Notes to The Schedule:

*A full valuation was not performed for this fiscal year.

Methods and Assumptions Used to Determine Contribution Rates:

Valuation Timing	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Layered
Remaining Amortization Period	Generally 30 Years
Asset Valuation Method	5 Year Smoothed Market
Inflation Rate	2.75%
Salary Increases	Service-graded rates
Investment Rate of Return	7%
Cost of Living Adjustments	3%
Retirement Age	Rates Based on Age
Turnover	Rates vary by group and age
Mortality	RP-2000 mortality set forward 2 years for Employees and healthy Annuitants with generational projection per Scale AA

Fulton County Board of Education, Georgia

Required Supplementary Information

School OPEB Fund

Schedule of the School System's Proportionate Share of Net OPEB Liability

	<u>2018</u>
School System's proportion of the net OPEB liability (%)	5.405916%
School System's proportion of the net OPEB liability (\$)	\$ 759,529,022
School System's covered employee payroll	\$ 606,333,293
School System's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	125%
Plan fiduciary net position as a percentage of the net OPEB liability	1.61%

Notes to the Schedule:

Schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

Fulton County Board of Education, Georgia

Required Supplementary Information

School OPEB Fund

Schedule of OPEB Contributions

	<u>2018</u>
Contractually required contribution	\$ 27,927,127
Contributions in relation to the contractually required contribution	<u>27,927,127</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
School System's covered employee payroll	625,746,781
Contributions as a percentage of covered employee payroll	4.46%

Notes to the Schedule:

Schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

Fulton County Board of Education, Georgia

Required Supplementary Information

School System OPEB Fund

Notes to the Schedule

Changes of benefit terms: In the June 30, 2010 actuarial valuation, there was a change of benefit terms to require Medicare-eligible recipients to enroll in a Medicare Advantage plan to receive the State subsidy.

Changes in assumptions: In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

In the June 30, 2012 actuarial valuation, a data audit was performed and data collection procedures and assumptions were changed.

**SUPPLEMENTARY
INFORMATION**

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following funds are included in the special revenue funds category:

- Title I:** This fund is established to account for Title I grants which are provided as part of the “*No Child Left Behind Act of 2001.*” This act provides federal funds through the Georgia Department of Education to local school districts to help disadvantaged children meet high standards.
- Title II:** This fund is established to account for federal funded grants flowing through the Georgia Department of Education to our school district. The funds are used to advance teacher quality through professional learning, preparation, recruitment and retention as well as upgrading teachers’ skills in science and math through training.
- Title III:** This fund is established to account for federally funded grants flowing through the Georgia Department of Education for the purpose of providing supplemental services to improve academic achievement of students who have English as a second language.
- Part B Special Education:** This fund is established to account for federally funded grants flowing through the Georgia Department of Education for the purpose of providing special education programs for handicapped children.
- Education for the Homeless:** This fund is established to account for federally funded grants flowing through the Georgia Department of Education to provide educational services to homeless children.
- School Nutrition Program:** This fund is established to account for the United States Department of Agriculture approved school nutrition program. The intent of the school system is that the cost of the School Nutrition fund be financed or recovered primarily through federal resources and users’ charges.
- Lottery:** This fund is established to account for state funding for the purpose of implementing a Pre-K program.
- Other Federal Grants:** This fund is established to account for federally funded grants which includes Vocational Education, Professional Development Schools, Safety Street, Beat the Traffic and Career Development.
- Other Local Grants:** This fund is established to account for locally funded grants which include DFACS-Childcare, Read to Succeed, Science Literacy and Academic Bowl.
- Principals’ Accounts:** This fund is established to account for various revenues (e.g., commission earned by schools for school pictures and vending machines, locker rental) which may be expended for general school use, primarily to supplement instruction and school administration.

Capital Project Fund

Capital project funds are used to account for the acquisition and construction of major capital outlays other than those financed by proprietary funds. The following fund is included in the capital project funds category:

2002 SPLOST Capital Projects Fund

This fund is established to account for the special purpose local option sales tax as authorized in 2002 and is being used primarily for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities, and renovating existing facilities.

2007 SPLOST Capital Projects Fund

This fund is established to account for the special purpose local option sales tax as authorized in 2007 and is being used primarily for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities, and renovating existing facilities.

Debt Service Fund

This fund accounts for and reports financial sources that are restricted, committed, or assigned to expenditures for general long-term debt principal and interest on the School District's 1991 and 1998 general obligation bonds.

Permanent Fund

The permanent fund is established to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the school boards programs—that is, for the benefit of the school board or its citizenry.

J.C. Day:

This fund is established to account for the bequest of the will of Mr. J.C. Day to be used for the purchase of textbooks in the Alpharetta attendance zone.

Fulton County Board of Education, Georgia
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2018

	Nonmajor Special Revenue Funds	2002 SPLOST Capital Projects Fund	2007 SPLOST Capital Projects Fund	Debt Service Fund	J.C. Day Permanent Fund	Total Nonmajor Governmental Funds
Assets						
Cash and cash equivalents	\$ 22,493,402	\$ 3,379,300	\$ 1,409,901	\$ 4,711,188	\$ 3,261	\$ 31,997,052
Receivables:						
Accounts	63,778	-	-	-	-	63,778
Intergovernmental	8,193,642	-	-	197	-	8,193,839
Interfund	43,164	-	-	-	-	43,164
Prepaid items	22,857	-	-	899,662	-	922,519
Inventory	722,018	-	-	-	-	722,018
Total Assets	<u>\$ 31,538,861</u>	<u>\$ 3,379,300</u>	<u>\$ 1,409,901</u>	<u>\$ 5,611,047</u>	<u>\$ 3,261</u>	<u>\$ 41,942,370</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 1,910,026	\$ 145,712	\$ 3,850	\$ -	\$ -	\$ 2,059,588
Accrued salaries and wages payable	4,118,075	-	-	-	-	4,118,075
Other payables	938,993	-	-	-	-	938,993
Interfund payable	3,723,620	-	-	-	-	3,723,620
Total Liabilities	<u>10,690,714</u>	<u>145,712</u>	<u>3,850</u>	<u>-</u>	<u>-</u>	<u>10,840,276</u>
Fund Balances						
Nonspendable	744,875	-	-	899,662	3,261	1,647,798
Restricted	20,143,851	3,233,588	1,406,051	4,711,385	-	29,494,875
Unassigned	(40,579)	-	-	-	-	(40,579)
Total Fund Balances	<u>20,848,147</u>	<u>3,233,588</u>	<u>1,406,051</u>	<u>5,611,047</u>	<u>3,261</u>	<u>31,102,094</u>
Total Liabilities and Fund Balances	<u>\$ 31,538,861</u>	<u>\$ 3,379,300</u>	<u>\$ 1,409,901</u>	<u>\$ 5,611,047</u>	<u>\$ 3,261</u>	<u>\$ 41,942,370</u>

Fulton County Board of Education, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Nonmajor Special Revenue Funds	2002 SPLOST Capital Project Fund	2007 SPLOST Capital Project Fund	Debt Service Fund	J.C. Day Permanent Fund	Total Nonmajor Governmental Funds
Revenues						
Intergovernmental - state	\$ 8,114,892	\$ -	\$ -	\$ -	\$ -	\$ 8,114,892
Intergovernmental - federal	80,184,461	-	-	-	-	80,184,461
Local sources:						
Property taxes	-	-	-	1,503	-	1,503
Investments earnings	100,763	32,803	18,831	43,880	-	196,277
Charges for services	13,861,518	-	-	-	-	13,861,518
Other	2,935,099	-	-	-	-	2,935,099
Total Revenues	105,196,733	32,803	18,831	45,383	-	105,293,750
Expenditures						
Current:						
Instruction	37,134,761	-	-	-	-	37,134,761
Support services						
Pupil services	5,774,666	-	-	-	-	5,774,666
Improvement of instructional services	16,065,424	-	-	-	-	16,065,424
Educational media services	80,940	-	-	-	-	80,940
Federal grant administration	1,226,208	-	-	-	-	1,226,208
General administration	1,461,700	-	-	-	-	1,461,700
School administration	181,642	-	-	-	-	181,642
Student transportation services	2,557,947	-	-	-	-	2,557,947
Central support services	122,746	-	-	-	-	122,746
Other supporting services	33,886	-	-	-	-	33,886
Food service operations	40,200,521	-	-	-	-	40,200,521
Capital Outlay	-	607,050	46,966	-	-	654,016
Debt service:						
Principal retirement	-	-	-	9,805,000	-	9,805,000
Interest and fiscal charges	-	-	-	2,326,721	-	2,326,721
Total Expenditures	104,840,441	607,050	46,966	12,131,721	-	117,626,178
Excess (Deficiency) of Revenues Over (Under) Expenditures	356,292	(574,247)	(28,135)	(12,086,338)	-	(12,332,428)
Other Financing Sources (Uses)						
Transfers in	734,199	-	-	12,131,344	-	12,865,543
Transfers out	(416,333)	-	-	-	-	(416,333)
Proceeds from sale of capital assets	4,885	1,548,689	-	-	-	1,553,574
Total Other Financing Sources (Uses)	322,751	1,548,689	-	12,131,344	-	14,002,784
Net Change in Fund Balances	679,043	974,442	(28,135)	45,006	-	1,670,356
Fund Balances, Beginning of Fiscal Year	20,169,104	2,259,146	1,434,186	5,566,041	3,261	29,431,738
Fund Balances, End of Fiscal Year	\$ 20,848,147	\$ 3,233,588	\$ 1,406,051	\$ 5,611,047	\$ 3,261	\$ 31,102,094

Fulton County Board of Education, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	<u>Part B Special Education</u>	<u>Education for the Homeless</u>	<u>School Nutrition Programs</u>
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,934,962
Receivables:						
Accounts	-	-	-	-	-	54,046
Intergovernmental	2,839,216	520,892	85,505	1,657,404	2,220	265,536
Interfund	43,164	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Inventories	-	-	-	-	-	722,018
Total Assets	<u>\$ 2,882,380</u>	<u>\$ 520,892</u>	<u>\$ 85,505</u>	<u>\$ 1,657,404</u>	<u>\$ 2,220</u>	<u>\$ 18,976,562</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 619,470	\$ 247,515	13,950	\$ 153,218	\$ -	\$ 274,764
Accrued salaries and wages payable	1,300,614	27,665	32,814	1,221,295	-	915,676
Other payables	9,889	-	-	-	-	927,585
Interfund payable	909,244	258,631	38,809	300,476	2,220	-
Total Liabilities	<u>2,839,217</u>	<u>533,811</u>	<u>85,573</u>	<u>1,674,989</u>	<u>2,220</u>	<u>2,118,025</u>
Fund Balances						
Nonspendable	-	-	-	-	-	722,018
Restricted	43,163	-	-	-	-	16,136,519
Unassigned (deficit)	-	(12,919)	(68)	(17,585)	-	-
Total Fund Balances (deficits)	<u>43,163</u>	<u>(12,919)</u>	<u>(68)</u>	<u>(17,585)</u>	<u>-</u>	<u>16,858,537</u>
Total Liabilities and Fund Balances	<u>\$ 2,882,380</u>	<u>\$ 520,892</u>	<u>\$ 85,505</u>	<u>\$ 1,657,404</u>	<u>\$ 2,220</u>	<u>\$ 18,976,562</u>

Fulton County Board of Education, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

(Continued)

	<u>Lottery</u>	<u>Other Federal Grants</u>	<u>Other Local Grants</u>	<u>Principals' Accounts</u>	<u>Nonmajor Special Revenue Funds</u>
Assets					
Cash and cash equivalents	\$ 615,855	\$ 1,356	\$ 7,750	\$ 3,933,479	\$ 22,493,402
Receivables:					
Accounts	-	-	-	9,732	63,778
Intergovernmental	-	526,631	2,296,238	-	8,193,642
Interfund receivable	-	-	-	-	43,164
Prepaid items	22,857	-	-	-	22,857
Inventories	-	-	-	-	722,018
Total Assets	<u>\$ 638,712</u>	<u>\$ 527,987</u>	<u>\$ 2,303,988</u>	<u>\$ 3,943,211</u>	<u>\$ 31,538,861</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 32,112	\$ 323,499	\$ 237,051	\$ 8,447	\$ 1,910,026
Accrued salaries and wages payable	554,188	4,078	61,745	-	4,118,075
Other payables	150	1,369	-	-	938,993
Interfund payable	-	199,041	2,015,199	-	3,723,620
Total Liabilities	<u>586,450</u>	<u>527,987</u>	<u>2,313,995</u>	<u>8,447</u>	<u>10,690,714</u>
Fund Balances					
Nonspendable	22,857	-	-	-	744,875
Restricted	29,405	-	-	3,934,764	20,143,851
Unassigned (deficit)	-	-	(10,007)	-	(40,579)
Total Fund Balances (Deficits)	<u>52,262</u>	<u>-</u>	<u>(10,007)</u>	<u>3,934,764</u>	<u>20,848,147</u>
Total Liabilities and Fund Balances	<u>\$ 638,712</u>	<u>\$ 527,987</u>	<u>\$ 2,303,988</u>	<u>\$ 3,943,211</u>	<u>\$ 31,538,861</u>

Fulton County Board of Education, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	<u>Part B Special Education</u>	<u>Education for the Homeless</u>	<u>School Nutrition Programs</u>
Revenues						
Intergovernmental - state	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 964,642
Intergovernmental - federal	26,677,589	2,606,160	840,763	18,336,350	74,013	27,718,596
Investment earnings	-	-	-	-	-	100,763
Charges for services	-	-	-	-	-	11,275,289
Other	-	-	-	-	-	47,151
Total Revenues	<u>26,677,589</u>	<u>2,606,160</u>	<u>840,763</u>	<u>18,336,350</u>	<u>74,013</u>	<u>40,106,441</u>
Expenditures						
<i>Current:</i>						
Instruction	13,398,764	8,601	250,190	11,168,860	-	-
Support services:						
Pupil services	1,918,466	276	71,931	3,305,838	26,431	-
Improvement of instructional services	9,338,624	2,436,240	502,587	2,690,952	5,777	-
Educational media services	7,444	40	-	700	-	-
Federal grant administration	943,702	86,775	13,718	162,814	15,232	-
General administration	792,932	76,389	2,337	546,397	2,348	-
School administration	180,502	-	-	-	-	-
Student transportation services	123,622	-	-	440,088	24,225	-
Other support services	214	-	-	31,214	-	-
Food service operations	-	-	-	-	-	39,547,139
Total Expenditures	<u>26,704,270</u>	<u>2,608,321</u>	<u>840,763</u>	<u>18,346,863</u>	<u>74,013</u>	<u>39,547,139</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,681)	(2,161)	-	(10,513)	-	559,302
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	-	-	-	-	-	4,885
Transfers in	44,894	-	-	-	-	711
Transfers out	-	(10,570)	(68)	(5,468)	-	-
Total Other Financing Sources (Uses)	<u>44,894</u>	<u>(10,570)</u>	<u>(68)</u>	<u>(5,468)</u>	<u>-</u>	<u>5,596</u>
Net Change in Fund Balances	18,213	(12,731)	(68)	(15,981)	-	564,898
Fund Balances (Deficits) Beginning of Fiscal Year	24,950	(188)	-	(1,604)	-	16,293,639
Fund Balances (Deficits) End of Fiscal Year	<u>\$ 43,163</u>	<u>\$ (12,919)</u>	<u>\$ (68)</u>	<u>\$ (17,585)</u>	<u>\$ -</u>	<u>\$ 16,858,537</u>

Fulton County Board of Education, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

(continued)

	Lottery	Other Federal Grants	Other Local Grants	Principals' Accounts	Total Nonmajor Special Revenue Funds
Revenues					
Intergovernmental - state	\$ 6,740,462	\$ -	\$ 409,788	\$ -	\$ 8,114,892
Intergovernmental - federal	-	3,930,990	-	-	80,184,461
Investment earnings	-	-	-	-	100,763
Charges for services	-	-	-	2,586,229	13,861,518
Other	-	-	2,887,948	-	2,935,099
Total Revenues	6,740,462	3,930,990	3,297,736	2,586,229	105,196,733
Expenditures					
Current:					
Instruction	6,953,466	761,652	2,146,476	2,446,752	37,134,761
Support services:					
Pupil services	66,055	384,999	670	-	5,774,666
Improvement of instructional services	271,135	463,482	356,627	-	16,065,424
Educational media services	-	72,756	-	-	80,940
Federal grant administration	-	3,967	-	-	1,226,208
General administration	-	34,618	6,679	-	1,461,700
School administration	-	-	1,140	-	181,642
Student transportation services	-	1,569,678	400,334	-	2,557,947
Central support services	79,935	-	42,811	-	122,746
Other support services	2,458	-	-	-	33,886
Food service operations	-	641,385	11,997	-	40,200,521
Total Expenditures	7,373,049	3,932,537	2,966,734	2,446,752	104,840,441
Excess (Deficiency) of Revenues Over (Under) Expenditures	(632,587)	(1,547)	331,002	139,477	356,292
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	-	-	4,885
Transfers in	687,047	1,547	-	-	734,199
Transfers out	-	-	(400,227)	-	(416,333)
Total Other Financing Sources (Uses)	687,047	1,547	(400,227)	-	322,751
Net Change in Fund Balances	54,460	-	(69,225)	139,477	679,043
Fund Balances (Deficits) Beginning of Fiscal Year	(2,198)	-	59,218	3,795,287	20,169,104
Fund Balances (Deficits) End of Fiscal Year	\$ 52,262	\$ -	\$ (10,007)	\$ 3,934,764	\$ 20,848,147

Fulton County Board of Education, Georgia
All Budgeted Special Revenue Funds
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental - state	\$ 7,292,020	\$ 7,662,397	\$ 8,114,892	\$ 452,495
Intergovernmental - federal	72,326,556	88,315,991	80,184,461	(8,131,530)
Local sources:				
Other	15,031,409	19,903,976	14,311,151	(5,592,825)
Total Revenues	<u>94,649,985</u>	<u>115,882,364</u>	<u>102,610,504</u>	<u>(13,271,860)</u>
Expenditures				
Current:				
Instruction	33,003,259	43,951,302	34,688,009	9,263,293
Support services				
Pupil services	4,187,450	7,366,816	5,774,666	1,592,150
Improvement of instructional services	14,193,096	19,456,690	16,065,424	3,391,266
Educational media services	-	101,884	80,940	20,944
Federal grant administration	1,315,924	1,749,708	1,226,208	523,500
General administration	982,774	1,684,311	1,461,700	222,611
School administration	116,664	108,341	181,642	(73,301)
Maintenance and operation of plant	-	4,700	-	4,700
Student transportation services	63,522	2,970,970	2,557,947	413,023
Central support services	101,624	194,926	122,746	72,180
Other support services	61,182	72,343	33,886	38,457
Food service operations	42,631,826	43,565,363	40,200,521	3,364,842
Total Expenditures	<u>96,657,321</u>	<u>121,227,354</u>	<u>102,393,689</u>	<u>18,833,665</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,007,336)	(5,344,990)	216,815	(32,105,525)
Other Financing Sources				
Proceeds from sale of capital assets	-	-	4,885	(4,885)
Transfers in	858,600	687,047	734,199	(47,152)
Transfers out	-	(400,227)	(416,333)	16,106
Net Change in Fund Balances - Budgetary Basis	<u>\$ (1,148,736)</u>	<u>\$ (5,058,170)</u>	539,566	<u>\$ (32,141,456)</u>
Add Principals' Account Fund Excluded Above			<u>139,477</u>	
Net Change in Fund Balances - GAAP Basis			<u>\$ 679,043</u>	

Fulton County Board of Education, Georgia
Title I Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	2018			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental - federal	\$ 22,068,871	\$ 30,965,531	\$ 26,677,589	\$ (4,287,942)
Total Revenues	<u>22,068,871</u>	<u>30,965,531</u>	<u>26,677,589</u>	<u>(4,287,942)</u>
Expenditures				
<i>Current:</i>				
Instruction	9,304,253	15,903,960	13,398,764	2,505,196
Support services:				
Pupil services	1,653,871	2,536,727	1,918,466	618,261
Improvement of instructional services	9,112,899	10,818,187	9,338,624	1,479,563
Educational media services	-	9,738	7,444	2,294
Federal grant administration	942,983	1,369,691	943,702	425,989
General administration	894,701	913,903	792,932	120,971
School administration	116,664	108,341	180,502	(72,161)
Maintenance and operation of plant	-	4,700	-	4,700
Student transportation services	43,500	149,837	123,622	26,215
Other support services	-	15,169	214	14,955
Total Expenditures	<u>22,068,871</u>	<u>31,830,253</u>	<u>26,704,270</u>	<u>5,125,983</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (864,722)</u>	<u>(26,681)</u>	<u>\$ 838,041</u>
Other Financing Sources				
Transfers in	-	-	44,894	(44,894)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (864,722)</u>	<u>18,213</u>	<u>\$ (882,935)</u>
Fund Balances Beginning of Fiscal Year			<u>24,950</u>	
Fund Balances End of Fiscal Year			<u>\$ 43,163</u>	

