

**FAYETTE COUNTY  
BOARD OF EDUCATION**

Fayetteville, Georgia



*Where Excellence and Creativity Merge*

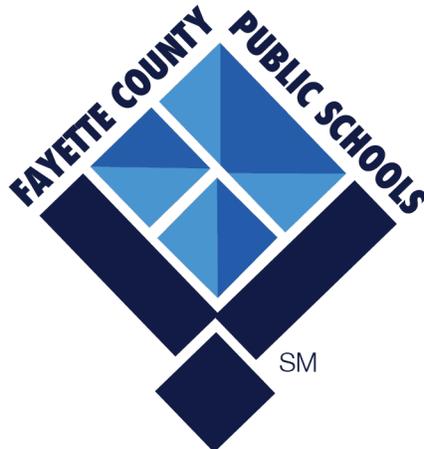
**ANNUAL COMPREHENSIVE FINANCIAL  
REPORT**

**Fiscal Year ended June 30, 2021**

**FAYETTE COUNTY BOARD OF EDUCATION**  
Fayetteville, Georgia

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

*Fiscal Year ended June 30, 2021*



*Where Excellence and Creativity Merge*

Prepared by  
Tom Gray, Chief Financial Officer  
and

Fayette County Board of Education Finance Department  
205 LaFayette Avenue  
Fayetteville, Georgia 30214

# Fayette County Board of Education

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# INTRODUCTORY SECTION



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**Superintendent**

Jonathan S. Patterson, Ph.D.

**Board of Education:**

Roy Rabold, Chairman  
Brian Anderson, Vice-Chairman  
Scott Hollowell  
Randy Hough  
Leonard Presberg

February 25, 2022

**To the Members of the Fayette County Board of Education and the Citizens of Fayette County, Georgia:**

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Fayette County Board of Education (the School System) for the fiscal year ended June 30, 2021. The finance department staff prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School System's administration.

We believe the data, as presented, is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and results of operations of the School System as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain a reasonable understanding of the School System's financial affairs have been included.

Mauldin & Jenkins, Certified Public Accountants, LLC, has issued an unmodified ("clean") opinion on the Fayette County Board of Education's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

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

*Profile of the School System*

The School System was established under the laws of the State of Georgia in 1927 when the existing local schools were consolidated. The School System is an independent K-12 district and is not considered to be a component unit of any other government. It serves Fayette County with a population of approximately 117,500 and includes the communities of Brooks, Fayetteville, Peachtree City, Tyrone and Woolsey. The School System provides all basic services required by state law and policies of the State Board of Education. These services include regular and special education instructional programs at the elementary, middle and secondary levels and additional service in pre-kindergarten.

The Board of Education is made up of five members elected to serve four year terms. Its primary functions are to develop and adopt policies by which the schools are administered, to continually evaluate the effectiveness of these policies and to make certain that they are being administered as the Board intended. The administration of the educational programs and school business is the responsibility of the superintendent of schools and his staff.

There were just over 20,000 students enrolled in the School System at the end of the 2020-2021 school year. Projected enrollment for the 2021-2022 school year is just under 20,000 students. The School System has five high schools. The oldest high school facility was built in 1981 but was renovated and expanded in 2005. The School System has five middle schools. The oldest middle school facility was built in 1979 but was renovated and expanded in 2001. The School System has fourteen (14) elementary schools. One of these facilities was built prior to 1970, nine were built between 1970 and 1999, and four were built after 2000. The newest facilities are a middle school that opened in school year 2007-2008 and an elementary school that opened the following year. A schedule of building information is provided in the Statistical Section of the CAFR.

### *Local economy*

Fayette County, like the rest of the country, has seen an impact in the economy from the COVID-19 pandemic. Many businesses reduced operations or shut down completely for varying time periods. Some of those businesses have not been able to continue to operate. However, Fayette County has seen increased activity and development in residential, business, industrial, arts and entertainment sectors of the economy. The county tax digest has surpassed the level prior to the recession of 2008 and 2009. Economic activity has been relatively strong as indicated by consistent local sales tax collections. Over the last five years, the retail sales tax collections have increased from \$22 million to over \$31 million, indicating strong retail activity especially in the most recent year with a 17% one-year increase. Even in the months since the initial pandemic economic impact, sales tax collections have remained at or above prior year levels. Intangible tax collections remain above normal, indicating activity in mortgage refinancing and in the real estate market.