Fulton County Board of Education, Georgia
Title II Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	2018			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental - federal	\$ -	\$ -	\$ 2,606,160	\$ 2,606,160
Expenditures				
Current:				
Instruction	-	-	8,601	(8,601)
Support services:				
Pupil services	-	-	276	(276)
Improvement of instructional services	1,613,963	3,394,132	2,436,240	957,892
Educational media services	-	-	40	(40)
Federal grant administration	130,203	173,462	86,775	86,687
General administration	61,029	109,108	76,389	32,719
Total Expenditures	1,805,195	3,676,702	2,608,321	1,068,381
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,805,195)	\$ (3,676,702)	(2,161)	\$ 3,674,541
Other Financing Uses				
Transfers out	-	-	(10,570)	10,570
Net Change in Fund Balances	\$ (1,805,195)	\$ (3,676,702)	(12,731)	\$ (3,663,971)
Fund Balances Beginning of Fiscal Year			(188)	
Fund Balances (Deficits) End of Fiscal Year			\$ (12,919)	

Fulton County Board of Education, Georgia
Title III Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	2018			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental - federal	\$ 869,642	\$ 1,134,561	\$ 840,763	\$ (293,798)
Expenditures				
<i>Current:</i>				
Instruction	244,233	271,347	250,190	21,157
Support services:				
Pupil services	62,538	87,528	71,931	15,597
Improvement of instructional services	550,294	768,687	502,587	266,100
General administration	-	2,871	2,337	534
Federal grant administration	12,577	17,775	13,718	4,057
Total Expenditures	869,642	1,148,208	840,763	307,445
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ (13,647)	-	\$ 13,647
Other Financing Uses				
Transfers out	-	-	(68)	68
Net Change in Fund Balances	\$ -	\$ (13,647)	(68)	\$ (13,579)
Fund Balances Beginning of Fiscal Year			-	
Fund Balances End of Fiscal Year			\$ (68)	

Fulton County Board of Education, Georgia
Part B - Special Education Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	2018			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental - federal	\$ 18,326,331	\$ 21,529,524	\$ 18,336,350	\$ (3,193,174)
Expenditures				
<i>Current:</i>				
Instruction	13,249,120	13,250,730	11,168,860	2,081,870
Support services:				
Pupil services	2,377,499	4,260,466	3,305,838	954,628
Improvement of instructional services	2,438,083	3,022,062	2,690,952	331,110
Educational media services	-	-	700	(700)
Federal grant administration	203,449	167,627	162,814	4,813
General administration	-	605,000	546,397	58,603
Student transportation services	-	448,879	440,088	8,791
Other support services	58,182	34,174	31,214	2,960
Total Expenditures	18,326,333	21,788,938	18,346,863	3,442,075
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2)	\$ (259,414)	(10,513)	\$ 248,901
Other Financing Uses				
Transfers out	-	-	(5,468)	5,468
Net Change in Fund Balances	\$ (2)	\$ (259,414)	(15,981)	\$ (243,433)
Fund Balances (Deficits) Beginning of Fiscal Year			(1,604)	
Fund Balances (Deficits) End of Fiscal Year			\$ (17,585)	

Fulton County Board of Education, Georgia
Education for the Homeless Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	2018			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental - federal	\$ 69,058	\$ 75,736	\$ 74,013	\$ (1,723)
Expenditures				
<i>Current:</i>				
Support services:				
Pupil services	29,050	26,712	26,431	281
Improvement of instructional services	500	5,786	5,777	9
Federal grant administration	16,745	16,202	15,232	970
General administration	2,741	2,740	2,348	392
Student transportation services	20,022	24,296	24,225	71
Total Expenditures	69,058	75,736	74,013	1,723
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	-	\$ -
Fund Balances Beginning of Fiscal Year			-	
Fund Balances End of Fiscal Year			\$ -	

Fulton County Board of Education, Georgia
School Nutrition Program Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	2018			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental - state	\$ 932,517	\$ 932,517	\$ 964,642	\$ 32,125
Intergovernmental - federal	27,352,156	27,352,156	24,535,184	(2,816,972)
USDA commodities	2,758,134	2,758,134	3,183,412	425,278
Investment earnings	25,000	25,000	100,763	75,763
Charges for services	11,758,275	11,758,275	11,275,289	(482,986)
Other	-	-	47,151	47,151
Total Revenues	42,826,082	42,826,082	40,106,441	(2,719,641)
Expenditures				
Current:				
Food service operations	42,631,826	42,911,629	39,547,139	3,364,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	194,256	(85,547)	559,302	644,849
Other Financing Sources				
Proceeds from sale of capital assets	-	-	4,885	(4,885)
Transfers in	-	-	711	(711)
Total Other Financing Sources	-	-	5,596	(5,596)
Net Change in Fund Balances	\$ 194,256	\$ (85,547)	564,898	\$ (650,445)
Fund Balances Beginning of Fiscal Year			16,293,639	
Fund Balances End of Fiscal Year			\$ 16,858,537	

Fulton County Board of Education, Georgia
Lottery Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	2018			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental - state	\$ 6,359,503	\$ 6,729,880	\$ 6,740,462	\$ 10,582
Expenditures				
<i>Current:</i>				
Instruction	6,833,973	7,006,799	6,953,466	53,333
Support services:				
Pupil services	64,492	66,792	66,055	737
Improvement of instructional services	241,014	260,216	271,135	(10,919)
Central support services	75,624	80,271	79,935	336
Other support services	3,000	3,000	2,458	542
Total Expenditures	<u>7,218,103</u>	<u>7,417,078</u>	<u>7,373,049</u>	<u>44,029</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(858,600)	(687,198)	(632,587)	54,611
Other Financing Sources				
Transfers in	858,600	687,047	687,047	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (151)</u>	54,460	<u>\$ 54,611</u>
Fund Balances Beginning of Fiscal Year			<u>(2,198)</u>	
Fund Balances (Deficits) End of Fiscal Year			<u>\$ 52,262</u>	

Fulton County Board of Education, Georgia
Other Federal Grants Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	2018			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental - federal	\$ 882,364	\$ 4,500,349	\$ 3,930,990	\$ (569,359)
Total Revenues	<u>882,364</u>	<u>4,500,349</u>	<u>3,930,990</u>	<u>(569,359)</u>
Expenditures				
<i>Current:</i>				
Instruction	585,751	2,473,790	761,652	1,712,138
Support services:				
Pupil services	-	385,791	384,999	792
Educational media services	-	85,146	72,756	12,390
Improvement of instructional services	236,343	808,244	463,482	344,762
Federal grant administration	9,967	4,951	3,967	984
General administration	24,303	50,689	34,618	16,071
Business administration	-	28,000	-	28,000
School administration	26,000	-	-	-
Student transportation	-	-	1,569,678	(1,569,678)
Central support services	-	22,000	-	22,000
Food service operations	-	641,738	641,385	353
Total Expenditures	<u>882,364</u>	<u>4,500,349</u>	<u>3,932,537</u>	<u>567,812</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(1,547)	<u>\$ (1,547)</u>
Other Financing Sources				
Transfers in	-	-	1,547	1,547
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances Beginning of Fiscal Year			-	
Fund Balances End of Fiscal Year			<u>\$ -</u>	

Fulton County Board of Education, Georgia
Other Local Grants Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	2018			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental - state	\$ -	\$ 415,342	\$ 409,788	\$ (5,554)
Local	490,000	5,362,567	2,887,948	(2,474,619)
Total Revenues	490,000	5,777,909	3,297,736	(2,480,173)
Expenditures				
Current				
Instruction	339,177	2,497,253	2,146,476	350,777
Support services:				
Pupil services	-	2,800	670	2,130
Improvement of instructional services	150,823	379,376	356,627	22,749
Educational media services	-	7,000	6,679	321
School administration	-	-	1,140	(1,140)
Student transportation services	-	2,347,958	400,334	1,947,624
Central support services	-	114,655	42,811	71,844
Other support services	-	20,000	-	20,000
Food service	-	11,996	11,997	(1)
Total Expenditures	490,000	5,381,038	2,966,734	2,414,304
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 396,871	331,002	\$ (60,315)
Other Financing Sources				
Transfers out	-	(400,227)	(400,227)	-
Net Change in Fund Balance	\$ -	\$ (3,356)	(69,225)	\$ (60,315)
Fund Balances Beginning of Fiscal Year			59,218	
Fund Balances (Deficits) End of Fiscal Year			\$ (10,007)	

Fulton County Board of Education, Georgia
Debt Service Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	2018			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ 1,503	\$ 1,503
Investment earnings	15,000	15,000	43,880	28,880
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>45,383</u>	<u>30,383</u>
Expenditures				
<i>Debt Service:</i>				
Principal retirement	9,805,000	9,805,000	9,805,000	-
Interest and fiscal charges	2,327,721	2,327,721	2,326,721	1,000
Total Expenditures	<u>12,132,721</u>	<u>12,132,721</u>	<u>12,131,721</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,117,721)	(12,117,721)	(12,086,338)	31,383
Other Financing Sources				
Transfers in	12,131,344	12,131,344	12,131,344	-
Net Changes in Fund Balances	<u>\$ 13,623</u>	<u>\$ 13,623</u>	45,006	<u>\$ 31,383</u>
Fund Balances Beginning of Fiscal Year			<u>5,566,041</u>	
Fund Balances End of Fiscal Year			<u>\$ 5,611,047</u>	

Fulton County Board of Education, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 5,374,304	\$ 16,378,326	\$ 15,765,516	\$ 5,987,114
Other receivables	35,128	97,159	35,128	97,159
Prepaid items	218,740	334,168	218,740	334,168
Total Assets	\$ 5,628,172	\$ 16,809,653	\$ 16,019,384	\$ 6,418,441
Liabilities				
Accounts payable	\$ 44,459	\$ 101,656	\$ 44,459	\$ 101,656
Due to student organizations	5,583,713	16,707,997	15,974,925	6,316,785
Total Liabilities	\$ 5,628,172	\$ 16,809,653	\$ 16,019,384	\$ 6,418,441

Statistical Section



Milton High School
Lizzie Leamna ~ 12th Grade

Fulton County Board of Education, Georgia
Introduction to the Statistical Section
(Unaudited)

This part of Fulton County Board of Education's (School System) comprehensive annual financial report presents detailed information as a context for understanding this fiscal year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents	Exhibit
Financial Trends	I - VII-A
<p>These tables contain financial statement trend information that may assist the reader in assessing the School System's current financial performance by placing it in a historical perspective. In fiscal year 2009, the School System blended its charter schools as special revenue funds. In fiscal year 2011 the charter schools were reclassified as discretely presented component units. Fiscal year 2008 have not been restated to reflect these changes in the reporting entity.</p>	
Revenue Capacity	VIII - XIV
<p>These tables contain information that may assist the reader in assessing the viability of the School System's two most significant "own-source" revenue sources: property taxes and sales taxes.</p>	
Debt Capacity	XV - XVII
<p>These tables present information that may assist the reader in analyzing the affordability of the School System's current levels of outstanding debt and the School System's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	XVIII - XIX
<p>These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the School System operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school systems.</p>	
Operating Information	XX - XXIV
<p>These tables contain service indicators that can improve one's understanding on how the information in the School System's financial statements relates to the services the School System provides and the activities it performs.</p>	

Data Source:

Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Report for the applicable fiscal year.

Fulton County Board of Education, Georgia
Government-wide Net Position by Component (Unaudited) ¹
Last Ten Fiscal Years
(accrual basis of accounting)

	At June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Restated ³									
	Restated ⁴									
	Amounts									
	Percentage of Total									
Governmental Activities										
Net investment in capital assets ²	\$ 1,448,516,461	\$ 1,480,029,373	\$ 1,506,586,721	\$ 1,501,664,110	\$ 1,509,929,724	\$ 1,590,806,537	\$ 1,757,699,907	\$ 1,854,946,370	\$ 1,883,711,532	\$ 1,885,953,984
Restricted	57,540,467	63,636,096	66,393,409	177,124,388	244,391,190	247,960,557	160,631,973	120,206,567	121,749,505	186,627,249
Unrestricted (deficit)	16,771,499	66,897,704	247,513,274	230,939,575	216,792,587	(662,498,676)	(603,705,304)	(577,620,140)	(1,375,377,115)	(1,424,404,702)
Total	\$ 1,522,828,427	\$ 1,610,563,173	\$ 1,820,493,404	\$ 1,909,728,073	\$ 1,971,113,501	\$ 1,176,268,418	\$ 1,314,626,576	\$ 1,397,532,797	\$ 630,083,922	\$ 648,176,531
Total Percentage Increase or Decrease From Prior Fiscal Year	5.5%	5.8%	13.0%	4.9%	3.2%	-40.3%	11.8%	6.3%	-54.9%	2.9%
Governmental Activities										
Net investment in capital assets ²	95.12%	91.90%	82.76%	78.63%	76.60%	135.24%	133.70%	132.73%	298.96%	290.96%
Restricted	3.78%	3.95%	3.65%	9.27%	12.40%	21.08%	12.22%	8.60%	19.32%	28.79%
Unrestricted (deficit)	1.10%	4.15%	13.60%	12.10%	11.00%	-56.32%	-45.92%	-41.33%	-218.28%	-219.76%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes:

¹ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position are considered restricted only when (1) an external party, such as the Georgia Department of Education or the Federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the School District.

² The large increases in these amounts represent the construction of school buildings funded by the special purpose local option sales tax.

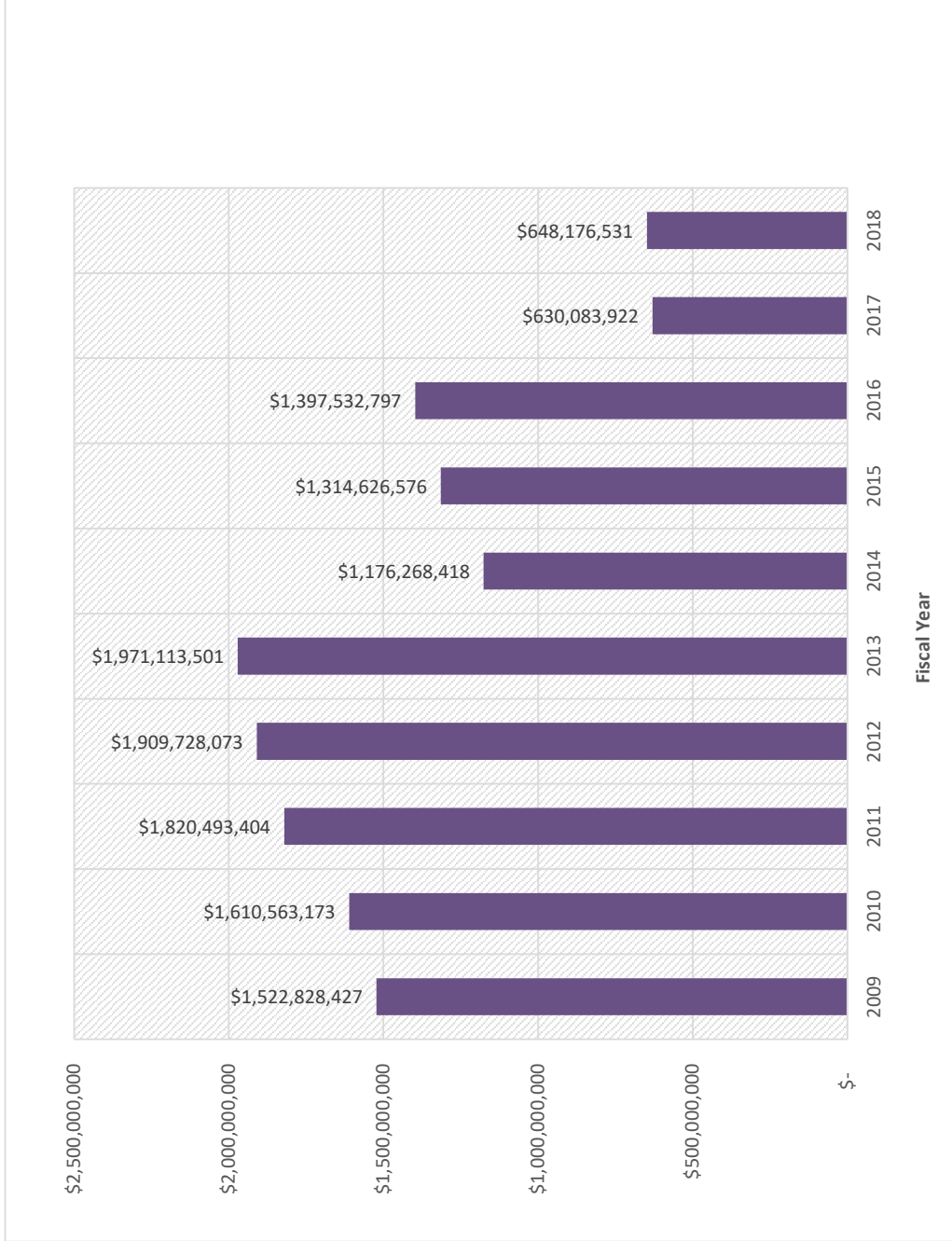
³ In fiscal year 2014, the School District implemented GASB Statement No. 68 which required a restatement of the 6/30/2014 net position. The School System now is recording a net pension liability and other related pension deferred inflows and outflows accounts.

⁴ In fiscal year 2018, the School District implemented GASB Statement No. 75 which required a restatement of the 7/1/2017 net position. The School System now is recording a net OPEB liability and other related OPEB deferred inflows and outflows accounts.

Data Source:

Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County Board of Education, Georgia
Chart-Total Government-wide Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)



Fulton County Board of Education, Georgia
 Changes in Net Position - Governmental Activities (Unaudited)
 Last Ten Fiscal Years ¹
 (accrual basis of accounting)

	At June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Instruction	\$ 603,715,767	\$ 607,908,299	\$ 575,719,921	\$ 622,927,662	\$ 646,578,930	\$ 643,368,439	\$ 640,800,645	\$ 669,585,761	\$ 733,085,113	\$ 761,933,117
Support services:										
Pupil services	31,046,229	33,129,857	27,110,229	28,113,941	28,676,862	31,090,523	29,603,137	34,780,389	41,768,534	44,053,894
Improvement of instructional services	29,608,586	32,286,966	25,630,739	28,379,748	31,873,336	31,722,555	39,088,558	43,068,851	52,480,029	60,262,827
Educational media services	15,557,947	15,990,694	14,856,550	15,166,609	17,168,409	16,146,792	15,617,962	16,034,123	17,775,152	17,673,710
Federal grant administration ³	-	-	-	1,270,482	1,146,400	1,113,189	1,396,338	1,356,250	1,505,819	1,259,707
General administration	5,590,463	5,602,305	4,428,698	4,026,966	4,303,577	4,097,253	3,917,531	5,032,120	5,276,036	5,462,403
School administration	52,833,081	52,755,746	50,080,091	52,175,510	53,640,395	53,250,956	51,121,296	52,171,251	58,551,100	60,786,516
Business administration	19,205,282	14,105,649	14,983,776	18,180,382	17,302,522	21,078,330	18,467,134	20,538,600	18,003,104	18,859,184
Maintenance and operation of plant	74,683,642	73,507,681	68,072,052	74,921,752	78,230,257	80,725,198	87,528,702	141,270,349	157,484,647	136,807,157
Student transportation services	42,432,881	43,543,478	47,829,619	53,058,056	50,920,384	54,851,939	53,211,111	57,789,727	58,980,878	59,631,037
Central services	13,790,408	14,923,748	12,959,544	14,085,183	16,691,751	20,886,687	24,647,649	23,609,777	32,957,976	31,193,212
Other support services	1,678,505	18,561,607	28,739,711	3,053,210	2,014,868	1,792,070	1,823,535	1,821,330	587,498	234,803
Food service operations	43,522,417	41,183,297	40,202,714	43,741,358	44,379,674	44,098,195	41,361,110	44,893,769	43,957,838	43,886,456
Facilities acquisition and construction ²	34,031,758	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	13,165,594	10,979,707	8,730,975	9,280,753	8,149,775	7,200,538	6,306,792	5,389,876	2,474,650	5,779,722
Total Expenses	980,862,560	964,479,034	919,344,619	968,381,612	1,001,277,140	1,011,422,664	1,014,891,500	1,117,342,173	1,224,888,374	1,247,523,745
Program Revenues:										
Charges for services:										
Instruction	8,748,730	8,369,438	8,332,257	8,679,645	6,900,925	6,500,735	6,945,749	6,462,514	6,931,216	5,580,837
Pupil services	-	-	14,500	15,400	8,750	-	-	-	-	-
Improvement of instructional services	30,200	24,700	-	-	-	11,250	10,720	-	-	-
General administration	-	-	-	-	-	-	47	-	-	-
Business administration	-	-	-	-	-	-	895	-	-	-
Maintenance and operation of plant	194,280	292,455	451,135	674,864	526,825	617,119	562,701	1,268,319	1,492,939	1,676,734
Student transportation services	-	-	-	-	-	-	4,876	-	-	-
Central services	-	-	-	-	-	-	1,548	-	-	-
Enterprise Operations	-	-	-	-	-	-	-	-	-	709,851
Food service operations	15,252,989	16,039,644	15,120,170	15,457,420	15,202,932	14,623,761	11,800,482	11,685,030	10,591,753	11,275,291
Operating grants and contributions ³	335,880,044	358,798,120	384,231,616	364,309,659	380,137,289	389,218,493	408,639,076	403,252,714	450,338,174	462,248,631
Capital grants and contributions	21,306,736	14,705,047	21,155,178	11,832,914	5,667,676	13,784,277	31,028,815	15,199,512	2,845,881	3,781,617
Total Program Revenues	381,412,979	398,229,404	429,304,856	400,969,902	408,444,397	424,815,635	458,994,909	437,868,089	472,199,963	483,272,961
Net (Expense) Revenue	(599,449,581)	(566,249,630)	(490,039,763)	(567,411,710)	(592,832,743)	(586,607,029)	(555,896,591)	(679,474,084)	(752,688,411)	(762,250,784)
General Revenues:										
Taxes:										
Property	539,907,942	538,903,112	536,268,832	506,341,396	501,695,443	508,920,788	525,767,151	589,678,942	580,772,516	590,867,168
Sales	121,393,868	121,565,471	159,635,995	145,000,549	150,788,659	156,944,090	164,399,931	166,669,022	166,591,361	178,021,932
Gain on disposition of capital assets	4,637,341	651,310	727,234	683,096	696,076	407,266	396,694	937,232	1,813,470	3,920,333
Investment earnings	5,048,445	1,783,874	3,337,933	4,621,338	1,037,993	4,362,097	3,690,973	5,095,109	10,057,600	7,533,960
Miscellaneous	670,987,596	662,903,767	699,969,994	656,646,379	654,218,171	670,707,291	694,254,749	762,380,305	759,234,947	780,343,393
Total General Revenues	\$ 71,538,215	\$ 96,654,137	\$ 209,930,231	\$ 89,234,669	\$ 61,385,428	\$ 84,100,262	\$ 138,358,158	\$ 82,906,221	\$ 6,546,536	\$ 18,092,609
Change in Net Position										

Notes:

¹ Includes non-capitalized charges to the facilities acquisition and construction function. Beginning in fiscal year 2010, this amount has been allocated to other functions.
² In the State of Georgia, the use of the "Basic Quality Education" aid is restricted to certain functions; therefore, it is reported as program revenue, rather than as general revenue.
³ The State of Georgia added a requirement that the administration of Federal Grants be reported separately during the current and future fiscal years.

Data Source: Comprehensive Annual Financial Report (2009-2018).
 Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County Board of Education, Georgia
Changes in Net Position - Governmental Activities - Percentage of Total (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Instruction	61.55%	63.03%	62.62%	64.33%	64.58%	63.61%	63.14%	59.93%	59.85%	61.08%
Support services:										
Pupil services	3.17%	3.44%	2.95%	2.90%	2.86%	3.07%	2.92%	3.11%	3.41%	3.53%
Improvement of instructional services	3.02%	3.35%	2.79%	2.93%	3.18%	3.14%	3.85%	3.85%	4.28%	4.83%
Educational media services	1.59%	1.66%	1.62%	1.57%	1.71%	1.60%	1.54%	1.44%	1.45%	1.42%
Federal grant administration	0.00%	0.00%	0.00%	0.13%	0.11%	0.11%	0.14%	0.12%	0.12%	0.10%
General administration	0.57%	0.58%	0.48%	0.42%	0.45%	0.41%	0.39%	0.45%	0.43%	0.44%
School administration	5.39%	5.47%	5.45%	5.39%	5.36%	5.26%	5.04%	4.67%	4.78%	4.87%
Business administration	1.96%	1.46%	1.63%	1.88%	1.73%	2.08%	1.82%	1.84%	1.47%	1.51%
Maintenance and operation of plant	7.61%	7.62%	7.40%	7.74%	7.81%	7.98%	8.62%	12.64%	12.86%	10.94%
Student transportation services	4.33%	4.51%	5.20%	5.48%	5.09%	5.42%	5.24%	5.17%	4.82%	4.78%
Central services	1.41%	1.55%	1.41%	1.45%	1.67%	2.07%	2.43%	2.11%	2.69%	2.50%
Other support services	0.17%	1.92%	3.13%	0.32%	0.20%	0.18%	0.18%	0.16%	0.05%	0.02%
Food service operations	4.44%	4.27%	4.37%	4.52%	4.43%	4.36%	4.08%	4.02%	3.59%	3.52%
Facilities acquisition and construction	3.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest and fiscal charges	1.35%	1.14%	0.95%	0.96%	0.81%	0.71%	0.62%	0.48%	0.20%	0.46%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Program Revenues:										
Charges for services:										
Instruction	2.29%	2.10%	1.94%	2.16%	1.69%	1.54%	1.51%	1.48%	1.47%	1.15%
Pupil services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Improvement of instructional services	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General administration	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Maintenance and operation of plant	0.05%	0.07%	0.11%	0.17%	0.13%	0.15%	0.12%	0.29%	0.32%	0.35%
Student transportation services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Enterprise operations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%
Food service operations	4.00%	4.03%	3.52%	3.86%	3.72%	3.44%	2.57%	2.67%	2.24%	2.32%
Operating grants and contributions ¹	88.06%	90.10%	89.50%	90.86%	93.07%	91.62%	89.03%	92.09%	95.37%	95.26%
Capital grants and contributions	5.59%	3.69%	4.93%	2.95%	1.39%	3.25%	6.76%	3.47%	0.60%	0.78%
Total Program Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Revenues:										
Taxes:										
Property	80.46%	81.29%	76.61%	77.11%	76.69%	75.88%	75.73%	77.35%	76.49%	75.72%
Sales	18.09%	18.34%	22.81%	22.08%	23.05%	23.40%	23.68%	21.86%	21.94%	22.81%
Gain on disposition of capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
Investment earnings	0.69%	0.10%	0.10%	0.10%	0.11%	0.06%	0.06%	0.12%	0.24%	0.50%
Miscellaneous	0.76%	0.27%	0.48%	0.70%	0.16%	0.65%	0.53%	0.67%	1.32%	0.97%
Total General Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes:

¹ In the State of Georgia, the use of the "Basic Quality Education" aid is restricted to certain functions; therefore, it is reported as program revenue, rather than as general revenue.

Data Source:

Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County Board of Education, Georgia
 Changes in Net Position - Governmental Activities - Annual Percentage Change (Unaudited)

Last Ten Years¹
 (accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Instruction	0.65%	0.69%	-5.29%	8.20%	3.80%	-0.50%	-0.40%	4.49%	9.48%	3.94%
Support services:										
Pupil services	5.84%	6.71%	-18.17%	3.70%	2.00%	8.42%	-4.78%	17.49%	20.09%	5.47%
Improvement of instructional services	26.94%	9.05%	-20.62%	10.73%	12.31%	-0.47%	23.22%	10.18%	21.85%	14.83%
Educational media services	-6.05%	2.78%	-7.09%	2.09%	13.20%	-5.95%	-3.28%	2.66%	10.86%	-0.57%
Federal grant administration ¹	0.00%	0.00%	0.00%	100.00%	-9.77%	-2.90%	25.44%	-2.87%	11.03%	-16.34%
General administration	113.62%	0.21%	-20.95%	-9.07%	11.84%	-9.02%	-4.39%	28.45%	4.85%	3.53%
School administration	5.97%	-0.15%	-5.07%	4.18%	2.81%	-0.73%	-4.00%	2.05%	12.23%	3.82%
Business administration	10.09%	-26.55%	6.23%	21.33%	-4.83%	21.82%	-12.39%	11.22%	-12.35%	4.76%
Maintenance and operation of plant	5.10%	-1.57%	-7.39%	10.06%	4.42%	3.19%	8.43%	61.40%	11.48%	-13.32%
Student transportation services	1.80%	2.62%	9.84%	10.93%	-4.03%	7.72%	-2.99%	8.60%	2.06%	1.10%
Central services	0.96%	8.22%	-13.16%	8.69%	18.51%	25.13%	18.01%	-4.21%	39.59%	-5.35%
Other support services	-86.55%	1005.84%	54.83%	-89.38%	-34.01%	-11.06%	1.76%	-0.12%	-67.74%	-60.03%
Food service operations	3.37%	-5.37%	-2.38%	8.80%	1.46%	-0.63%	-6.21%	8.54%	-2.08%	-0.16%
Facilities acquisition and construction ¹	110.31%	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest and fiscal charges	-16.34%	-16.60%	-20.48%	6.30%	-12.19%	-11.65%	-12.41%	-14.54%	-54.09%	133.56%
Total Expenses	3.04%	-1.67%	-4.68%	5.33%	3.40%	1.01%	0.34%	10.09%	9.63%	1.85%
Program Revenues:										
Charges for services:										
Instruction	68.05%	-4.34%	-0.44%	4.17%	-20.49%	-4.93%	5.87%	-6.96%	7.25%	-19.48%
Pupil services	0.00%	0.00%	100.00%	6.21%	-43.18%	-100.00%	0.00%	0.00%	0.00%	0.00%
Improvement of instructional services	-0.03%	-18.21%	-100.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	0.00%
General administration	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Maintenance and operation of plant	19.93%	50.53%	54.26%	49.59%	-21.94%	17.14%	-8.82%	125.40%	17.71%	12.31%
Student transportation services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Enterprise Operations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Food service operations	0.64%	5.16%	-5.73%	2.23%	-1.65%	-3.81%	-19.31%	-0.98%	-9.36%	6.45%
Operating grants and contributions ²	-4.91%	6.82%	7.09%	-5.18%	4.34%	2.39%	4.99%	-1.32%	11.68%	2.64%
Capital grants and contributions	-58.10%	-30.98%	43.86%	-44.07%	-52.10%	143.21%	125.10%	-51.01%	-81.28%	32.88%
Total Program Revenues	-10.18%	4.41%	7.80%	-6.60%	1.86%	4.01%	8.05%	-4.60%	7.84%	2.77%
General Revenues:										
Taxes:										
Property	1.72%	1.72%	1.72%	-5.58%	-0.92%	1.44%	3.31%	12.16%	-1.51%	1.74%
Sales	-12.99%	-12.99%	-12.99%	-9.17%	3.99%	4.08%	4.75%	1.38%	-0.05%	6.86%
Gain on disposition of capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	0.00%
Investment earnings	-69.83%	-69.83%	-69.83%	-6.07%	1.90%	-41.49%	-2.60%	136.26%	93.49%	116.18%
Miscellaneous	99.91%	99.91%	99.91%	38.45%	-77.54%	320.24%	-15.39%	38.04%	97.40%	-25.09%
Total General Revenues	-2.50%	-1.20%	5.59%	-6.19%	-0.37%	5.52%	3.51%	13.67%	9.36%	2.78%

Notes:

¹ includes non-capitalized charges to the facilities acquisition and construction function.

² In the State of Georgia, the use of the "Basic Quality Education" aid is restricted to certain functions; therefore, it is reported as program revenue, rather than as general revenue.

Data Source:

Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County Board of Education, Georgia
 Fund Balances - Governmental Funds (Unaudited)
 June 30, 2009-2010
 (modified accrual basis of accounting)

	At June 30,	
	2009	2010
General Fund		
Reserved	\$ 9,516,073	\$ 4,894,559
Unreserved ³	81,060,538	109,384,335
Subtotal General Fund	90,576,611	114,278,894
General Fund Percentage Change	-28.2%	26.2%
All Other Governmental Funds ¹		
Reserved	108,229,147	125,151,090
Unreserved		
Special Revenue Funds	4,216,475	3,424,967
Debt Service Fund	-	-
Capital Projects Funds ²	(155,772,039)	(116,414,717)
Permanent Fund	3,245	3,250
Subtotal All Other Governmental Funds	(43,323,172)	12,164,590
All Other Governmental Funds Percentage Change	-231.5%	-128.1%
Total Governmental Funds		
Reserved	117,745,220	130,045,649
Unreserved	(70,491,781)	(3,602,165)
Total Governmental Funds	\$ 47,253,439	\$ 126,443,484
All Governmental Funds Percentage Change	-70.3%	167.6%

Notes:

¹ For consistency, certain amounts have been reclassified between reserved and unreserved fund balances.

² Beginning in fiscal year 2005, large construction contracts have been encumbered, resulting in deficit unreserved fund balances. These deficits will be eliminated as sales taxes are collected.

³ In fiscal year 2008, the School System retired early a long-term pension note payable of \$38,015,118, resulting in a reduction of the unreserved fund balance.

Data Source:

Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County Board of Education, Georgia
Fund Balances - Governmental Funds (Unaudited)
June 30, 2011-2018
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018
General Fund								
Nonspendable	\$ 466,468	\$ 466,468	\$ 466,468	\$ 466,468	\$ 466,468	\$ 6,279,778	\$ 434,339	\$ 478,927
Restricted	2,387,000	2,387,000	-	-	-	-	-	-
Committed	122,927,608	137,713,740	138,773,258	151,649,185	176,870,793	179,416,913	178,939,216	175,057,775
Assigned	43,302,590	19,581,128	32,973,811	42,448,878	15,378,430	25,600	4,030,391	5,006,750
Unassigned	41,122,880	81,229,927	64,493,975	44,311,932	48,067,345	58,004,665	54,541,953	27,634,381
Subtotal General Fund	210,206,546	241,378,263	236,707,512	238,876,463	240,783,036	243,726,956	237,945,899	208,177,833
General Fund Percentage Change	14.8%	14.8%	-1.9%	0.9%	0.8%	1.2%	-2.4%	-12.5%
All Other Governmental Funds								
Nonspendable	799,998	794,758	1,640,485	1,997,108	2,005,970	3,043,990	2,687,938	2,490,565
Restricted								
Special Revenue Funds	8,734,602	10,476,174	12,421,277	13,952,681	16,726,943	17,726,822	27,590,558	29,494,875
Debt Service Fund	47,747,552	47,975,600	25,390,779	4,356,254	4,372,369	4,373,705	-	-
Capital Projects Funds	9,111,797	117,877,856	196,195,731	215,943,538	107,644,823	69,671,474	86,827,313	153,811,984
Unassigned (deficit)	(7,470,376)	(51,480)	-	-	-	(4,434)	(1,862,926)	(40,579)
Subtotal All Other Governmental Funds	58,923,573	177,072,908	235,648,272	236,249,581	130,750,105	94,811,557	115,242,883	185,756,845 (1)
All Other Governmental Funds Percentage Change	384.4%	200.5%	33.1%	0.3%	-44.7%	-27.5%	21.5%	61.2%
Total Governmental Funds								
Nonspendable	1,266,466	1,261,226	2,106,953	2,463,576	2,472,438	9,323,768	3,122,277	2,969,492
Restricted	67,980,951	178,716,630	234,007,787	234,252,473	128,744,135	91,772,001	114,417,871	183,306,859
Committed	122,927,608	137,713,740	138,773,258	151,649,185	176,870,793	179,416,913	178,939,216	175,057,775
Assigned	43,302,590	19,581,128	32,973,811	42,448,878	15,378,430	25,600	4,030,391	5,006,750
Unassigned	33,652,504	81,178,447	64,493,975	44,311,932	48,067,345	58,000,231	52,679,027	27,593,802
Total Governmental Funds	\$ 269,130,119	\$ 418,451,171	\$ 472,355,784	\$ 475,126,044	\$ 371,533,141	\$ 338,538,513	\$ 353,188,782	\$ 393,934,678
All Governmental Funds Percentage Change	112.9%	55.5%	12.9%	0.6%	-21.8%	-8.9%	4.3%	11.5%

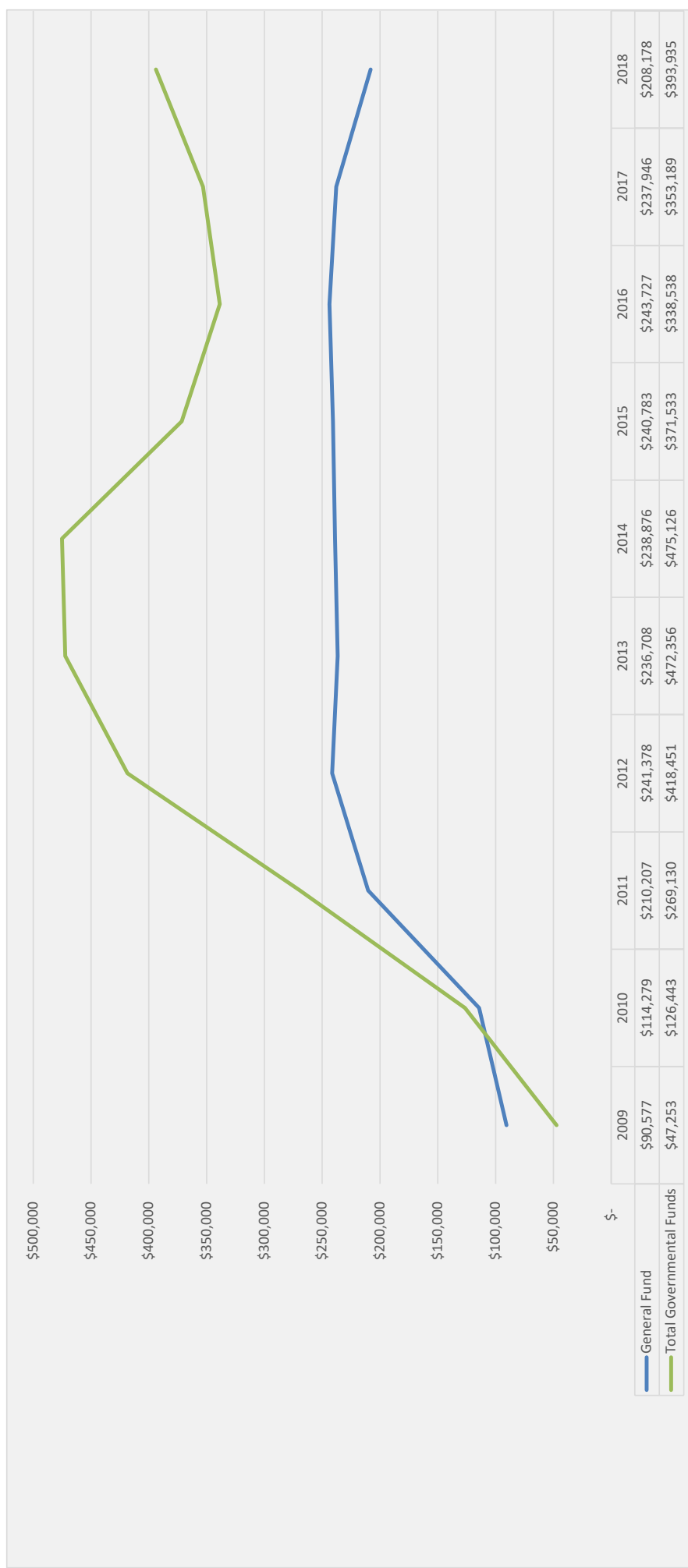
Notes:

1 This increase relates to the 2017 SPLOST Capital Projects Fund. The fund balance is being spent down as the five year program is in the first two years.

Data Source:

Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County Board of Education, Georgia
 Chart - Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (in \$1,000)



Fulton County Board of Education, Georgia
 General Governmental Revenues by Source (Unaudited) ¹
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Revenue Source	For the Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Local :										
Property taxes	\$ 535,295,012	\$ 548,924,443	\$ 535,547,654	\$ 509,727,699	\$ 502,441,099	\$ 510,144,714	\$ 526,475,642	\$ 561,559,842	\$ 574,302,033	\$ 586,808,906
Sales taxes	118,046,779	123,055,820	130,265,771	176,227,513	150,788,659	156,944,090	164,399,931	166,669,022	166,591,361	178,021,932
Other	33,911,987	29,203,248	27,126,441	31,222,059	27,880,909	28,766,279	25,246,953	25,792,338	31,458,610	32,078,706
State: ²	284,499,986	268,522,061	301,108,813	316,548,891	303,328,605	325,213,199	346,920,247	365,979,980	395,141,979	385,426,506
Federal	66,720,098	111,571,264	97,208,388	76,874,643	75,457,622	72,231,439	72,350,213	81,931,176	85,083,971	86,199,579
Total Revenues	\$ 1,038,473,862	\$ 1,081,276,836	\$ 1,091,257,067	\$ 1,110,600,805	\$ 1,059,896,894	\$ 1,093,299,721	\$ 1,135,392,986	\$ 1,201,932,358	\$ 1,252,577,954	\$ 1,268,535,629
% Change From Prior Fiscal Year	-6.4%	4.1%	0.9%	1.8%	-4.6%	3.2%	3.9%	5.9%	4.2%	1.3%
Local :										
Property taxes	51.5%	50.8%	49.1%	45.9%	47.4%	46.7%	46%	47%	46%	46%
Sales taxes	11.4%	11.4%	11.9%	15.9%	14.2%	14.4%	14%	14%	13%	14%
Other	3.3%	2.7%	2.5%	2.8%	2.6%	2.6%	2%	2%	3%	3%
State: ²	27.4%	24.8%	27.6%	28.5%	28.6%	29.7%	31%	30%	32%	30%
Federal	6.4%	10.3%	8.9%	6.9%	7.2%	6.6%	6%	7%	7%	7%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

- ¹ Includes all governmental fund types.
- ² Includes on-behalf payments made by the State of Georgia that previously were reported separately.