As with most of Georgia and the nation as a whole, the job market of Fayette County experienced a drastic decline due to the COVID-19 pandemic. According to the U.S. Department of Labor, Fayette County's unemployment rate (not seasonally adjusted) is 3.4% at June 2021. This rate is below the national average rate (seasonally adjusted) of 5.9% and below the State of Georgia average rate (seasonally adjusted) of 4.0%. The county's labor force has increased to 58,011 compared to 55,436 the prior year or 4.64%. This increase regains the loss in the prior year. Average weekly wages for Fayette County at the end of 2021 were \$951 compared to \$1,139 state wide.

The changes in the real estate market have significantly impacted the School System's local revenue. Like much of the state and nation, Fayette County experienced growth in the real property digest in the seven years from fiscal year 2002 to fiscal year 2009 of 61%, averaging 8.7% growth per year. From the peak in 2009 to the bottom of decline in 2012, property tax digest values fell more than 20% reducing the annual property tax levies by \$22.3 million from a high of \$100.4 million in 2009 to \$78.1 million in 2013. The property tax digest showed significant recovery in real property since 2014. The overall digest increased as follows:

- 7.9% increase for digest year 2015 (fiscal year 2016)
- 5.4% increase for digest year 2016 (fiscal year 2017)
- 11.0% increase for digest year 2017 (fiscal year 2018)
- 5.0% increase for digest year 2018 (fiscal year 2019)
- 7.6% increase for digest year 2019 (fiscal year 2020)
- 5.4% increase for digest year 2020 (fiscal year 2021)
- 7.1% increase for digest year 2021 (fiscal year 2022)

The tax digest has recovered and is at a level above the 2009 values. However, the total exemptions as a percentage of the total digest has increased from 12.65% to 26.53%. The exemptions increased over 46% in the last year due to local legislation that created an additional homestead exemption for residential real property limiting the increase in assessed value to the consumer price index (CPI) or 3%. The tax levy for fiscal year 2021 was \$107.0 million which was a decrease of 1.42% of the prior year. Some of the increase in the exemption

amounts is reflective of the aging population of the county. Although the School System has steadily reduced the millage rate from the maximum 20.000 mills in fiscal year 2016 to 19.150 mills for fiscal year 2021, the millage rate was increased to 19.334 mills in fiscal year 2022. This millage rate level was considered the “roll back” rate under Georgia law and is not considered a tax increase.

Investment in the film production industry continues to be a driving force of growth for Fayette County. Trilith Studios continues to expand the major studio complex in the center of the county with state-of-the-art sound stages, administration offices and buildings for set and effects development and film equipment vendors. The studio complex has 24 sound stages, workshop and production facilities, backlot natural areas, a media hub and full post production support. Additional expansion of the studios is currently in process as well as residential and commercial development adjacent to the studio complex creating a town atmosphere for creativity.

Several years ago, the School System sold an under-utilized elementary school located adjacent to the studio property. This facility has been transformed to be part of the film educational element that industry leaders plan to develop and will be a major economic focus for the state. Through the state’s university system and technical college system, a film academy collaborative effort has started with the purpose of certifying work ready employees and connecting employees with opportunities on film and entertainment production projects. The county has begun to feel the economic impact of this industry segment; the potential growth of support businesses and new residents moving into the county could have a huge impact on the School System in the coming years. There have been strong indications of a resurgence of residential construction in the county that has contributed to increases in the tax digest as discussed previously.

Other significant economic activity includes the post-secondary arena. Georgia Military College (GMC) has completed construction of a new campus in the county as part of its 15-year strategic plan. The institution offers programs at the junior college level but also expanded into a four-year bachelor of applied science degree program. Plans include collaboration with the Fayette County School System and entities such as Piedmont-Fayette Hospital to provide extended educational opportunities for students in several areas. The focus is to prepare and equip a work force for local and regional businesses. Collaboration with local businesses and industry continues to be part of the School System’s development of new educational opportunities.