Data Source:

Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County Board of Education, Georgia
 General Governmental Expenditures by Function (Unaudited) ¹
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Function	For the Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current:										
Instruction	\$ 573,471,451	\$ 563,445,530	\$ 552,593,377	\$ 561,904,171	\$ 585,213,360	\$ 585,102,294	\$ 597,282,656	\$ 638,818,504	\$ 670,009,551	\$ 707,417,707
Support services:										
Pupil services	30,689,617	32,370,220	26,537,001	26,854,503	27,493,780	30,056,079	29,193,488	35,250,892	40,992,499	43,192,911
Improvement of instructional services	29,034,897	31,030,192	24,941,220	26,595,855	30,027,958	29,970,884	37,929,168	42,981,915	50,655,499	58,501,640
Educational media services	14,120,626	14,203,037	12,923,434	12,707,842	14,641,714	13,632,238	13,383,328	13,983,101	14,921,099	15,352,027
Federal grant administration				1,270,482	1,146,400	1,113,189	1,430,903	1,398,027	1,478,301	1,226,208
General administration	5,549,527	5,453,414	4,339,130	3,875,887	4,331,536	3,939,100	3,785,883	5,057,303	5,259,483	5,420,968
School administration	51,745,298	50,600,690	48,358,288	48,852,080	50,565,833	50,483,119	50,115,002	52,543,982	55,602,282	58,022,715
Business administration	18,761,543	13,265,477	14,356,686	17,120,611	16,189,417	20,065,998	17,474,678	20,183,890	17,296,856	19,756,477
Maintenance and operation of plant	73,586,243	71,003,912	66,229,037	71,019,509	74,523,586	77,519,407	84,153,141	81,966,192	85,150,468	81,369,109
Student transportation services	39,425,467	38,159,608	41,840,321	45,543,186	47,140,124	47,376,221	45,194,130	50,792,729	51,624,947	53,628,837
Central support services	13,392,095	14,215,363	12,325,925	13,067,630	15,742,285	19,898,700	23,832,305	23,468,858	32,096,980	30,214,427
On-behalf payments ²										
Other support services	1,603,955	18,682,904	28,630,437	1,810,020	1,891,205	1,747,337	1,798,697	1,852,017	536,890	72,178
Food service operations	41,015,193	37,421,798	36,540,865	38,736,561	39,373,292	39,321,479	36,857,390	40,787,220	39,513,986	40,200,521
Total Current	892,395,902	889,852,145	849,615,721	869,358,337	908,280,490	920,226,045	942,430,769	1,009,084,630	1,065,138,841	1,114,375,725
% Change From Prior Fiscal Year	0.5%	-0.3%	-4.5%	2.3%	4.5%	1.3%	2.4%	7.1%	5.6%	4.62%
Capital Outlay ³	221,781,964	83,785,468	74,603,666	103,440,578	71,538,284	145,757,911	272,433,766	202,634,541	153,392,559	99,217,046
% Change From Prior Fiscal Year	16.4%	-62.2%	-11.0%	38.7%	-30.8%	103.7%	86.9%	-25.6%	-24.3%	-35.3%
Debt Service										
Principal ⁴	14,102,360	15,130,000	15,390,000	15,670,000	18,335,667	17,655,667	17,995,667	18,345,667	15,725,667	12,180,667
Interest and fees	13,410,722	11,243,198	9,002,306	8,717,761	8,438,333	7,488,045	6,604,317	5,703,388	4,773,640	4,037,292
Total Debt Service	27,513,082	26,373,198	24,392,306	24,387,761	26,774,000	25,143,712	24,599,984	24,048,955	20,499,307	16,217,959
% Change From Prior Fiscal Year	-58.7%	-4.1%	-7.5%	0.0%	9.8%	-6.1%	-2%	-2%	-15%	-20.9%
Total Expenditures	\$ 1,141,690,948	\$ 1,000,010,811	\$ 948,611,693	\$ 997,186,676	\$ 1,006,592,774	\$ 1,091,127,668	\$ 1,239,464,519	\$ 1,235,768,126	\$ 1,239,630,707	\$ 1,229,810,730
% Change From Prior Fiscal Year	-0.3%	-12.4%	-5.1%	5.1%	0.9%	8.4%	13.6%	-0.3%	0.3%	-0.7%
Debt Service as a % of Noncapital Expenditures	3.0%	2.9%	2.8%	2.7%	2.9%	2.7%	2.5%	2.3%	1.9%	1.4%

Notes:

- ¹ Includes all governmental fund types.
- ² In fiscal years 2008 - 2010, on-behalf payments are reported in the appropriate functions.
- ³ Includes non-capitalized charges to the facilities acquisition and construction function.
- ⁴ In fiscal year 2008, the School System retired early a long-term pension note payable of \$38,015,118.

Data Source:

Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County Board of Education, Georgia
 General Governmental Expenditures by Function - Percentage of Total (Unaudited) ¹
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
For the Fiscal Year Ended June 30,										
Current:										
Instruction	50.2%	56.3%	56.1%	56.3%	58.1%	53.6%	48.19%	51.69%	54.08%	57.52%
Support services:										
Pupil services	2.7%	3.2%	2.8%	2.7%	2.7%	2.8%	2.36%	2.85%	3.31%	3.51%
Improvement of instructional media services	2.5%	3.1%	2.6%	2.7%	3.0%	2.7%	3.06%	3.48%	4.09%	4.76%
Educational media services	1.2%	1.4%	1.4%	1.3%	1.5%	1.2%	1.08%	1.13%	1.20%	1.25%
Federal grant administration	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.12%	0.11%	0.12%	0.10%
General administration	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.31%	0.41%	0.42%	0.44%
School administration	4.5%	5.1%	5.1%	4.9%	5.0%	4.6%	4.04%	4.25%	4.49%	4.72%
Business administration	1.6%	1.3%	1.5%	1.7%	1.6%	1.8%	1.41%	1.63%	1.40%	1.61%
Maintenance and operation of plant	6.4%	7.1%	7.0%	7.1%	7.4%	7.1%	6.79%	6.63%	6.87%	6.62%
Student transportation services	3.5%	3.8%	4.4%	4.6%	4.7%	4.3%	3.65%	4.11%	4.17%	4.36%
Central services	1.2%	1.4%	1.3%	1.3%	1.6%	1.8%	1.92%	1.90%	2.59%	2.46%
On-behalf payments 2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
Other support services	0.1%	1.9%	3.0%	0.2%	0.2%	0.2%	0.15%	0.15%	0.04%	0.01%
Food service operations	3.6%	3.7%	3.9%	3.9%	3.9%	3.6%	2.97%	3.30%	3.19%	3.27%
Total Current	78.2%	89.0%	89.6%	87.2%	90.2%	84.3%	76.04%	81.66%	85.97%	90.61%
Capital Outlay ³	19.4%	8.4%	7.9%	10.4%	7.1%	13.4%	21.98%	16.40%	12.38%	8.07%
Debt Service										
Principal ⁴	1.2%	1.5%	1.6%	1.6%	1.8%	1.6%	1.45%	1.48%	1.27%	0.99%
Interest and fees	1.2%	1.1%	0.9%	0.9%	0.8%	0.7%	0.53%	0.46%	0.39%	0.33%
Total Debt Service	2.4%	2.6%	2.6%	2.4%	2.7%	2.3%	1.98%	1.95%	1.65%	1.32%
Total Expenditures	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.00%	100.00%	100.00%	100.00%

¹ Includes all governmental fund types.

² Beginning in fiscal years 2008, on-behalf payments are reported in the appropriate functions.

³ Includes non-capitalized charges to the facilities acquisition and construction function.

⁴ In fiscal year 2008, the School System retired early a long-term pension note payable of \$38,015,118.

Data Source:

Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County Board of Education, Georgia
 General Governmental Current Expenditures by Function (Unaudited) ¹
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Function	For the Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current:										
Instruction	\$ 573,471,451	\$ 563,445,530	\$ 532,593,377	\$ 561,904,171	\$ 585,213,360	\$ 585,102,294	\$ 597,282,656	\$ 638,818,504	\$ 670,009,551	\$ 707,417,707
Support services:										
Pupil services	30,689,617	32,370,220	26,537,001	26,854,503	27,493,780	30,056,079	29,193,488	35,250,892	40,992,499	43,192,911
Improvement of instructional services	29,034,897	31,030,192	24,941,220	26,595,855	30,027,958	29,970,884	37,929,168	42,981,915	50,655,499	58,501,640
Educational media services	14,120,626	14,203,037	12,923,434	12,707,842	14,641,714	13,632,238	13,383,328	13,983,101	14,921,099	15,352,027
Federal grant administration	-	-	-	1,270,482	1,146,400	1,113,189	1,430,903	1,398,027	1,478,301	1,226,208
General administration	5,549,527	5,453,414	4,339,130	3,875,887	4,331,536	3,939,100	3,785,883	5,057,303	5,259,483	5,420,968
School administration	51,745,298	50,600,690	48,338,288	48,852,080	50,565,833	50,483,119	50,115,002	52,343,982	55,602,282	58,022,715
Business administration	18,761,543	13,265,477	14,356,686	17,120,611	16,189,417	20,065,998	17,474,678	20,183,890	17,296,856	19,756,477
Maintenance and operation of plant	73,586,243	71,003,912	66,229,037	71,019,509	74,523,586	77,519,407	84,153,141	81,966,192	85,150,468	81,369,109
Student transportation services	39,425,457	38,159,608	41,840,321	45,543,186	47,140,124	47,376,221	45,194,130	50,792,729	51,624,947	53,638,837
Central services	13,392,095	14,215,363	12,325,925	13,067,620	15,742,285	19,898,700	23,832,305	23,468,858	32,096,980	30,214,427
On-behalf payments ²	-	-	-	-	-	-	-	-	-	-
Other support services	1,603,955	18,682,904	28,630,437	1,810,020	1,891,205	1,747,337	1,798,697	1,852,017	556,890	72,178
Food service operations	41,015,193	37,421,798	36,540,865	38,736,561	39,373,292	39,321,479	36,857,390	40,787,220	39,513,986	40,200,521
Total Current	\$ 892,395,902	\$ 889,852,145	\$ 849,615,721	\$ 869,338,337	\$ 908,280,490	\$ 920,226,045	\$ 942,430,769	\$ 1,009,084,630	\$ 1,065,138,841	\$ 1,114,375,725
Current:										
Instruction	64.3%	63.3%	62.7%	64.6%	64.4%	63.6%	63.4%	63.3%	62.9%	63.5%
Support services:										
Pupil services	3.4%	3.6%	3.1%	3.1%	3.0%	3.3%	3.1%	3.5%	3.8%	3.9%
Improvement of instructional services	3.3%	3.5%	2.9%	3.1%	3.3%	3.3%	4.0%	4.3%	4.8%	5.2%
Educational media services	1.6%	1.6%	1.5%	1.5%	1.6%	1.5%	0.2%	1.4%	1.4%	1.4%
Federal grant administration	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%
General administration	0.6%	0.6%	0.5%	0.4%	0.5%	0.4%	0.4%	0.5%	0.5%	0.5%
School administration	5.8%	5.7%	5.7%	5.6%	5.6%	5.5%	5.3%	5.2%	5.2%	5.2%
Business administration	2.1%	1.5%	1.7%	2.0%	1.8%	2.2%	1.9%	2.0%	1.6%	1.8%
Maintenance and operation of plant	8.2%	8.0%	7.8%	8.2%	8.2%	8.4%	8.9%	8.1%	8.0%	7.3%
Student transportation services	4.4%	4.3%	4.9%	5.2%	5.2%	5.1%	4.8%	5.0%	4.8%	4.8%
Central services	1.5%	1.6%	1.5%	1.5%	1.7%	2.2%	2.5%	2.3%	3.0%	2.7%
On-behalf payments ²	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other support services	0.2%	2.1%	3.4%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.0%
Food service operations	4.6%	4.2%	4.3%	4.5%	4.3%	4.3%	3.9%	4.0%	3.7%	3.6%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:
¹ Includes all governmental fund types.
² Beginning in fiscal years 2008, on-behalf payments are reported in the appropriate functions.
 Data Source: Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County Board of Education, Georgia
 Summary of Changes in Fund Balances - (Unaudited) ¹
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Revenues	\$ 1,038,473,862	\$ 1,081,276,836	\$ 1,091,257,067	\$ 1,110,600,805	\$ 1,059,896,894	\$ 1,093,299,721	\$ 1,135,392,986	\$ 1,201,932,358	\$ 1,252,577,954	\$ 1,268,535,629
Total Expenditures	1,141,690,948	1,000,010,811	948,611,693	997,186,676	1,006,592,774	1,091,127,668	1,239,464,519	1,235,768,126	1,239,030,707	1,229,810,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103,217,086)	81,266,025	142,645,374	113,414,129	53,304,120	2,172,053	(104,071,533)	(33,835,768)	13,547,247	38,724,899
Other Financing Sources (Uses)										
Proceeds from the disposition of capital assets	9,706	6,889	9,568	25,088	378,076	216,659	171,907	397,617	724,488	1,807,945
Insurance proceeds	-	-	31,153	247,375	222,417	381,548	306,723	443,523	378,534	213,052
Inception of Intergovernmental agreement				35,635,000	-	-	-	-	-	-
Transfers in	48,511,578	45,486,549	23,942,779	23,400,865	14,148	134,926	30,485,044	26,014,064	18,210,034	16,740,501
Transfers out	(48,511,578)	(45,486,549)	(23,942,779)	(23,400,865)	(14,148)	(134,926)	(30,485,044)	(26,014,064)	(18,210,034)	(16,740,501)
Total Other Financing Sources (Uses)	9,706	6,889	40,721	35,907,463	600,493	598,207	478,630	841,140	1,103,022	2,020,997
Net Change in Fund Balances	\$ (103,207,380)	\$ 81,272,914	\$ 142,686,095	\$ 149,321,592	\$ 53,904,613	\$ 2,770,260	\$ (103,592,903)	\$ (32,994,628)	\$ 14,650,269	\$ 40,745,896

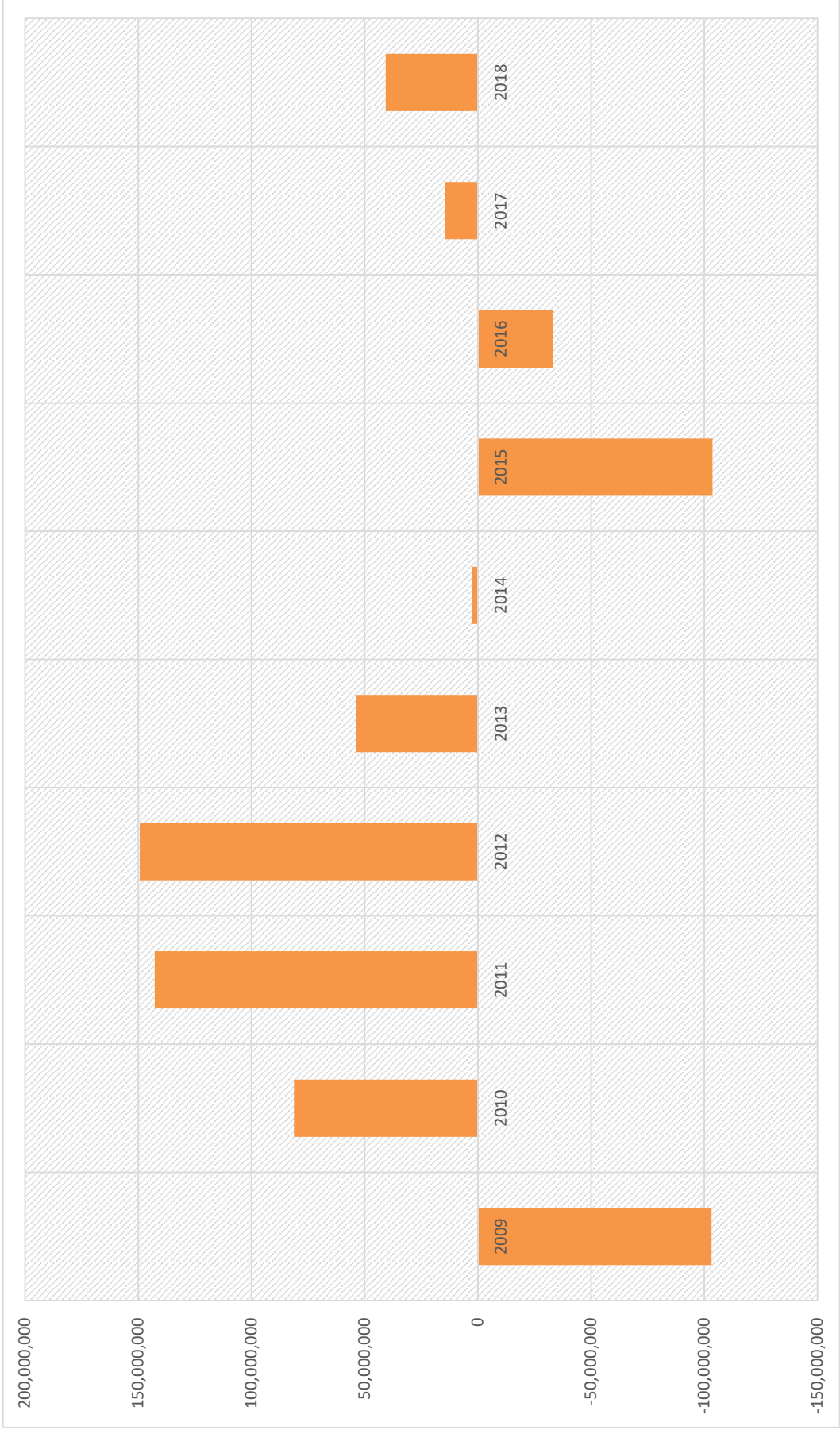
Notes:

¹ Includes all governmental fund types.