Another area of economic activity is the medical field. Piedmont-Fayette Hospital recently expanded capacity and services with a major construction project. The facility has increased to 282 beds and the hospital employs over 2,000 people including 750 physicians. In addition to 24-hour emergency services, the hospital provides cancer care, heart care, orthopedic care, women’s care, surgical services, major medical, and is known for the use of robotic surgery facilities. This hospital is nationally recognized for safety and has been ranked in the top 50 hospitals in the country for six consecutive years. In addition, several other related projects include a new medical office building (30,000 SF) and a new assisted living center near the hospital that have been completed in the last year.

The county government and cities collaborated in planning for a SPLOST referendum in early 2017. The projects include multiple transportation projects, public safety improvements, road improvements, cart path improvements, park/recreation improvements, debt retirement and storm-water infrastructure repair/replacement. The tax was approved in March and will be collected over 6 years and collections are expected to be over \$141 million which will be allocated to the cities and county per an intergovernmental agreement.

The city governments, county government, School System, Chamber of Commerce and community leaders participated in the Fayette Visioning Initiative over the last several years. The project focused on planning for the future in education, community, economy and place in Fayette County. A group consisting of government, business, and community leaders visited cities in nearby states that are known for successful re-

development. The purpose of the trips was to see best practices in action in cooperation to bring back to Fayette County. In addition, the Chamber of Commerce led a rebranding initiative with county and city governments and community leaders. The campaign was designed to attract new residents and businesses with the focus on the county's history, livability, and creativity with the tag line "Create Your Story". This branding ties in well with the influx of film, television, and streaming production projects in Fayette.

Since K-12 education is the largest portion of the State of Georgia's (the State) budget, the state economy directly impacts the financial picture of all school systems in Georgia. The State has underfunded K-12 education since about 2003 compared to formula driven requirements in state law. Most of the funding reductions have occurred due to years of "austerity reductions" (also called "amended formula adjustments") or budget cuts imposed by the State. These are reductions to the amounts earned by school systems based on a funding formula written in state law that have been allocated to all systems across the state to help the State provide for a balanced budget. From fiscal year 2003 to fiscal year 2018, the Fayette County School System received approximately \$109 million less than it earned due to these cuts. This reduction is net of \$12.4 million in federal funds from the American Recovery and Reinvestment Act (ARRA) that flowed through the State of Georgia that was intended to offset the cuts. In addition, the funding formula has not been adjusted in recent years for inflation. As a result, the local taxpayer has had to shoulder the burden of state budget cuts and inflationary costs.

In 2016, the State lessened the annual impact of the austerity reduction which remained at the same level for 2017 and 2018. Most of this increased funding was targeted by the State to increase teacher pay, fund dual enrollment programs, maintain student school calendar days, and reduce furlough days for employees. In fiscal year 2019, the State fully funded the Quality Basic Education ("QBE") formula for education for the first time in 16 years. For fiscal year 2020, the State will again fully fund the education formula for local school districts. This increase from the State reflects the improved state of the economy in Georgia.

However, for fiscal year 2021, the State again utilized the austerity measures due to the initial loss of revenue in the second quarter of 2020. The School System saw a reduction in State funding of \$11.5 million. In mid-year, the State restored a portion of the austerity reduction and the net reduction was \$4.5 million for fiscal year 2021. In fiscal year 2022, the State continued with austerity measures at the \$4.5 million level for the School District.

### *Long-term Financial Planning*

Total fund balance of the general fund is approximately 14.3% of budgeted operating expenditures (fiscal year 2022) and represents approximately one month's expenditures. This amount is a little higher than the prior year 11.8% (the limit set by state law is 15%). This level of fund balance includes a 10% budgetary reserve set by Board policy. The fund balance increased from \$27.1 million to \$32.4 million. Additional discussion of the fund balance can be found in the Management's Discussion and Analysis section of this report. The School System is using \$10.5 million of fund balance for the 2022 budget. The Board and administration continue to set aside local funds for capital projects in the near future that could include classroom renovations and program improvements at specific locations as well as athletic facility improvements.

The School System has traditionally used general obligation bonds to finance construction of new schools. The 2005 and 2007 bond issuances provided funding for the construction of one middle school and two elementary schools. Residential development and demographic information in the county suggests modest student population growth. The School System has additional capacity available from previous school closings. The School System addressed revenue decline and excess capacity by closing three elementary schools and one middle school in the school year 2013-2014 and sold an elementary school building that had been under-utilized for specialized programs in 2015. The School System has placed plans to reopen or expand current facilities for normal school operations due to a slight expected enrollment decline in light of the COVID-19

pandemic. The pandemic has seemingly placed a pause on any student enrollment increases as a small number of parents seek alternative educational options such as private schools, virtual schools, charter schools and homeschooling as a way to combat their concerns for protocols put in place in response to the COVID-19 virus.

In November 2009, the citizens of Fayette County passed a 1% educational Special Purpose Local Option Sales Tax (SPLOST). This additional funding has been used toward technology (including infrastructure improvements, hardware and software), security, textbooks, facilities improvements and debt service on existing general obligation bonds. In November 2012, the citizens of Fayette County voted to extend the first SPLOST for an additional five years. The second SPLOST is being used for needs similar to the first SPLOST. The SPLOST is significant to the immediate future financial needs of the School System, as it will allow the System to make much needed purchases, such as textbooks and computers, while relieving the operating budget of those costly expenditures.

The School System renewed the SPLOST with a referendum ballot in November 2017 to continue capital facility renovations and classroom technology initiatives. The proceeds from the tax would be used to continue the programs in the first two SPLOST's. Collections started in April 2019 and continue to increase showing signs of a strong local economy. The anticipated revenues are \$145 million. The administration felt that it was important to start some of the facility additions and renovations in the project list early and therefore issued \$25,000,000 in bonds to jump start the projects. These projects were completed during fiscal year 2020 and this approach has proved to be beneficial both in the timing of project completion and improving project cost.

The School District solicited community input for SPLOST IV projects slated for a referendum ballot election in May 2022. Advisory committees at the school, feeder pattern, and district levels discussed project priorities that include:

- facility additions renovations and improvements
- technology updates and upgrades
- textbook and digital resources
- safety and security equipment
- transportation equipment (buses)
- furniture and equipment

The anticipated cost of the project is \$210 million. If approved, the collections would start at the end of the current SPLOST or April 2024. The School District will use other funding sources such as state capital outlay funds to supplement the SPLOST proceeds.

#### *Relevant Financial Policies*

The Fayette County School System annually evaluates and sets its strategic directions in order to realize its mission of committing to excellence through effective instruction, high expectations and continued improvement. One of these strategies is to obtain the necessary funding to provide quality educational opportunities. This is accomplished, in part, by maximizing the use of financial resources by improving financial reporting and by enhancing internal control systems.

In developing and evaluating the School System's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the School System’s internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal and state financial assistance, the School System is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation for weaknesses by management and staff.

As part of the School System’s annual single audit required to be performed in conformity 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* (Uniform Guidance), tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the School System has complied with applicable laws and regulations.

The School System maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, Debt Service Fund and special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the aggregate level by fund type. The School System also maintains an encumbrance accounting system as one technique of maintaining budgetary control. Budget balances are encumbered, or set aside, when purchase orders are issued. Encumbered amounts lapse at year end but may be re-appropriated as a part of the following year’s budget.

#### *Major Initiatives*

In fiscal year 2015, the Fayette County School System adopted a process developed by the Georgia School Boards Association (GSBA) and the Georgia Leadership Institute for School Improvement (GLISI) to develop a strategic improvement plan for the School System. This comprehensive process engaged the community and all stakeholder groups to create universal ownership for district and school improvement. Plans were developed at both the overall School System and each school, department and program.

In 2016, the Fayette County School System revised and updated the vision, mission and belief statements to reflect the changes in technology, society, the community and the world. The new mission is *to forge and equip a community of learners who confidently face challenges, embrace opportunities and positively impact our world.* The mission was developed with input from the community, teachers, students, administrators, business leaders, and Board members. The vision associated with the mission is *that our students will be capable of living and working effectively, responsibly and productively in a global environment.*

The School District annually reviews and adjusts the elements of the strategic improvement plan to monitor progress and areas that continue to need improvement.