Data Source:

Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

Fulton County, Georgia
Chart-Summary of Net Changes in Total Fund Balances (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



Fulton County Board of Education, Georgia
 Taxable Assessed Value¹ and Estimated Actual Value of Property By Type (Unaudited)²
 Last Ten Fiscal Years

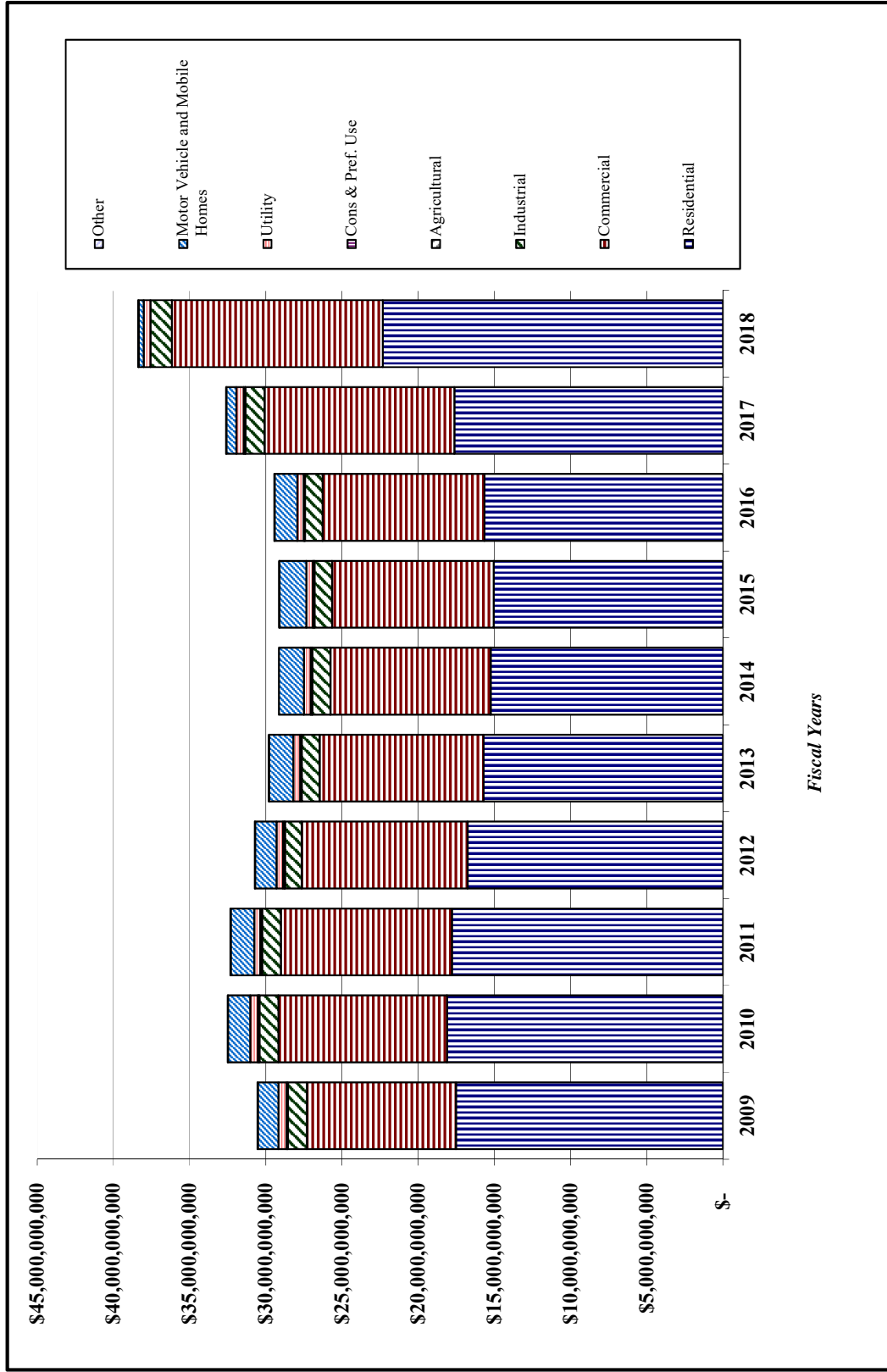
Fiscal Year Ended June 30, ³	Amounts											Total Direct Tax Rate ⁵	Estimated Actual Value	Annual Percentage Change
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Preferential & Conservation Use Property	Utility Property	Motor Vehicles and Mobile Homes	Other Property ⁴	Tax Exempt Property	Total Taxable Assessed Value ⁷	Total Tax Rate ⁵			
2009 ⁶	\$ 18,112,063,960	\$ 11,055,945,170	\$ 1,256,646,990	\$ 2,636,460	\$ 79,328,680	\$ 488,178,467	\$ 1,468,421,628	\$ 975,677	\$ 1,426,795,675	\$ 31,061,601,357	17.502	\$ 77,654,003,393	6.6%	
2010	17,794,790,080	11,224,357,540	1,224,821,770	26,006,350	93,884,570	393,603,352	1,555,358,080	1,635,569	1,519,555,370	30,794,901,941	17.502	76,987,254,853	-0.9%	
2011	16,758,715,890	10,878,449,420	1,102,564,230	27,989,820	95,628,190	441,258,358	1,393,710,275	959,706	1,464,826,410	29,234,449,479	18.502	73,086,123,698	-5.1%	
2012	15,700,034,770	10,768,109,350	1,173,143,670	26,659,930	84,885,180	441,258,358	1,582,514,292	672,109	1,469,424,399	28,307,853,260	18.502	70,769,633,150	-3.2%	
2013	15,238,256,780	10,522,668,040	1,180,184,160	26,465,240	85,914,600	453,328,194	1,625,373,782	4,136	1,548,721,694	27,583,473,238	18.502	68,958,683,095	-2.6%	
2014	15,054,489,000	10,600,600,040	1,151,964,530	21,145,580	93,232,650	412,790,424	1,770,446,868	72,162	1,592,197,410	27,512,543,844	18.502	68,781,359,610	-0.3%	
2015	15,655,302,030	10,617,563,140	1,161,287,190	18,939,790	68,867,030	414,057,510	1,490,221,318	158,580	1,654,994,596	27,771,401,992	18.502	69,428,504,980	0.9%	
2016	17,113,275,850	11,449,783,210	1,375,068,230	15,925,190	109,316,720	450,398,531	981,445,326	499,386	1,823,080,459	29,672,631,984	18.502	74,181,579,960	6.8%	
2017	17,625,265,620	12,453,581,360	1,267,821,840	15,148,760	87,783,390	478,595,812	667,017,131	946,618	1,958,107,938	30,638,052,593	18.483	76,595,131,483	3.3%	
2018	22,319,556,500	13,841,863,440	1,403,945,820	16,092,430	94,636,480	457,519,090	324,274,093	733,306	2,369,383,970	36,112,540,909	18.546	90,281,352,273	17.9%	
*	16,856,208,946	10,777,387,518	1,210,685,098	21,286,282	79,815,824	451,297,713	1,289,350,274	682,979	1,602,795,029	29,085,712,200		72,714,280,500		
**	0.6%	27.2%	0.6%	-6.2%	34.8%	-9.0%	-51.1%	-6.3%	40.3%	5.1%	2.2%	5.1%		
Percentage of Total														
2009 ⁶	55.7%	34.0%	3.9%	0.1%	0.2%	1.5%	4.5%	0.0%	4.6%	95.4%				
2010	55.1%	34.7%	3.8%	0.1%	0.3%	1.2%	4.8%	0.0%	4.9%	95.1%				
2011	54.6%	35.4%	3.6%	0.1%	0.3%	1.4%	4.5%	0.0%	5.0%	95.0%				
2012	52.7%	36.2%	3.9%	0.1%	0.3%	1.5%	5.3%	0.0%	5.2%	94.8%				
2013	52.3%	36.1%	4.1%	0.1%	0.3%	1.6%	5.6%	0.0%	5.6%	94.4%				
2014	51.7%	36.4%	4.0%	0.1%	0.3%	1.4%	6.1%	0.0%	5.8%	94.2%				
2015	53.2%	36.1%	3.9%	0.1%	0.2%	1.4%	5.1%	0.0%	6.0%	94.0%				
2016	54.3%	36.4%	4.4%	0.1%	0.3%	1.4%	3.1%	0.0%	6.1%	93.9%				
2017	54.1%	38.2%	3.9%	0.0%	0.3%	1.5%	2.0%	0.0%	6.4%	93.6%				
2018	58.0%	36.0%	3.6%	0.0%	0.2%	1.2%	0.8%	0.0%	6.2%	93.8%				

* Dollar average for ten years.
 ** Percentage change in dollars over ten years.

- Notes:**
¹ All property is assessed at 40% of fair market value.
² Gross digest before homestead or freepport exemptions.
³ The tax year is one year prior to the fiscal year.
⁴ Generally includes timber, heavy equipment and historical property.
⁵ Tax rates expressed in rate per \$1,000.
⁶ Fulton County completed a reassessment of the 2008 tax digest.

Data Source:
 Georgia Department of Revenue, Tax Digest Consolidation Summary, School, <https://apps.dor.ga.gov/digestconsolidation/DisplayDigest.aspx>
 Consolidation and Evaluation of Digest 2018

Fulton County Board of Education, Georgia
Char-Taxable Assessed Value
Last Ten Fiscal Years
(modified accrual basis of accounting)



Fulton County Board of Education, Georgia
Direct, Overlapping, and Underlying Property Tax Rates⁴ (Unaudited)
Last Ten Fiscal Years
(rate per \$1,000 of assessed taxable value)

	For the Fiscal Year Ended June 30, 2018									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Direct-School District:										
Maintenance and operations, ⁵	16.403	17.502	18.502	18.502	18.502	18.502	18.502	18.502	18.483	18.546
Debt service	1	-	-	-	-	-	-	-	-	-
Total Direct-School District	17.502	17.502	18.502	18.502	18.502	18.502	18.502	18.502	18.483	18.546
Overlapping:¹										
Fulton County	10.281	10.281	10.281	10.281	10.281	10.211	11.781	10.480	10.450	10.380
Debt service		0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.250	0.250
State of Georgia	0.250	0.250	0.250	0.250	0.200	0.150	0.100	0.050	0.050	-
Total Overlapping	10.531	10.531	10.531	10.801	10.751	10.631	12.151	10.800	10.750	10.630
Underlying:^{2,6}										
City of Alpharetta	5.750	5.750	5.750	5.750	5.750	5.750	5.750	5.750	5.750	5.750
City of College Park	9.560	9.560	11.560	11.560	12.619	10.619	12.619	12.619	12.619	12.619
City of Chattahoochee Hills	5.659	-	-	-	-	10.952	10.958	10.958	10.958	10.958
City of East Point	14.750	14.750	14.750	13.750	15.000	15.000	15.000	15.000	15.000	15.000
City of Fairburn	5.000	5.000	7.500	9.930	9.980	8.100	9.820	9.730	9.566	9.566
City of Hapeville	16.610	16.610	16.610	16.610	16.610	16.610	16.610	16.610	16.440	16.440
City of John's Creek	4.614	4.614	4.614	4.614	4.614	4.614	4.614	4.610	4.860	4.860
City of Milton	4.731	4.731	4.731	4.731	4.731	4.731	4.731	4.731	5.052	5.052
City of Mountain Park	11.780	11.780	11.780	10.780	10.780	10.780	13.330	13.220	12.880	12.880
City of Palmetto	8.500	8.450	8.450	8.500	8.500	8.500	8.500	8.500	8.500	8.500
City of Roswell	5.455	5.455	5.455	5.455	5.455	4.464	5.455	5.455	5.455	5.455
City of Sandy Springs	4.731	4.731	4.731	4.731	4.731	4.731	4.731	4.731	4.731	4.731
City of Union City	9.500	9.500	9.500	10.238	10.599	13.178	15.692	15.692	16.425	16.425
City of South Fulton	-	-	-	-	-	-	-	-	7.149	7.149

Notes:

- ¹ Overlapping rates are those of governments that overlap the School District's geographic boundaries.
- ² Underlying rates are those of the cities that apply to property owners located within Fulton County.
- ⁴ The tax year is one year prior to the fiscal year.
- ⁵ The legal limit is 25 mills.
- ⁶ Although located within Fulton County, the City of Atlanta operates their own school district, therefore, their tax rates are not applicable to taxpayers of the School District.
- ⁷ Does not reflect any CID rates

Data Source:
 Georgia Department of Revenue,
 Property Tax Division,
<http://www.etax.dor.ga.gov/PTD/cd/s/csheets/millrate.aspx>

Fulton County Board of Education, Georgia
 Comparison of Metropolitan Atlanta School Districts
 2018 Property Tax Rates ^{1,2} (Unaudited)
 For the Fiscal Year Ended June 30, 2018
 (rate per \$1,000 of assessed taxable value)

School District	2018		
	Maintenance and Operations	Debt Service	Total
Rockdale County	24,900		24,900
DeKalb County	23,180		23,180
Gwinnett County	19,800	1,950	21,750
Atlanta City	20,740	1,950	22,690
Douglas County	19,700	1,200	20,900
Clayton County	20,000		20,000
Cobb County	18,900		18,900
Fulton County	18,546		18,546
Marietta City	17,970		17,970

Notes:

¹ The tax year is one year prior to the fiscal year.

Data Source:

² Georgia Department of Revenue, Property Tax Division

https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/LGS/Property%20Tax%20Digest/Mill_Rates/2017%20mill%20rates.pdf

<https://dor.georgia.gov/property-tax-millage-rates>

https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/LGS/Property%20Tax%20Digest/Mill_Rates/2018taxrate.pdf

<https://www.ajc.com/news/local-education/aps-officials-recommend-millage-rate-reduction/val8RRHom14V5IRRCyUFoyM/>

Fulton County Board of Education, Georgia
 Property Tax Levies and Collections (Unaudited)
 Last Ten Fiscal Years

For The Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of The Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes	
	Amount	Percentage of Levy	Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2009	\$ 508,447,472	91.79%	\$ 466,717,804	91.79%	\$ 41,729,668	\$ 550,177,140	100.00%	\$ -	0.00%
2010	542,106,027	89.64%	485,963,186	89.64%	55,026,896	540,990,082	99.79%	1,115,945	0.21%
2011	540,834,806	89.34%	483,165,811	89.34%	56,339,437	539,505,248	99.75%	1,329,558	0.25%
2012	523,697,428	88.97%	465,926,520	88.97%	56,589,853	522,516,373	99.77%	1,181,055	0.23%
2013	508,967,500	88.90%	452,454,925	88.90%	55,446,954	507,901,879	99.79%	1,065,621	0.21%
2014	514,596,233	92.48%	475,894,191	92.48%	37,607,436	513,501,627	99.79%	1,094,606	0.21%
2015	517,336,359	99.18%	513,092,158	99.18%	3,229,256	516,321,414	99.80%	1,014,945	0.20%
2016	516,227,858	99.54%	513,843,278	99.54%	474,949	514,318,227	99.63%	1,909,631	0.37%
2017	528,908,509	98.25%	519,670,742	98.25%	5,149,809	524,820,551	99.23%	4,087,958	0.77%
2018	550,680,839	98.39%	541,813,059	98.39%	-	541,813,059	98.39%	8,867,780	1.61%

Notes:

¹ The lower percentage of taxes collected in 2009 fiscal year relates to a large amount of tax appeals as a result of the change in methodology of assessing commercial property and a recessionary economy.

Data Source:

Fulton County Tax Commissioner's Office.

Fulton County Board of Education, Georgia
Principal Property Taxpayers (Unaudited)
Fiscal Years 2017 and 2009 ²

	2017			2009			
	Principal Taxpayer	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value ¹	Rank
Development Authority of Fulton County	\$ 1,792,639,850	1	2.92%	Development Authority of Fulton County	\$ 631,067,463	1	1.08%
Georgia Power	444,745,002	2	0.72%	AT&T	278,970,231	2	0.48%
AT&T	240,582,218	3	0.39%	Bell South Communications	410,566,274	3	0.70%
Coca Cola Company	231,285,060	4	0.38%	Georgia Power	341,742,166	4	0.58%
Delta Airlines	169,791,829	5	0.28%	Coca Cola	255,483,383	5	0.44%
Suntrust Plaza Associates LLC	150,955,860	6	0.25%	Delta Airlines	147,705,483	6	0.25%
Post Apartment Homes	130,285,629	7	0.21%	Sanctuary Park Realty Holding	94,752,370	7	0.16%
Bellsouth Telecommunications	127,734,608	8	0.21%	Four Eight Five Properties	68,169,250	8	0.12%
Corporate Property Investors	110,808,080	9	0.18%	Fulcoprop Fifty Six LLC	67,600,000	9	0.12%
AC Property Owner LP	101,269,000	10	0.17%	Post Apartment Homes	165,521,892	10	0.28%
Total Principal Taxpayers	3,500,097,136		5.71%	Total Principal Taxpayers	2,461,578,512		4.20%
All Other Taxpayers	57,847,593,407		94.29%	All Other Taxpayers	56,217,132,515		95.80%
Total	\$ 61,347,690,543		100.00%	Total	\$ 58,678,711,027		100.00%

Notes:

¹ The taxable assessed value excludes the City of Atlanta, which has its own school district.

² The tax year is one year prior to the fiscal year.

Data Source:

Fulton County Tax Assessor's Office
Fulton County CAFR
<http://www.fultoncountyga.gov/transparency>

Fulton County Board of Education, Georgia
 Direct, Overlapping, and Underlying Sales Tax Rates (Unaudited)
 Last Ten Fiscal Years

For The Fiscal Year Ended	Direct		Overlapping		Underlying		Total Direct, Overlapping and Underlying Rates
	School District ESPLOST ¹	State of Georgia	Fulton County ²	MARTA ³	Various Cities ⁴		
2009	1.00%	4.00%	1.00%	1.00%	1.00%	1.00%	8.00%
2010	1.00%	4.00%	1.00%	1.00%	1.00%	1.00%	8.00%
2011	1.00%	4.00%	1.00%	1.00%	1.00%	1.00%	8.00%
2012	1.00%	4.00%	1.00%	1.00%	1.00%	1.00%	8.00%
2013	1.00%	4.00%	1.00%	1.00%	1.00%	1.00%	8.00%
2014	1.00%	4.00%	1.00%	1.00%	1.00%	1.00%	8.00%
2015	1.00%	4.00%	1.00%	1.00%	1.00%	1.00%	8.00%
2016	1.00%	4.00%	1.00%	1.00%	1.00%	1.00%	8.00%
2017	1.00%	4.00%	1.00%	1.00%	1.00%	1.00%	8.00%
2018	1.00%	4.00%	1.00%	1.00%	1.00%	1.00%	8.00%

Notes:

¹ An education special purpose local option sales tax (ESPLOST) was approved November 11, 2011 and is effective January 1, 2012 and expires June 30, 2017. These taxes will be used towards the cost of acquiring, constructing, equipping and upgrading various school facilities and improvements and to repay principal and interest on outstanding School District bonded indebtedness.

² The one-percent local option sales tax was approved by referendum October 1, 1987 and is effective indefinitely. The County is required to reduce their property tax millage rate in the current fiscal year by the amount of these taxes collected in the prior fiscal year.

³ This sales tax rate is levied in counties in the Metropolitan Atlanta Rapid Transit Authority (MARTA) district which have a service contract with MARTA, currently Fulton and DeKalb counties.

⁴ Some incorporated areas within the County also levy the one-percent local option sales tax.

Data Source:

Georgia Department of Revenue, Sales and Use Tax Division,
http://www.etax.dor.ga.gov/IndTax_SalesTax.aspx

Fulton County Board of Education, Georgia
Sales Taxes by Group (Unaudited) ²
Calendar Years 2009-2017

By Group	2009		2010		2011		2012		2013		2014		2015		2016		2017		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
NAICS codes:¹																			
General merchandise	\$ 16,232,562	7.48%	\$ 27,467,089	12.73%	\$ 26,344,143	11.77%	\$ 26,328,973	11.79%	\$ 29,048,800	12.38%	\$ 24,570,832	12.08%	\$ 31,685,889	12.08%	\$ 54,042,964	11.98%	\$ 23,395,177	11.32%	
Food/bars	27,424,757	12.64%	43,489,917	20.16%	43,788,988	19.56%	43,767,082	19.59%	48,469,044	20.65%	43,253,980	21.26%	55,524,224	21.77%	103,864,685	23.02%	43,827,357	21.21%	
Manufacturing	8,681,075	4.00%	12,447,497	5.77%	11,876,878	5.31%	11,962,354	5.36%	13,031,405	5.88%	11,964,800	5.88%	14,846,431	5.82%	24,063,825	5.33%	11,091,959	5.37%	
Utilities	9,438,093	4.35%	15,516,232	7.19%	13,822,103	6.18%	13,824,428	6.19%	14,564,172	6.20%	10,842,006	5.33%	16,508,236	6.47%	26,640,986	5.90%	11,698,507	5.66%	
Other retail	16,732,759	7.71%	28,680,933	13.30%	28,304,008	12.65%	28,155,154	12.60%	27,439,327	11.69%	24,263,037	11.69%	30,114,057	11.81%	53,610,092	11.88%	25,836,994	12.50%	
Wholesale	7,679,644	3.54%	14,921,503	6.92%	19,717,692	8.81%	19,616,050	8.78%	22,707,086	9.67%	20,939,637	9.67%	22,684,701	8.89%	38,156,007	8.45%	17,572,905	8.50%	
Automotive	8,740,443	4.03%	14,541,053	6.74%	16,949,228	7.57%	17,197,090	7.70%	9,620,779	4.10%	4,928,171	2.42%	5,767,296	2.26%	10,941,256	2.42%	3,647,430	1.77%	
Home furnishings	10,807,468	4.98%	17,984,958	8.34%	18,723,733	8.37%	18,738,897	8.39%	19,541,968	8.33%	17,419,894	8.56%	21,908,211	8.59%	38,776,037	8.59%	16,407,653	7.94%	
Miscellaneous services	19,949,750	9.19%	24,842,900	11.52%	26,404,200	11.80%	26,408,555	11.82%	31,678,693	13.50%	27,825,915	13.68%	33,213,315	13.02%	58,752,275	13.02%	28,632,705	13.86%	
Other services	1,589,193	0.73%	3,161,945	1.47%	5,703,393	2.55%	5,139,181	2.31%	5,738,890	2.44%	4,463,270	2.19%	6,097,270	2.39%	11,995,143	2.66%	10,925,110	4.98%	
Accommodations	6,482,739	2.99%	11,134,572	5.16%	11,069,356	4.95%	11,055,983	4.95%	11,068,488	4.72%	11,034,679	5.42%	14,170,352	5.56%	25,386,191	5.62%	17,56,450	5.69%	
Construction	1,066,196	0.49%	1,508,165	0.70%	1,129,538	0.50%	1,157,264	0.52%	1,183,022	0.77%	1,952,924	0.96%	2,517,616	0.99%	5,062,146	1.12%	2,475,849	1.20%	
SIC codes:³																			
Food	17,343,673	7.99%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Automotive	7,989,309	3.68%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
General merchandise	9,423,384	4.34%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Utilities	9,315,147	4.29%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Lumber, building and contractors	3,617,654	1.67%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Home furnishing and equipment	8,503,182	3.92%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Miscellaneous	10,959,519	5.05%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Manufacturing	2,317,149	1.07%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Miscellaneous service	8,995,589	4.15%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Apparel	3,679,250	1.70%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Total Taxable Sales	\$ 216,968,515	100.00%	\$ 215,696,765	100.00%	\$ 223,833,260	100.00%	\$ 223,371,010	100.00%	\$ 234,721,374	100.00%	\$ 203,459,143	100.00%	\$ 255,037,999	100.00%	\$ 451,284,607	100.00%	\$ 206,638,096	100.00%	
Total percentage change	-7.0%		-4.6%		3.8%		-0.2%		5.1%		-13.3%		25.4%		76.9%		-54.2%		

Notes:

² Information only available for the total Fulton County, which includes the City of Atlanta which is not within the boundaries of the School District.