The strategic improvement plan includes objectives in four goal areas:

1. Student Engagement & Achievement
2. Stakeholder, Community & Family Engagement
3. Professional Growth & Human Resources
4. Organizational & Operational Effectiveness

Each of the goals for the School System includes performance objectives and the initiatives to complete each objective and goal. Schools and/or programs develop strategic plans based on these goals, objectives and

initiatives. The schools report their results, opportunities and challenges to the Board on a yearly basis. These reports are also available on each school website.

For student engagement and achievement, focus in our educational settings includes equity and access for all students, future ready schools, culturally responsive pedagogy, and pathway completion. The initiative to ensure that students receive high quality Tier I instruction, as well as high quality specialized instruction, includes training administration on effective assessment and grading practices, improving literacy in all content areas, ongoing development of common assessments, and increased use of culturally responsive pedagogy.

As part of the equity and future ready school initiatives, all students' grades two and above are issued a chrome book. This allows teachers and students to use digital learning for credit repair, credit recovery and original credit. This proved especially effective as all learning moved to virtual learning due to COVID-19 quarantines on March 16, 2020 through the remainder of the school year. The School System also provided internet connections to students and teachers unable to provide this for themselves. Due to COVID-19 virtual learning, chrome books were also issued to students in kindergarten and first grade. Funds for the computer purchases were from SPLOST collections. This access for students has proved to be significant for continued learning when remotely learning for student groups was required.

Stakeholder, community and family engagement saw the School System improve internal and external communication. School improvement plans are posted on each schools' website. System plans are on the district website. The School System actively engages our community through social media and our school websites, as well as ongoing stakeholder forums such as PTO meetings, Chamber of Commerce meetings, monthly superintendent teacher, parent and student advisory councils, community partnerships, and live stream board meetings. Use of social media has provided the System with the platform to place important information through videos and announcements. The International Association of Business Communicators recognized our exceptional work in communication. It was our second year for our public information department to receive the Golden Flame communication award.

In support of the goals in the strategic plan, the administration has placed a focus on restoring student achievement to pre-pandemic levels. The curriculum staff is focusing on returning all students to in-person instruction and providing instructional support systems, especially in math. The school district has enhanced leadership development programs for aspiring principals and other leadership positions. A major focus in the budgeting process is how to attract and retain qualified staff.

#### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fayette County Board of Education for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Fayette County Board of Education for the year ended June 30, 2020. This was the sixth year that the School System received this prestigious award. This award certifies that the annual comprehensive financial report substantially conforms to the principles and standards of financial reporting as



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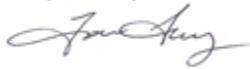
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recommended and adopted by ASBO. The award is granted only after intensive reviews of financial reports by an expert panel of practicing school business officials.

ASBO's Certificate of Excellence in Financial Reporting is valid for one year only. We believe that our current annual comprehensive financial report also conforms to the principles and standards and we are submitting it to ASBO for review to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the superintendent and the members of the Board of Education for their unfailing support in maintaining the highest standards of professionalism in the management of the School System's finances.

Respectfully submitted,



Tom Gray  
Chief Financial Officer



Laura Brock  
Coordinator of Audits and Reporting



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Fayette County Board of Education

for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2020.

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'W. Edward Chabal'.

W. Edward Chabal  
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Fayette County Board of Education  
Georgia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