³ Beginning in May 2009, the Georgia Department of Revenue changed their sales classifications.

⁴ North American Industry Classification System (NAICS)

⁵ Standard Industrial Classification (SIC)

Data Source:
Georgia Department of Revenue
<https://dor.georgia.gov/documents/sales-tax-commodity-report>

Fulton County Board of Education, Georgia
 Ratios of Total Debt Outstanding by Type (Unaudited)
 Last Ten Fiscal Years

June 30,	Governmental Activities				Total	Percentage of Personal Income	Estimated Population ²	Debt Per Capita
	General Obligation Bonds ¹	Intergovernmental Agreements						
2009	\$ 164,890,000	\$ -	\$ -	\$ 164,890,000	0.003%	1,033,756	160	
2010	149,760,000	-	-	149,760,000	0.003%	920,581	163	
2011	134,370,000	-	-	134,370,000	0.003%	949,599	142	
2012	118,700,000	35,635,000	-	154,335,000	0.003%	977,773	158	
2013	102,740,000	33,259,333	-	135,999,333	0.002%	984,293	138	
2014	87,460,000	30,883,666	-	118,343,666	0.002%	996,319	119	
2015	71,840,000	28,507,999	-	100,347,999	0.002%	1,008,275	100	
2016	55,870,000	26,132,332	-	82,002,332	0.000%	1,010,562	81	
2017	42,520,000	23,756,665	-	66,276,665	0.000%	1,023,336	65	
2018	32,715,000	21,380,998	-	54,095,998	0.000%	1,041,423	52	

Data Sources:

¹ Applicable fiscal years' Comprehensive Annual Financial Report (2009-2018).

² Exhibit XVIII

Notes:

General obligation bonds are repaid through SPLOST Funds and not from property taxes.

Fulton County Board of Education, Georgia
 Underlying, Overlapping, and Direct Governmental Activities Debt (Unaudited)⁴
 June 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Underlying Debt^{2,3}			
City of Alpharetta,	\$ 91,735,000	100.0%	\$ 91,735,000
City of Hapeville	11,905,000	100.0%	11,905,000
City of Roswell	9,932,407	100.0%	9,932,407
City of Union City	9,044,160	100.0%	9,044,160
City of East Point Building Authority	50,920,743	100.0%	50,920,743
City of Atlanta and Fulton County Recreation Authority	101,015,000	100.0%	101,015,000
Fulton County Library Bonds	250,294,279	100.0%	250,294,279
Fulton County Urban Redevelopment Agency	64,274,000	100.0%	64,274,000
College Park Business and Industrial Development Authority	-	100.0%	-
Total Underlying Debt			589,120,589
Overlapping Debt:³			
Fulton-DeKalb Hospital Authority Revenue Refunding Certificates Series 2012	84,115,000	100.0%	84,115,000
Total Overlapping Debt:			84,115,000
School District Direct Debt⁴			
General Obligation Bonds	32,715,000	100.0%	32,715,000
School District Contractual Obligations			
City of Union City Georgia, Revenue Bonds (Fulton County School District Project)	21,380,998	100.0%	21,380,998
Total Direct Debt			54,095,998
Total Underlying, Overlapping and Direct Debt			\$ 727,331,587

Notes:

¹ Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the County's geographic boundaries and dividing it by each government's total assessed valuation.

² Underlying governments are those that coincide, at least in part, with the geographic boundaries of the County.

³ In most instances, this information is presented at December 31, 2017 or June 30, 2018, as the most current information available.

Data Source:

⁴ Fulton County, Georgia, December 31, 2017 Comprehensive Annual Financial Report - Schedule 9.

Fulton County Board of Education, Georgia
 Legal Debt Margin (Unaudited)
 Last Ten Fiscal Years

June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value ¹	\$ 31,061,601,357	\$ 30,794,901,941	\$ 29,234,449,479	\$ 28,307,853,260	\$ 27,583,473,238	\$ 27,512,543,844	\$ 27,771,401,992	\$ 29,672,631,984	\$ 30,638,052,593	\$ 36,112,540,909
Legal Debt Margin	\$ 3,106,160,136	\$ 3,079,490,194	\$ 2,923,444,948	\$ 2,830,785,326	\$ 2,758,347,324	\$ 2,751,254,384	\$ 2,777,140,199	\$ 2,967,263,198	\$ 3,063,805,259	\$ 3,149,571,244
Debt limit (10% of assessed value) ²	164,890,000	149,760,000	134,370,000	118,700,000	102,740,000	87,486,000	71,480,000	55,870,000	42,520,000	32,715,000
Debt applicable to limit: ²										
General obligation bonds										
Less: Amount reserved for repayment of general obligation debt	44,855,494	47,441,152	47,474,552	47,975,600	25,390,779	4,356,254	4,372,369	5,786,949	4,402,869	5,611,047
Total debt applicable to limit	120,034,506	102,318,848	86,895,448	70,724,400	77,349,221	83,129,746	67,107,631	50,083,051	38,117,131	27,103,953
Legal Debt Margin	\$ 2,986,125,630	\$ 2,977,171,346	\$ 2,836,549,500	\$ 2,760,060,926	\$ 2,680,998,103	\$ 2,668,124,638	\$ 2,710,032,568	\$ 2,917,180,147	\$ 3,025,688,128	\$ 3,122,467,291
Total net debt applicable to the limit as a % of the debt limit	3.86%	3.32%	2.97%	2.50%	2.80%	3.02%	2.42%	1.69%	1.24%	3.20%

Notes:

² Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the School District's outstanding general obligation debt should not exceed 10% of the assessed value of the taxable property located within the School

Data Source:

<https://www.fultonschools.org/en/divisions/finserv/FY18%20Budget%20Documents/FY2018%20Budget%20Book.pdf>

Fulton County Board of Education, Georgia
 Demographic and Economic Statistics (Unaudited)
 Last Ten Calendar Years

Year	Population ¹	(thousands of dollars) Personal Income ²	Per Capita		Unemployment Rate ⁸		
			Personal Income		County ⁵	State of Georgia ⁶	United States ⁷
			County ³	County as a % of U.S. ³			
2009	1,033,756	\$ 48,952,940	\$ 50,474	140%	10.5%	10.4%	9.5%
2010	920,581	48,733,047	55,438	139%	10.2%	10.3%	9.4%
2011	949,599	53,234,047	57,451	130%	10.2%	10.4%	9.1%
2012	977,773	56,258,497	57,537	130%	9.3%	8.9%	8.2%
2013	984,293	57,210,067	58,112	130%	8.6%	8.3%	7.5%
2014	996,319	58,488,140	58,704	130%	7.5%	7.8%	6.1%
2015	1,008,275	59,774,879	59,284	130%	6.0%	6.1%	5.3%
2016	1,010,562	65,686,096	65,000	130%	5.4%	5.2%	4.9%
2017	1,023,336	58,541,983	57,207	130%	4.3%	4.3%	4.1%
2018	1,041,423	58,988,282	56,642	130%	3.7%	4.1%	4.0%

Data Sources:

¹ 2009- 2018 - Fulton County, Georgia June 30, 2017 estimated by management

² 2009- 2018 - Fulton County, Georgia June 30, 2017 estimated by management

³ Personal income divided by population

⁴ Estimated by management

⁵ U.S. Department of Labor, Bureau of Labor Statistics, months of June, Atlanta, Sandy Springs, Marietta, GA, Metropolitan Statistical Area - <http://data.bls.gov/cgi-bin/surveymost?la+I3>

⁶ U.S. Department of Labor, Bureau of Labor Statistics, months of June, State of Georgia Statistical Area - <http://data.bls.gov/cgi-bin/surveymost?la+I3>

⁷ U.S. Department of Labor, Bureau of Labor Statistics, http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LNS14000000

⁸ The substantial increase in the unemployment rates in 2009 relates to the nationwide recession.
 N/A - Not Available

Exhibit XIX

Fulton County Board of Education, Georgia
Principal Employers (Unaudited)
For the Fiscal Years Ended June 30, 2018 and 2010

Employer	2018*	
	Number of Employees**	Percentage of County Employment ***
Delta Air Lines	31,237	1.12%
Emory University / Emory Healthcare	29,937	1.07%
Wal-Mart Stores, Inc.	20,532	0.74%
The Home Depot	20,000	0.72%
AT&T	17,882	0.64%
The Kroger Co.	14,753	0.53%
Wellstar Health Systems	13,500	0.48%
Publix Super Markets, Inc.	9,494	0.34%
USPS - Atlanta District	9,385	0.34%
Northside Hospital	9,016	0.32%

*Information is not available for the School District exclusively. Information presented for Fulton County, Georgia.

**https://en.wikipedia.org/wiki/Economy_of_Atlanta

***https://www.bls.gov/regions/southeast/news-release/2018/pdf/areaemployment_atlanta_20180404.pdf

Employer	2010	
	Employees	Percentage of County Employment **
Delta Airlines	22,257	0.92%
AT&T	21,915	0.90%
Bellsouth Corporation	15,500	0.64%
United States Postal Service	14,000	0.58%
Cox Enterprises	13,583	0.56%
Fulton County School System	12,969	0.53%
United Parcel Service	10,745	0.44%
Atlanta City Municipal Government	7,934	0.33%
IBM Corporation	7,500	0.31%
Georgia Institute of Technology	7,342	0.30%

CAFR 2010

Fulton County Board of Education, Georgia
 Employees by Function (Unaudited)
 Last Ten Fiscal Years

Fiscal Year Ended June 30,

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction	8,667	8,545	7,972	7,802	8,107	7,947	7,944	8,228	8,389	8,451
Pupil services	387	384	319	328	335	340	351	374	472	474
Improvement of instructional services	229	250	211	237	189	305	330	368	392	334
Educational media services	204	214	192	190	196	196	196	209	212	215
Federal Grants Administration	-	-	-	2	8	11	11	10	16	12
General administration	17	20	19	11	13	13	14	13	14	15
School administration	698	686	686	692	703	705	708	768	776	782
Business administration	94	97	104	108	117	107	107	119	119	120
Maintenance and operation of plant	788	755	679	665	652	673	692	698	682	659
Student transportation services	929	980	954	954	942	945	945	942	962	962
Central services	103	102	107	98	118	119	121	240	245	258
Other supporting services	26	31	46	43	3	46	47	48	6	97
Food service operations	873	903	731	726	835	876	876	520	447	423
Facilities acquisition and construction	3	3	5	5	18	24	26	24	26	28
Total	13,018	12,969	12,025	11,861	12,236	12,307	12,368	12,563	12,759	12,830

Percentage Change From Prior Fiscal Year

	1.5%	-0.4%	-7.3%	-1.4%	3.2%	0.6%	0.5%	1.6%	1.6%	0.6%
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Fulton County Board of Education, Georgia
 Teachers' Salaries
 Last Ten Fiscal Years

Fiscal Year	School District's Minimum Salary ¹	Minimum State Salary ^{2,3}	School District's % of State Minimum ³	School District's Maximum Salary ¹	School District's Average Salary ¹	Statewide Average Salary ³	School District's % of State Average ³
2009	\$ 40,224	\$ 31,586	127.3%	\$ 83,688	\$ 61,956	\$ 52,823	117.3%
2010	39,132	31,586	123.9%	83,688	61,410	52,823	116.3%
2011	39,132	31,586	123.9%	83,688	61,410	52,823	116.3%
2012	39,132	31,586	123.9%	83,688	61,410	52,871	116.1%
2013	39,132	31,586	123.9%	83,688	61,410	52,871	116.2%
2014	40,308	31,586	127.6%	86,196	63,252	52,871	119.6%
2015	40,308	31,586	127.6%	83,844	62,076	50,950	121.8%
2016	41,916	31,586	132.7%	89,640	75,008	52,800	142.1%
2017	44,016	31,586	139.4%	94,128	65,386	52,880	123.6%
2018	44,892	34,092	131.7%	96,012	78,035	55,346	141.0%

Data Source:

- ¹ School System records.
- ² Georgia Department of Education, http://www.doe.k12.ga.us/fbo_budget.aspx.
- ³ Georgia Governor's Office of Achievement.

Fulton County Board of Education, Georgia

School Building Information

Last Ten Fiscal Years

School	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elementary										
Abbotts Hill(2000)										
Square Feet	108,426	108,426	108,426	108,426	108,426	108,426	108,426	108,426	108,426	108,426
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	794	832	779	792	752	752	753	753	701	634
Alpharetta(1956)										
Square Feet	101,655	101,655	115,655	115,655	115,655	115,655	115,655	115,655	116,761	116,761
Capacity	775	775	900	900	900	900	900	900	900	900
Enrollment	696	719	687	659	616	581	575	575	555	546
Barnwell(1987)										
Square Feet	88,460	88,460	122,429	122,429	122,429	122,429	122,429	122,429	121,862	121,862
Capacity	650	650	850	850	850	850	850	850	850	850
Enrollment	728	752	779	801	798	813	799	799	783	750
Bethune(1968)										
Square Feet	78,004	106,004	107,066	107,066	107,066	107,066	107,066	107,066	107,066	107,066
Capacity	575	850	825	825	825	825	825	825	825	825
Enrollment	697	693	755	740	733	742	747	747	750	690
Birmingham Falls(2009)										
Square Feet	-	116,824	117,137	117,137	117,137	117,137	117,137	117,137	117,137	117,137
Capacity	-	850	850	850	850	850	850	850	850	850
Enrollment	-	766	742	721	663	760	732	732	738	732
Brookview(1972)										
Square Feet	77,949	77,949	86,193	86,193	86,193	86,193	86,193	86,193	78,993	78,993
Capacity	525	525	550	550	550	550	550	550	550	550
Enrollment	611	537	487	426	467	515	557	557	510	465
Campbell(1996)										
Square Feet	131,594	131,594	130,445	130,445	130,445	130,445	130,445	130,445	130,445	130,445
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	900	861	897	800	817	871	882	882	849	757
Cliftondale(2009)										
Square Feet	-	109,312	117,137	117,137	117,137	117,137	117,137	117,137	117,137	117,137
Capacity	-	850	850	850	850	850	850	850	850	850
Enrollment	-	839	843	842	788	876	884	884	717	717

Fulton County Board of Education, Georgia
 School Building Information
 Last Ten Fiscal Years

School	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cogburn Woods(2004)										
Square Feet	116,284	116,284	127,084	127,084	127,084	127,084	127,084	127,084	116,284	116,284
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	918	1,027	921	936	941	920	915	915	892	863
College Park(1965)										
Square Feet	100,615	100,615	100,615	-	-	-	-	-	-	-
Capacity	500	500	475	-	-	-	-	-	-	-
Enrollment	370	351	276	-	-	-	-	-	-	-
College Park (2014)										
Square Feet	-	-	-	-	-	-	-	-	124,612	124,612
Capacity	-	-	-	-	-	-	-	-	850	850
Enrollment	-	-	-	-	-	-	-	-	879	795
Conley Hills(1953)										
Square Feet	103,296	103,296	98,590	98,590	98,590	98,590	98,590	98,590	98,590	98,590
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	549	538	491	478	496	514	476	476	649	603
Crabapple Xing(1992)										
Square Feet	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	870	762	735	730	758	780	786	786	762	771
Creek View(2001)										
Square Feet	114,428	114,428	118,028	118,028	118,028	118,028	118,028	118,028	114,428	114,428
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	978	969	952	994	1,014	1,000	976	976	888	892
Dolvin(1979)										
Square Feet	131,944	131,944	139,144	139,144	139,144	139,144	139,144	139,144	146,640	146,640
Capacity	1,025	1,025	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	970	979	962	917	926	897	878	878	856	835
Dunwoody Springs(2000)										
Square Feet	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	898	677	735	711	756	723	677	677	596	578
Feldwood(2010)										
Square Feet	-	-	117,137	117,137	117,137	117,137	117,137	117,137	117,137	117,137

Fulton County Board of Education, Georgia

School Building Information

Last Ten Fiscal Years

School	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capacity	-	-	875	875	875	875	875	875	875	875
Enrollment	-	-	793	669	743	812	864	864	786	786
Findley Oaks(1994)										
Square Feet	122,849	122,849	118,017	118,017	118,017	118,017	118,017	118,017	118,017	118,017
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	812	801	759	707	699	727	678	678	640	624
Gullatt(1976)										
Square Feet	76,857	76,857	77,994	77,994	77,994	77,994	77,994	77,994	77,994	77,994
Capacity	500	500	525	525	525	525	525	525	525	525
Enrollment	539	566	269	474	503	457	503	503	529	667
Hapeville(1939)										
Square Feet	130,000	130,000	121,516	121,516	121,516	121,516	121,516	121,516	121,516	121,516
Capacity	800	800	825	825	825	825	825	825	825	825
Enrollment	691	744	747	641	657	715	722	722	702	692
Heards Ferry(1970)										
Square Feet	85,394	85,394	84,380	84,380	84,380	84,380	84,380	84,380	-	-
Capacity	625	625	625	625	625	625	625	625	-	-
Enrollment	400	489	564	609	645	680	698	698	-	-
Heards Ferry(2015)										
Square Feet	-	-	-	-	-	-	-	-	134,561	134,561
Capacity	-	-	-	-	-	-	-	-	925	925
Enrollment	-	-	-	-	-	-	-	-	724	775
Hembree Springs(2001)										
Square Feet	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	815	746	812	775	785	812	826	826	641	633
Heritage(2000)										
Square Feet	108,426	108,426	110,972	110,972	110,972	110,972	110,972	110,972	110,972	110,972
Capacity	850	850	875	875	875	875	875	875	875	875
Enrollment	1,041	915	738	668	697	815	770	770	673	597
High Point(1961)										
Square Feet	108,015	108,015	108,015	108,015	108,015	108,015	108,015	108,015	108,015	108,015
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	613	638	730	809	869	870	794	794	761	710

Fulton County Board of Education, Georgia
 School Building Information
 Last Ten Fiscal Years

School	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Asa G. Hilliard (2015)										
Square Feet	-	-	-	-	-	-	-	-	125,924	125,924
Capacity	-	-	-	-	-	-	-	-	850	850
Enrollment	-	-	-	-	-	-	-	-	704	646
Hillside(2001)										
Square Feet	114,428	114,428	121,628	121,628	121,628	121,628	121,628	121,628	114,428	114,428
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	719	828	739	721	721	700	691	691	511	521
Hamilton E. Holmes(2003)										
Square Feet	128,253	128,253	124,307	124,307	124,307	124,307	124,307	124,307	124,307	124,307
Capacity	950	950	950	950	950	950	950	950	950	950
Enrollment	652	649	452	748	880	921	818	818	767	722
Ison Springs(2009)										
Square Feet	-	126,320	126,612	126,612	126,612	126,612	126,612	126,612	123,612	123,612
Capacity	-	850	850	850	850	850	850	850	850	850
Enrollment	-	659	697	623	729	762	788	788	642	661
Esther Jackson(1975)										
Square Feet	91,109	91,109	109,702	109,702	109,702	109,702	109,702	109,702	-	-
Capacity	625	625	625	625	625	625	625	625	-	-
Enrollment	698	644	638	679	635	636	596	596	-	-
Esther Jackson(2016)										
Square Feet	-	-	-	-	-	-	-	-	134,561	134,561
Capacity	-	-	-	-	-	-	-	-	925	925
Enrollment	-	-	-	-	-	-	-	-	645	646
Lake Forest(2008)										
Square Feet	126,320	126,320	126,320	126,320	126,320	126,320	126,320	126,320	126,320	126,320
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	597	649	743	843	914	935	981	981	941	877
Lake Windward(1989)										
Square Feet	114,250	114,250	125,050	125,050	125,050	125,050	125,050	125,050	125,050	125,050
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	881	859	881	827	787	757	690	690	689	739
Seaborn Lee(1970)										
Square Feet	81,397	81,397	84,069	84,069	84,069	84,069	84,069	84,069	80,469	80,469

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Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	634	609	538	514	476	495	497	497	492	481
S.L. Lewis(1973)										
Square Feet	88,810	88,810	88,810	88,810	88,810	88,810	88,810	88,810	88,810	88,810
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	712	732	555	577	520	543	580	580	620	668
Liberty Point(2002)										
Square Feet	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	726	728	689	672	706	738	775	775	754	716
Manning Oaks(1998)										
Square Feet	108,429	108,426	108,426	108,426	108,426	108,426	108,426	108,426	108,426	108,426
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	965	765	839	807	794	801	813	813	852	863
Medlock Bridge(1990)										
Square Feet	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	679	691	671	689	675	648	670	670	674	629
Mimosa(1968)										
Square Feet	132,641	132,641	137,252	137,252	137,252	137,252	137,252	137,252	133,652	133,652
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	857	1,029	1,112	1,065	1,063	1,123	1,106	1,106	820	788
Mt. Olive(1960)										
Square Feet	89,256	89,256	89,256	89,256	89,256	89,256	-	-	-	-
Capacity	725	725	725	725	725	725	-	-	-	-
Enrollment	531	523	512	706	595	661	-	-	-	-
Mountain Park(1973)										
Square Feet	93,980	121,980	119,526	119,526	119,526	119,526	119,526	119,526	119,675	119,675
Capacity	775	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	825	908	894	860	869	854	855	855	805	775
New Prospect(1994)										
Square Feet	110,973	110,973	110,973	110,973	110,973	110,973	110,973	110,973	111,127	111,127
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	602	621	569	585	593	579	496	496	564	574

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Love T. Nolan(1975)										
Square Feet	85,182	109,862	106,651	106,651	106,651	106,651	106,651	106,651	106,651	106,651
Capacity	600	850	850	850	850	850	850	850	850	850
Enrollment	793	815	774	753	775	754	744	744	785	785
Northwood(1996)										
Square Feet	109,621	109,621	109,621	109,621	109,621	109,621	109,621	109,621	109,621	109,621
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	900	737	725	736	742	758	743	743	711	706
Oak Knoll(1963)										
Square Feet	95,578	95,578	106,378	106,378	106,378	106,378	106,378	106,378	-	-
Capacity	575	575	575	575	575	575	575	575	-	-
Enrollment	599	593	573	466	492	462	463	463	-	-
Oakley(2007)										
Square Feet	122,250	122,250	122,250	122,250	122,250	122,250	122,250	122,250	122,250	122,250
Capacity	850	850	875	875	875	875	875	875	850	850
Enrollment	848	902	757	722	761	804	816	816	812	825
Ocee(2000)										
Square Feet	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	793	799	760	771	765	811	797	797	752	702
Palmetto(1971)										
Square Feet	145,800	145,800	149,400	149,400	149,400	149,400	149,400	149,400	147,770	147,770
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	541	527	518	531	569	568	556	556	557	529
Parklane(1954)										
Square Feet	88,710	88,710	87,450	87,450	87,450	87,450	87,450	87,450	87,450	87,450
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	464	490	425	521	500	475	461	461	569	505
Randolph(1989)										
Square Feet	97,370	97,370	97,370	97,370	97,370	97,370	97,370	97,370	97,640	97,640
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	569	670	657	638	615	622	643	643	600	553
Renaissance(2006)										
Square Feet	116,284	116,284	116,284	116,284	116,284	116,284	116,284	116,284	116,284	116,284

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River Eves(1996)										
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	1,095	689	712	728	744	811	765	765	677	653
Square Feet	109,621	109,621	109,621	109,621	109,621	109,621	109,621	109,621	109,621	109,621
Capacity	775	775	775	775	775	775	775	775	775	775
Enrollment	740	765	782	823	836	847	811	811	622	615
Roswell North(1960)										
Square Feet	125,873	125,873	125,873	125,873	125,873	125,873	125,873	125,873	125,873	125,873
Capacity	725	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	852	960	1,015	1,044	1,102	1,050	1,020	1,020	930	882
Shakerag(1997)										
Square Feet	108,426	108,426	114,912	114,912	114,912	114,912	114,912	114,912	114,912	114,912
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	812	800	811	807	793	834	834	834	723	687
Spalding Drive(1966)										
Square Feet	98,353	98,353	98,353	98,353	98,353	98,353	98,353	98,353	83,162	83,162
Capacity	575	575	575	575	575	575	575	575	550	550
Enrollment	696	427	467	51	503	478	472	472	420	422
State Bridge Xing(1996)										
Square Feet	109,621	109,621	109,621	109,621	109,621	109,621	109,621	109,621	109,621	109,621
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	735	759	764	832	826	839	825	825	806	771
Stonewall Tell(1998)										
Square Feet	108,426	108,426	108,426	108,426	108,426	108,426	108,426	108,426	108,426	108,426
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	1,086	822	840	897	948	1,048	1,120	1,120	713	681
Summit Hill(1999)										
Square Feet	108,426	108,426	112,026	112,026	112,026	112,026	112,026	112,026	108,426	108,426
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	1,036	807	836	818	790	724	716	716	716	697
Sweet Apple(1997)										
Square Feet	128,253	128,253	131,853	131,853	131,853	131,853	131,853	131,853	128,253	128,253
Capacity	950	950	950	950	950	950	950	950	950	950
Enrollment	898	848	792	767	752	719	704	704	794	786

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Harriet Tubman(1961)										
Square Feet	111,518	111,518	111,518	111,518	111,518	111,518	111,518	111,518	-	-
Capacity	675	675	675	675	675	675	675	675	-	-
Enrollment	531	515	542	563	543	549	575	575	-	-
Vickery Mill ES (2015)										
Square Feet	-	-	-	-	-	-	-	-	129,999	129,999
Capacity	-	-	-	-	-	-	-	-	750	750
Enrollment	-	-	-	-	-	-	-	-	577	494
Evoline C. West(1970)										
Square Feet	112,750	112,750	116,290	116,290	116,290	116,290	116,290	116,290	112,750	112,750
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	893	905	764	725	713	795	818	818	800	784
Wilson Creek(2004)										
Square Feet	116,284	116,284	116,284	116,284	116,284	116,284	116,284	116,284	116,284	116,284
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	863	902	871	875	873	822	792	792	801	821
Wolf Creek(2016)										
Square Feet	-	-	-	-	-	-	-	-	123,500	123,500
Capacity	-	-	-	-	-	-	-	-	875	875
Enrollment	-	-	-	-	-	-	-	-	740	712
Woodland(1971)										
Square Feet	137,674	137,674	136,582	136,582	136,582	136,582	136,582	136,582	135,647	135,647
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	862	819	886	895	921	921	907	907	923	974
Middle										
Autrey Mill(2004)										
Square Feet	185,787	185,787	186,850	186,850	186,850	186,850	186,850	186,850	213,048	213,048
Capacity	1,250	1,250	1,200	1,200	1,200	1,200	1,200	1,200	1,450	1,450
Enrollment	1,161	1,251	1,315	1,363	1,394	1,379	1,385	1,385	1,472	1,454
Bear Creek(1990)										
Square Feet	154,813	154,813	154,813	154,813	154,813	154,813	154,813	154,813	156,120	156,120
Capacity	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Enrollment	992	1,003	1,048	1,085	1,060	968	962	962	1,131	1,161

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Camp Creek(1985)										
Square Feet	119,632	119,632	123,232	123,232	123,232	123,232	123,232	123,232	119,632	119,632
Capacity	950	950	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	726	803	780	768	736	693	738	738	520	592
Crabapple(1983)										
Square Feet	121,662	121,662	133,836	133,836	133,836	133,836	133,836	133,836	123,036	123,036
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	865	773	798	836	948	940	950	950	984	953
Elkins Pointe(2001)										
Square Feet	177,651	177,651	177,651	177,651	177,651	177,651	177,651	177,651	177,651	177,651
Capacity	1,200	1,200	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Enrollment	903	897	891	908	1,053	1,102	1,125	1,125	1,054	1,037
Haynes Bridge(1983)										
Square Feet	126,499	126,499	126,432	126,432	126,432	126,432	126,432	126,432	126,432	126,432
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	672	635	644	667	697	741	742	742	789	746
Holcomb Bridge(1983)										
Square Feet	119,728	119,728	121,542	121,542	121,542	121,542	121,542	121,542	121,542	121,542
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	650	684	708	732	802	831	835	835	754	712
Hopewell(2004)										
Square Feet	179,783	179,783	179,783	179,783	179,783	179,783	179,783	179,783	201,471	201,471
Capacity	1,200	1,200	1,175	1,175	1,175	1,175	1,175	1,175	1,400	1,400
Enrollment	1,115	1,161	1,185	1,259	1,349	1,331	1,338	1,338	1,484	1,500
McNair(1969)										
Square Feet	167,857	167,857	165,391	165,391	165,391	165,391	165,391	165,391	-	-
Capacity	1,025	1,025	1,000	1,000	1,000	1,000	1,000	1,000	-	-
Enrollment	873	859	834	728	847	829	823	823	-	-
McNair(2016)										
Square Feet	-	-	-	-	-	-	-	-	201,471	201,471
Capacity	-	-	-	-	-	-	-	-	1,400	1,400
Enrollment	-	-	-	-	-	-	-	-	801	778
Northwestern(1996)										
Square Feet	173,375	173,375	191,375	191,375	191,375	191,375	191,375	191,375	173,375	173,375

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Capacity	1,075	1,075	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	1,233	1,249	1,263	1,259	1,312	1,347	1,332	1,332	1,358	1,314
Renaissance(2007)										
Square Feet	180,500	180,500	180,500	180,500	180,500	180,500	180,500	180,500	180,500	180,500
Capacity	1,200	1,200	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Enrollment	1,120	1,190	1,147	1,114	1,205	1,267	1,208	1,208	1,172	1,182
Ridgeview(1968)										
Square Feet	141,038	189,393	178,994	178,994	178,994	178,994	178,994	178,994	180,848	180,848
Capacity	875	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	636	745	820	912	965	1,096	1,107	1,107	1,137	1,136
River Trail(2001)										
Square Feet	177,651	177,651	202,851	202,851	202,851	202,851	202,851	202,851	177,651	177,651
Capacity	1,200	1,200	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Enrollment	1,513	1,574	1,488	1,511	1,521	1,443	1,405	1,405	1,165	1,218
Sandtown(2004)										
Square Feet	179,783	179,783	179,783	179,783	179,783	179,783	179,783	179,783	179,783	179,783
Capacity	1,200	1,200	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Enrollment	1,023	1,120	1,110	1,148	1,142	1,168	1,168	1,168	858	909
Sandy Springs(old)										
Square Feet	-	-	-	-	-	-	-	-	-	-
Capacity	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Sandy Springs(2002)										
Square Feet	162,272	162,272	176,672	176,672	176,672	176,672	176,672	176,672	190,398	190,398
Capacity	875	875	875	875	875	875	875	875	1,250	1,250
Enrollment	753	832	897	876	910	880	920	920	872	899
Taylor Road(1990)										
Square Feet	154,880	154,880	154,880	154,880	154,880	154,880	154,880	154,880	183,771	183,771
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,400	1,400
Enrollment	962	941	931	962	1,051	1,036	1,043	1,043	1,337	1,335
Webb Bridge(1996)										
Square Feet	173,375	173,375	191,375	191,375	191,375	191,375	191,375	191,375	173,375	173,375
Capacity	1,125	1,125	1,150	1,150	1,150	1,150	1,150	1,150	1,175	1,175
Enrollment	1,367	1,362	1,332	1,352	1,371	1,362	1,391	1,391	1,265	1,189

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Paul D. West(2002)										
Square Feet	177,651	177,651	177,651	177,651	177,651	177,651	177,651	177,651	177,651	177,651
Capacity	1,200	1,200	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Enrollment	888	856	761	772	761	756	733	733	906	802
Woodland(1965)										
Square Feet	-	-	-	-	-	-	-	-	-	-
Capacity	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Woodland(2009)										
Square Feet	186,530	186,530	186,530	186,530	186,530	186,530	186,530	186,530	186,530	186,530
Capacity	1,250	1,250	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,028	1,041	1,078	1,229	1,076	1,099	1,033	1,033	942	833
High										
Alpharetta(2004)										
Square Feet	343,036	343,036	337,096	337,096	337,096	337,096	337,096	337,096	337,096	337,096
Capacity	2,125	2,125	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175
Enrollment	2,170	2,255	2,333	2,330	2,105	2,066	2,061	2,061	2,142	2,255
Banneker(1976)										
Square Feet	220,975	220,975	238,975	238,975	238,975	238,975	238,975	238,975	-	-
Capacity	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475	-	-
Enrollment	1,770	1,325	1,310	-	-	-	-	-	-	-
Banneker (2012)										
Square Feet	-	-	-	339,617	339,617	339,617	339,617	339,617	339,617	339,617
Capacity	-	-	-	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Enrollment	-	-	-	1,239	1,461	1,537	1,411	1,411	1,456	1,543
Cambridge (2012)										
Square Feet	-	-	-	320,885	320,885	320,885	320,885	320,885	328,585	328,585
Capacity	-	-	-	1,900	1,900	1,900	1,900	1,900	1,925	1,925
Enrollment	-	-	-	-	1,079	1,532	1,785	1,785	1,990	1,989
Centennial(1997)										
Square Feet	254,916	254,916	273,912	273,912	273,912	273,912	273,912	273,912	275,849	275,849
Capacity	1,775	1,775	1,925	1,925	1,925	1,950	1,950	1,950	1,950	1,950
Enrollment	2,013	1,950	1,948	1,833	1,863	1,894	1,847	1,847	2,009	1,934

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Chattahoochee(1991)										
Square Feet	243,204	243,204	258,644	258,644	258,644	258,644	258,644	258,644	269,107	269,107
Capacity	1,675	1,675	1,875	1,875	1,875	1,900	1,900	1,900	1,950	1,950
Enrollment	2,237	1,861	1,736	1,855	1,812	1,850	1,879	1,879	1,956	1,965
Creekside(1990)										
Square Feet	245,894	245,894	245,894	253,665	253,665	253,665	253,665	253,665	256,705	256,705
Capacity	1,850	1,850	1,850	1,875	1,875	1,875	1,875	1,875	1,900	1,900
Enrollment	2,619	1,431	1,316	1,396	1,409	1,433	1,635	1,635	1,752	1,786
Independence(1953)										
Square Feet	-	-	-	-	-	-	-	-	-	-
Capacity	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Johns Creek(2009)										
Square Feet	-	320,885	320,885	320,885	320,885	320,885	320,885	320,885	320,885	320,885
Capacity	-	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Enrollment	-	1,212	1,615	1,842	1,933	1,974	2,011	2,011	2,092	2,144
Langston Hughes(2009)										
Square Feet	-	340,817	350,282	350,282	350,282	350,282	350,282	350,282	350,282	350,282
Capacity	-	2,200	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175
Enrollment	-	2,179	2,256	1,856	1,681	1,808	1,890	1,890	1,951	1,895
McClarlin(1943)										
Square Feet	97,789	97,789	95,205	95,205	95,205	95,205	95,205	95,205	95,205	95,205
Capacity	270	270	253	253	253	253	253	253	253	253
Enrollment	319	323	253	312	270	262	212	212	212	400
Milton(1953)										
Square Feet	-	-	-	-	-	-	-	-	-	-
Capacity	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Milton(2005)										
Square Feet	343,450	343,450	375,850	375,850	375,850	375,850	375,850	375,850	343,450	343,450
Capacity	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Enrollment	2,331	2,536	2,628	2,654	2,180	2,010	2,021	2,021	2,304	2,382
Independence (1953)										
Square Feet	258,589	258,589	258,589	258,589	258,589	258,589	258,589	258,589	258,589	258,589

Fulton County Board of Education, Georgia
 School Building Information
 Last Ten Fiscal Years

School	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capacity	900	900	625	625	625	625	625	625	625	625
Enrollment	275	338	325	264	268	258	176	176	203	400
North Springs(1963)										
Square Feet	314,530	314,530	297,170	297,170	297,170	297,170	297,170	297,170	301,052	301,052
Capacity	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775
Enrollment	1,336	1,337	1,445	1,552	1,646	1,618	1,653	1,653	1,632	1,576
Northview(2002)										
Square Feet	270,000	270,000	303,978	303,978	303,978	303,978	303,978	303,978	293,923	293,923
Capacity	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,900	1,900
Enrollment	2,790	2,134	1,895	1,843	1,836	1,903	1,922	1,922	1,819	1,816
Riverwood(1971)										
Square Feet	249,132	249,132	259,932	259,932	259,932	259,932	259,932	259,932	259,932	259,932
Capacity	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Enrollment	1,354	1,459	1,664	1,634	1,715	1,672	1,551	1,551	1,535	1,688
Roswell(1990)										
Square Feet	264,656	264,656	289,455	289,455	289,455	289,455	289,455	289,455	297,295	297,295
Capacity	1,975	1,975	2,000	2,000	2,000	2,000	2,000	2,000	1,975	1,975
Enrollment	2,405	2,404	2,471	2,465	2,321	2,218	2,078	2,078	2,238	2,246
Tri-Cities(1988)										
Square Feet	272,362	278,042	299,668	299,668	299,668	299,668	299,668	299,668	288,308	288,308
Capacity	1,875	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Enrollment	1,844	1,885	1,845	1,844	1,828	1,650	1,702	1,702	1,745	1,610
Westlake(1969)										
Square Feet	-	-	-	-	-	-	-	-	-	-
Capacity	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Westlake(2009)										
Square Feet	328,617	328,617	328,617	328,617	328,617	328,617	328,617	328,617	323,804	323,804
Capacity	1,900	1,900	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925
Enrollment	2,339	1,949	2,102	1,914	1,795	1,883	2,023	2,023	2,184	2,205
North Crossroads Mimosa Boulevard Building (1943/1992)										
Square Feet	67,724	67,724	54,978	54,978	54,978	54,978	54,978	54,978	54,978	54,978

Fulton County Board of Education, Georgia

School Building Information

Last Ten Fiscal Years

School	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capacity	*	*	*	*	*	*	*	*	*	*
Enrollment	110	105	54	-	-	-	-	-	-	-
South Crossroads(1977)										
Square Feet	67,899	67,899	45,553	45,553	45,553	45,553	45,553	45,553	-	-
Capacity	*	*	*	*	*	*	*	*	*	*
Enrollment	163	131	66	-	-	-	-	-	-	-

Data Source:

District records.

Fulton County Board of Education, Georgia
 Food Service Operating Statistics
 Last Ten Fiscal Years
 (Amounts Expressed in Thousands)

For the Fiscal Year Ended June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Lunch Meals Served:										
Free	4,409	4,800	4,926	5,090	5,118	4,956	5,257	5,513	5,375	4,936
Reduced	553	527	405	464	439	384	427	358	308	304
Paid	3,567	3,032	2,606	2,382	2,092	1,847	2,411	2,341	2,306	2,238
Total	8,529	8,359	7,937	7,936	7,649	7,187	8,095	8,212	7,989	7,478
Daily Average	48	47	46	41	43	42	46	46	45	44
Student Price	\$1.35-\$1.60	\$2.00-\$2.25	\$2.00-\$2.25	\$2.10-\$2.35	\$2.20-\$2.45	\$2.25-\$2.50	\$2.25-\$2.50	\$2.25-\$2.50	\$2.35-\$2.60	\$2.45-\$2.70
Breakfast Meals Served:										
Free	2,595	2,649	2,736	2,850	2,924	3,030	2,997	3,224	3,150	2,880
Reduced	277	243	192	224	218	204	197	168	136	134
Paid	856	631	578	536	526	527	504	480	460	468
Total	3,728	3,523	3,506	3,610	3,668	3,761	3,698	3,872	3,746	3,482
Daily Average	21	20	20	19	19	22	21	22	21	20
Student Price	\$0.80-\$0.95	\$1.00-\$1.15	\$1.00-\$1.15	\$1.05-\$1.20	\$1.05-\$1.20	\$1.05-\$1.20	\$1.05-\$1.20	\$1.05-\$1.20	\$1.05-\$1.20	\$1.05-\$1.20
Total Meals Served:										
Free	7,004	7,449	7,662	7,940	8,042	7,986	8,254	8,737	8,525	7,816
Reduced	830	770	597	688	657	588	624	526	444	438
Paid	4,423	3,663	3,184	2,918	2,618	2,374	2,915	2,821	2,766	2,706
Total	12,257	11,882	11,443	11,546	11,317	10,948	11,793	12,084	11,735	10,960
Daily Average	69	67	66	60	62	64	67	68	66	64

Data Source:

School System's food service program.
 School Nutrition Financial Analyst

Fulton County Board of Education, Georgia
 Enrollment by Grade Level (Unaudited) ¹
 Last Ten Fiscal Years

For the Fiscal Year Ended June 30,

Grade Level	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PK	1,919	1,953	1,944	2,098	2,092	2,118	2,084	2,138	2,086	2,157
KK	6,676	6,752	6,860	6,876	7,098	6,975	6,881	6,502	6,497	6,266
Grade 1	6,618	6,803	6,875	6,937	7,049	7,274	7,113	6,835	6,620	6,579
Grade 2	6,757	6,678	6,873	6,847	6,990	7,188	7,403	7,131	6,852	6,595
Grade 3	6,914	7,059	6,877	7,030	7,040	7,257	7,278	7,156	7,145	6,897
Grade 4	6,647	6,973	7,118	6,924	7,161	7,167	7,225	7,403	7,072	7,109
Grade 5	6,693	6,876	7,123	7,176	7,000	7,312	7,189	7,302	7,443	7,149
Grade 6	6,555	6,896	6,966	7,197	7,147	7,053	7,075	7,124	7,301	7,296
Grade 7	6,730	6,662	6,789	6,969	7,108	7,244	7,094	7,242	7,045	7,261
Grade 8	6,547	6,786	6,737	6,839	7,079	7,207	7,297	7,227	7,284	7,101
Grade 9	7,698	7,784	7,978	7,797	7,818	7,933	8,134	8,069	8,109	8,109
Grade 10	6,642	6,701	7,114	7,379	7,359	7,306	7,481	7,854	7,611	7,657
Grade 11	6,281	6,563	6,413	6,657	6,831	6,776	6,721	7,391	7,433	7,142
Grade 12	5,622	5,913	6,197	5,878	6,135	6,422	6,485	6,748	7,036	7,173
Total	88,299	90,399	91,864	92,604	93,907	95,232	95,460	96,122	95,534	94,491
Annual % Change	2.4%	2.4%	1.6%	0.8%	1.4%	1.4%	0.2%	0.7%	-0.6%	-1.1%

Data Source:

¹ Georgia Department of Education, 1st annual count, October of each year
http://app.doe.k12.ga.us/ows-bin/owa/fte_pack_enrollgrade.entry_form

SPECIAL REPORTS SECTION

FULTON COUNTY BOARD OF EDUCATION, GEORGIA
Special Purpose Local Option Sales Tax Projects
Fiscal Year Ended June 30, 2018

SPL0ST II

PROJECT	ORIGINAL ESTIMATE	CURRENT ESTIMATE	EXPENDED PRIOR FISCAL YEARS	EXPENDED CURRENT FISCAL YEAR	BALANCE	PROJECT STATUS
NEW SCHOOLS	\$ 348,600,000	\$ 289,891,838	\$ 102,389,378	\$ 588,427	\$ 8,064,081	Completed
SCHOOL REPLACEMENT	48,300,000	111,062,886	102,389,378	-	-	Ongoing
SCHOOL ADDITIONS	14,100,000	47,400,886	47,400,886	-	-	Completed
LOCAL SCHOOL NEEDS	9,731,000	23,454,159	23,454,159	-	-	Completed
LAND BANK	-	23,454,159	23,454,159	-	-	Completed
CAPITAL OPERATIONS COST	12,286,000	10,436,880	-	17,623	48,300	Completed
DEBT SERVICES	60,000,000	69,619,138	69,619,138	-	-	Ongoing
FURNITURE AND EQUIPMENT	4,000,000	18,338,655	18,338,655	-	-	Completed
TECHNOLOGY	15,000,000	52,927,890	52,927,890	-	-	Completed
TRANSPORTATION	7,000,000	16,956,290	16,956,290	-	-	Completed
PROGRAM RESERVE	279,984,000	-	-	-	-	Completed
SPL0ST II FUND TOTAL	\$ 801,000,000	\$ 690,578,902	\$ 681,788,506	\$ 607,050	\$ 8,183,346	

SPL0ST III

PROJECT	ORIGINAL ESTIMATE	CURRENT ESTIMATE	EXPENDED PRIOR FISCAL YEARS	EXPENDED CURRENT FISCAL YEAR	BALANCE	PROJECT STATUS
NEW SCHOOLS	\$ 386,310,186	\$ 256,844,093	\$ 256,844,093	\$ -	\$ -	Completed
SCHOOL REPLACEMENT	16,100,000	15,657,155	15,657,155	37,542	-	Completed
SCHOOL ADDITIONS	70,091,346	99,712,109	99,659,713	48,526	3,870	Ongoing
LOCAL SCHOOL NEEDS	106,638,417	2,858,968	2,778,968	(39,102)	119,102	Ongoing
CAPITAL OPERATIONS COST	-	90,255,888	90,255,888	-	-	Completed
DEBT SERVICES	90,256,887	10,778,688	10,778,688	-	-	Completed
FURNITURE AND EQUIPMENT	10,000,000	4,954,645	4,954,645	-	-	Completed
HEALTH AND SAFETY	1,962,560	71,423,749	71,423,749	-	-	Completed
INFORMATION TECHNOLOGY	71,783,508	1,876,886	1,876,886	-	-	Completed
TRANSPORTATION	59,494,017	38,970,698	37,988,498	-	1,272,118	Ongoing
PROGRAM RESERVE	-	20,015,208	20,015,208	-	-	Completed
PROGRAM MANAGEMENT	31,295,793	24,320,913	24,320,913	-	-	Completed
SPL0ST III FUND TOTAL	\$ 986,346,336	\$ 645,794,719	\$ 644,532,663	\$ 46,866	\$ 1,395,090	

SPL0ST IV

PROJECT	ORIGINAL ESTIMATE	CURRENT ESTIMATE	EXPENDED PRIOR FISCAL YEARS	EXPENDED CURRENT FISCAL YEAR	BALANCE	PROJECT STATUS
NEW SCHOOLS	\$ 108,308,897	\$ 87,159,469	\$ 86,619,727	\$ 2,897	\$ 1,068,876	Ongoing
SCHOOL ADDITIONS	60,142,875	79,718,341	70,143,881	1,504,819	8,069,641	Ongoing
SCHOOL REPLACEMENT	138,652,377	173,001,434	145,230,432	3,009,676	24,761,326	Ongoing
LOCAL SCHOOL NEEDS	203,967,829	18,450,000	195,206,056	10,943,717	6,100,085	Ongoing
CAPITAL OPERATIONS COST	7,690,541	17,448,527	17,448,527	-	812,320	Ongoing
DEBT SERVICES	68,831,729	70,154,744	68,831,727	1,888,153	-	Completed
FURNITURE AND EQUIPMENT	14,725,000	24,731,026	21,024,436	2,168,436	1,536,154	Ongoing
HEALTH AND SAFETY	3,240,000	2,860,328	2,700,369	134,358	25,001	Ongoing
INFORMATION TECHNOLOGY	174,429,625	1,876,886	1,876,886	-	-	Completed
TRANSPORTATION	428,600	8,898,464	7,592,811	842,767	459,868	Ongoing
PROGRAM RESERVE	-	17,647,298	16,078,742	1,219,168	349,388	Ongoing
PROGRAM MANAGEMENT	10,688,076	2,450,832	2,450,832	-	2,450,832	Ongoing
PROJECT RESERVE	-	4,664,701	-	-	4,664,701	Ongoing
TRANSPORTATION	35,420,000	18,741,261	9,514,205	9,205,439	21,617	Ongoing
SPL0ST IV FUND TOTAL	\$ 841,473,513	\$ 895,855,717	\$ 801,609,809	\$ 41,285,107	\$ 52,960,801	

SPL0ST V

PROJECT	ORIGINAL ESTIMATE	CURRENT ESTIMATE	EXPENDED PRIOR FISCAL YEARS	EXPENDED CURRENT FISCAL YEAR	BALANCE	PROJECT STATUS
NEW SCHOOLS	\$ 138,780,679	\$ 138,780,679	\$ 384,274	\$ 3,747,160	\$ 134,639,245	Ongoing
SCHOOL REPLACEMENT	1,876,886	23,454,159	23,454,159	-	-	Ongoing
LOCAL SCHOOL NEEDS	201,416,591	200,748,084	44,465	4,501,784	188,199,877	Ongoing
CAPITAL OPERATIONS COST	18,000,000	8,000,000	-	2,640,516	15,359,484	Ongoing
LAND PURCHASE/RESERVE	8,000,000	8,000,000	-	-	8,000,000	Ongoing
DEBT SERVICES	60,387,407	61,681,601	1,163,172	15,778,738	44,739,691.00	Ongoing
FURNITURE AND EQUIPMENT	35,820,000	35,820,000	-	2,688,778	33,121,222	Ongoing
HEALTH AND SAFETY	15,750,000	15,750,000	-	1,886,322	13,863,678	Ongoing
INFORMATION TECHNOLOGY	160,000,000	160,000,000	-	28,015,919	130,984,081	Ongoing
TRANSPORTATION	6,427,680	20,427,680	-	866,864	7,560,816	Ongoing
PROGRAM RESERVE	20,427,680	-	-	2,342,066	17,085,614	Ongoing
PROGRAM MANAGEMENT	110,899,976	110,870,509	-	-	110,870,509	Ongoing
TRANSPORTATION	35,550,000	35,550,000	-	6,139,932	29,410,068	Ongoing
SPL0ST V FUND TOTAL	\$ 960,076,951	\$ 960,127,241	\$ 1,538,936	\$ 76,090,249	\$ 852,178,056	

Note: This schedule includes total project costs funded by sales taxes, state capital outlay reimbursements and other local funding sources.

Fulton County Board of Education, Georgia
Schedule of Lottery Expenditures - by Object
 For the Fiscal Year Ended June 30, 2018

	Pre-Kindergarten
Expenditures	
Salaries - teachers	4,826,103
Salaries - clerical	59,040
Salaries - other	232,529
Employee benefits	2,168,181
Other purchased services	2,821
Communication	2,118
Travel-Employees	5,402
Material and supplies	76,855
Total Expenditures	\$ 7,373,049

Fulton County Board of Education, Georgia
 General Fund - Quality Basic Education Program
 Allotment and Expenditures by Program
 For the Fiscal Year Ended June 30, 2018

DESCRIPTION	ALLOTMENTS FROM GEORGIA		ELIGIBLE QBE PROGRAM COSTS		
	DEPARTMENT OF EDUCATION	SALARIES	OPERATIONS	TOTAL	
Direct instructional Programs	\$	\$	\$	\$	\$
Kindergarten Programs	30,728,965	30,612,005	92,899	30,704,904	
Kindergarten programs - Early Intervention Program	4,267,148	879,921	1,737	881,658	
Primary Grades (1-3) Program	77,210,261	86,687,181	5,113,171	91,800,352	
Primary Grades Early Intervention (1-3) Programs	12,413,292	5,201,169	40,880	5,242,049	
Upper Elementary Grades (4-5) Program	39,245,054	34,001,865	449,577	34,451,442	
Upper Elementary Grades-Early Intervention (4-5) Program	6,399,573	5,010,910	6,986	5,017,896	
Middle Grades (6-8) Program	-	-	10	10	
Middle School (6-8) Programs	60,810,506	64,520,838	2,433,386	66,954,224	
High School General Education (9-12) Program	66,797,345	85,029,603	6,460,565	91,490,168	
Vocational Laboratory (9-12) Program	13,070,729	9,085,459	701,079	9,786,538	
Students with Disabilities					
CATEGORY I	17,039,329	-	26,698	26,698	
CATEGORY II	4,412,095	8,681,282	135,807	8,817,089	
CATEGORY III	33,764,653	75,000,041	2,164,841	77,164,882	
CATEGORY IV	5,211,565	3,331,329	10,942	3,342,271	
CATEGORY V	1,542,082	6,228,199	824,609	7,052,808	
Gifted Student - CATEGORY I	39,138,741	32,032,166	40,978	32,073,144	
Remedial Education Program	8,526,528	5,748,203	418,718	6,166,921	
Alternative Education Program	4,734,979	1,190,920	843	1,191,763	
English Speakers of Other Languages (ESOL)	12,741,418	15,911,813	119,458	16,031,271	
TOTAL DIRECT INSTRUCTIONAL PROGRAMS	438,054,263	469,152,904	19,043,184	488,196,088	
Media Center Program	12,052,008	12,844,357	2,341,538	15,185,895	
Staff and Professional Development	2,092,496	-	-	-	
TOTAL QBE FORMULA FUNDS	\$ 452,198,767	\$ 481,997,261	\$ 21,384,722	\$ 503,381,983	

Single Audit Section



Dolvin Elementary
Ana Sofia Reid ~ 3rd Grade



INDEPENDENT AUDITOR’S 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 Superintendent and Members of the
Fulton County Board of Education
Atlanta, Georgia**

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Fulton County Board of Education (the “School System”)** as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School System’s basic financial statements, and have issued our report thereon dated December 20, 2018. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School System’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School System’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School System’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, as described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fulton County Board of Education's financial statements are free from 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*.

The School System's Response to the Finding

The Fulton County Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 20, 2018



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the Superintendent and Members of the
Fulton County Board of Education
Atlanta, Georgia**

Report on Compliance for Each Major Federal Program

We have audited the Fulton County Board of Education’s (the “School System’s”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School System’s major federal programs for the fiscal year ended June 30, 2018. The School System’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the School System’s major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 School System’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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School System’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Fulton County Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the School System is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School System's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Atlanta, Georgia
December 20, 2018

FULTON COUNTY BOARD OF EDUCATION, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number		Pass- Through Entity ID Number	Total Expenditures
U. S. DEPARTMENT OF AGRICULTURE:				
Passed through Georgia Department of Education and Nutrition Program:				
Food Services				
School Breakfast Program	10.553	*	N/A	\$ 6,356,632
National School Snack Program	10.555	*	N/A	84,479
National School Lunch Program:				
Cash Assistance	10.555	*	N/A	18,094,074
Non-Cash Assistance (Commodities) - Note 2	10.555	*	N/A	<u>3,183,412</u>
Total Child Nutrition Cluster				<u>27,718,597</u>
Fresh Fruits and Vegetables Program	10.582		N/A	<u>641,385</u>
Total U. S. Department of Agriculture				<u>28,359,982</u>
U. S. DEPARTMENT OF EDUCATION:				
Passed through Georgia Department of Education:				
Title I Programs - Improving Academic Achievement				
Title I Programs - Improving Academic Achievement	84.010	*	N/A	22,697,403
Title I Programs - School Improvement Grant	84.010	*	N/A	<u>1,132,303</u>
Total Title I, Part A				<u>23,829,706</u>
School Improvement Grant (Supplemental 1003g) - ARRA	84.377		N/A	<u>2,053,408</u>
Title II Part A Programs - Improving Teacher Quality	84.367		N/A	2,180,282
Title II Part A Programs - Advance Placement	84.367		N/A	<u>16,700</u>
Total Title II, Part A				<u>2,196,982</u>
Title II Part B, Math and Science Partnerships	84.366		N/A	<u>409,178</u>
Title III - Part A, Limited English Proficient (LEP)	84.365		N/A	767,488
Title III - Immigrant	84.365		N/A	<u>73,628</u>
Total Title III				<u>841,116</u>
Title IV - Part A, Student Support and Academic Enrichment	84.424		N/A	<u>529,995</u>
Title VI Part B Flow-through	84.027		N/A	17,459,942
Title VI Part B Preschool Incentive	84.173		N/A	402,828
High Cost Fund Pool	84.027		N/A	<u>473,580</u>
Total Special Education Cluster				<u>18,336,350</u>
				(Continued)

FULTON COUNTY BOARD OF EDUCATION, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass- Through Entity ID Number	Total Expenditures
U. S. DEPARTMENT OF EDUCATION (Continued):			
Passed through Georgia Department of Education (Continued):			
Charter Schools Program - National Implementation Grant	84.282	N/A	265,172
Charter Schools Program - National Dissemination Grant	84.282	N/A	79,893
Total Charter Schools Programs			<u>345,065</u>
Striving Readers Elementary	84.371B	N/A	458,373
Striving Readers Middle	84.371B	N/A	113,890
Striving Readers Birth - 5	84.371B	N/A	67,564
Striving Readers Programs - High	84.371B	N/A	154,649
Total Striving Readers Programs			<u>794,476</u>
Vocational 85% Grants - Program Improvement	84.048	N/A	657,956
Perkins IV - Reserve Perkins Carryover	84.048	N/A	25,000
Total Vocational Education			<u>682,956</u>
Education for Homeless Children and Youth	84.196	N/A	<u>74,013</u>
Passed through Georgia State University CREST in Education	84.336	N/A	<u>162,825</u>
Total U. S. Department of Education			<u>50,256,070</u>
U. S. ENVIRONMENTAL PROTECTION AGENCY			
Direct			
National Clean Diesel Emissions Reduction Program	66.039	N/A	<u>1,569,678</u>
U. S. DEPARTMENT OF DEFENSE:			
Direct			
Department of the Army R.O.T.C. Program	12.unknown	N/A	<u>811,197</u>
U. S. DEPARTMENT OF TRANSPORTATION:			
Passed through Georgia Governor's Office of Highway Safety:			
Highway Safety Cluster - Students Against Destructive Decisions (SADD)	20.601	N/A	<u>633</u>
Total Expenditures of Federal Awards			<u>\$ 80,997,560</u>

* Denotes a major federal award program

See the Note to the Schedule of Expenditures of Federal Awards

FULTON COUNTY BOARD OF EDUCATION, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Fulton County Board of Education and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2. FOOD DONATION (COMMODITIES) PROGRAM

The amounts shown for the Food Donation Program (Non-cash assistance commodities) on the schedule of expenditures of federal awards represent the federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School System during the current fiscal year.

NOTE 3. INDIRECT COST RATE

The School System did not utilize the 10% de minimus indirect cost rate permitted by the Uniform Guidance.

**FULTON COUNTY BOARD OF EDUCATION, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**SECTION I
SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal Control over major federal programs:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes no

Identification of major federal program:

CFDA Number

Name of Federal Program or Cluster

10.553 and 10.555

U.S. Department of Agriculture – Child Nutrition Cluster

84.010

U.S. Department of Education – Title I, Part A

Dollar threshold used to distinguish between Type A and Type B programs:

\$2,429,927

Auditee qualified as low-risk auditee?

yes no

FULTON COUNTY BOARD OF EDUCATION, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2018-001 Restatement of Net Position of Governmental Activities

Criteria: Internal controls should be in place to ensure receivables are properly recorded at year-end in the financial statements in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to prevent misstatements in reporting of the School System's loans receivables on the statement of net position of its governmental activities.

Context/Cause: During our audit fieldwork, we discovered that a restatement of governmental activities beginning net position and assets were required due to the School System not properly recording loan receivables related to the sale of capital assets in the proper period.

Effects or possible effects: In fiscal years 2015 and 2016, the School System sold two properties and signed two promissory notes for the proceeds due. At the point of sale, the School System was required to record a long-term receivable in the total amount of \$2,349,000 in the governmental activities statement of net position for the combined selling price, less earnest money, of the two properties. However, the School System did not record a receivable for these two properties in the prior period. During fiscal years 2015, 2016, and 2017, a total of \$418,000 was received related to these properties, making the net receivable related to these two properties \$1,931,000 as of June 30, 2017. Therefore, a restatement to increase net position and long-term assets (loans receivable) as of June 30, 2017 is required in the amount of \$1,931,000.

Recommendation: Pertinent information and documents that affect the School System's financial statements should be timely routed to the School System's Accounting Department for proper evaluation and accounting of such information. There should also be periodic reconciliation and review of receivable balances throughout the fiscal year as well as at fiscal year-end to ensure balances are properly and timely recorded in accordance with generally accepted accounting principles.

Auditee's Response: We agree with the findings. Matters related to land sales are conducted during executive session to ensure the District remains a confidential buyer to protect against non-market driven price escalation. As such, the terms of negotiations are kept in confidence and Finance staff are unaware that a transaction requiring the recording of a receivable has occurred. Our operations staff brings such matters before the Board and has agreed to promptly make the Finance and Accounting staff aware of the details of land sale transactions negotiated on behalf of the District.

**FULTON COUNTY BOARD OF EDUCATION, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**FULTON COUNTY BOARD OF EDUCATION, GEORGIA
STATUS OF PRIOR FISCAL YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

STATUS OF PRIOR FISCAL YEAR AUDIT FINDINGS

There were no audit findings reported in fiscal year 2017.

2018-001 Restatement of Net Position of Governmental Activities

Criteria: Internal controls should be in place to ensure receivables are properly recorded at year-end in the financial statements in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to prevent misstatements in reporting of the School System's loans receivables on the statement of net position of its governmental activities.

Context/Cause: During our audit fieldwork, we discovered that a restatement of governmental activities beginning net position and assets were required due to the School System not properly recording loan receivables related to the sale of capital assets in the proper period.

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Auditee's Response: We agree with the findings. Matters related to land sales are conducted during executive session to ensure the District remains a confidential buyer to protect against non-market driven price escalation. As such, the terms of negotiations are kept in confidence and Finance staff are unaware that a transaction requiring the recording of a receivable has occurred. Our operations staff brings such matters before the Board and has agreed to promptly make the Finance and Accounting staff aware of the details of land sale transactions negotiated on behalf of the District.

Corrective Action Plan: For any transactions related to the sale or purchase of land or capital assets:

- 1) Operations department has agreed to implement a policy to notify the accounting services team of any matter that is brought before the Board for ratification and approval via formal memorandum or by any other written means of communication.
- 2) Upon closing of all land transactions, the District representative or the attorney for the District will forward a copy of the contract and closing documents to the accounting services team for review and for proper accounting and recording of the disposition or acquisition of assets and any related notes receivable or payable.
- 3) A verification of funds wired (incoming or outgoing) as it relates to the transactions will be forwarded to the accounting services teams for analysis and disposition as appropriate to the details of the related contract. This can also be accomplished by collecting a certification from the entity or adding a clause or condition to the contract with the purchases/seller.
- 4) As an additional verification any transactions posted as land sales revenue will be further analyzed and reviewed on a periodic basis to assure that all aspects of the contract have been recorded in the general ledger and related financial reports.

Anticipated Completion Date: The School District will begin implementation of the Corrective Action Plan in July 2018 as well as the remediation of applicable transactions made during the first five months of the current fiscal year. Robert Morales, Chief Financial Officer, and Patrick Burke, Chief Operations Officer, are the contact persons at the School District who are responsible for the corrective action plan.