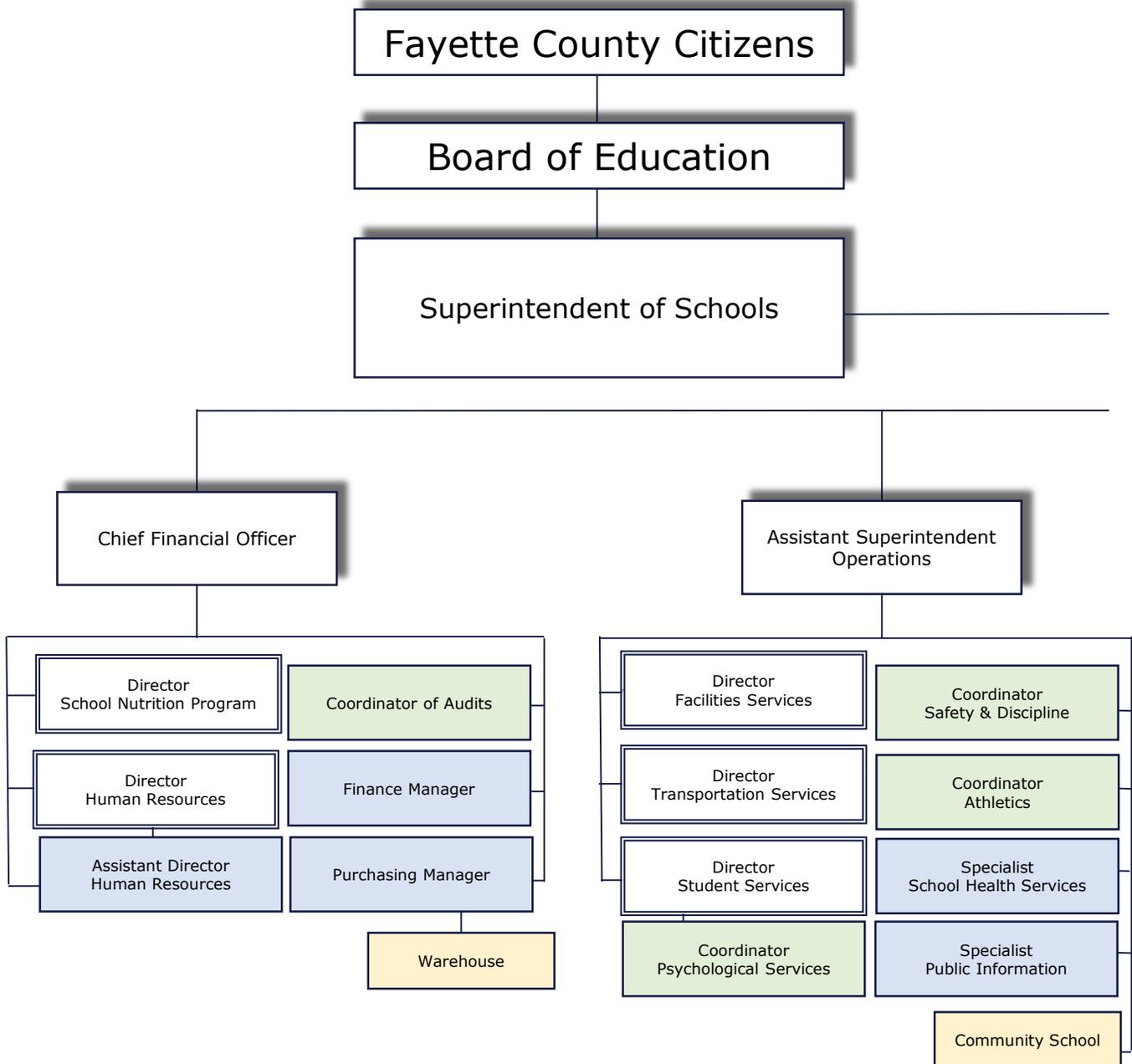
*Christopher P. Morill*

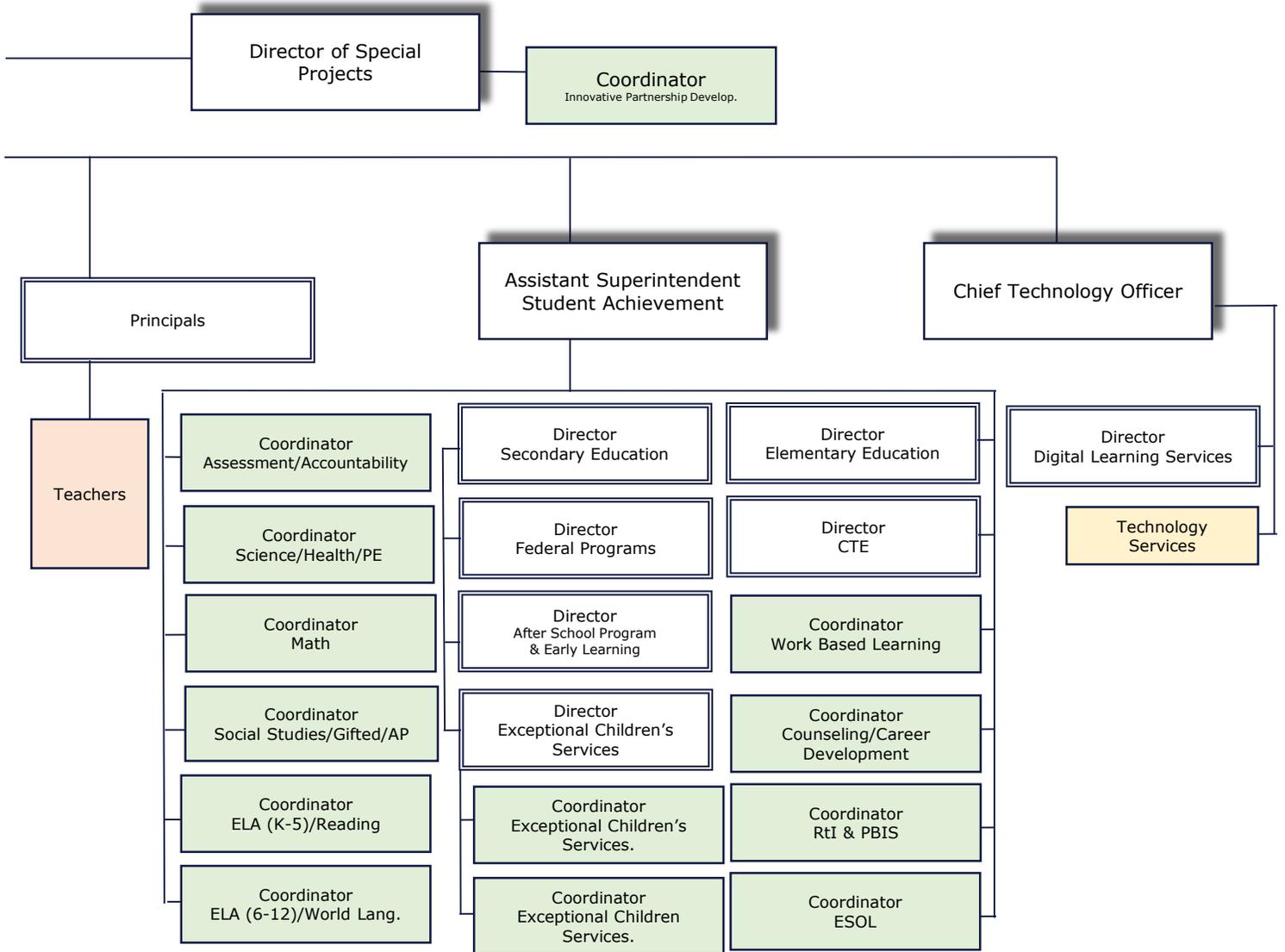
Executive Director/CEO

# Fayette County Board of Education

## ORGANIZATIONAL CHART

June 30, 2021





**Fayette County Board of Education**

**LISTING OF PRINCIPAL OFFICIALS**

**June 30, 2021**

**BOARD MEMBERS**

Mr. Scott Hollowell, Chair, District 3

Mr. Roy Rabold, Vice Chair, District 2

Mr. Brian Anderson, District 5

Mr. Randy Hough, District 1

Mr. Leonard Presberg, District 4

**SUPERINTENDENT'S CABINET**

Dr. Jonathan S. Patterson, Superintendent

Mr. Michael Sanders Assistant Superintendent of Operations

Dr. Julie Turner, Assistant Superintendent of Student Achievement

Mr. Tom Gray, Chief Financial Officer

Mr. Jim Farmer, Chief Technology Officer

Ms. Rosie Gwin, Director of Exceptional Children's Services

Ms. Roxane Owen, Director of Transportation

Ms. Erin Roberson, Director of Human Resources

Ms. Rae Presley-King, Director of Secondary School Improvement and Professional Learning

Ms. Kim Herron, Director of Elementary School Improvement and Professional Learning

Ms. Lisa Collins, Director of CTE

Ms. Audrey Toney, Director of Student Services

Mr. Mike Satterfield, Director of Facility Services

Ms. Kate Crawford, Director of Digital Learning and Media Services

Ms. Yolanda Briggs-Johnson, High School Principal

Ms. Kathy Smith, Middle School Principal

Ms. Erinn Angelo, Elementary School Principal

Ms. Lisa Moore, Elementary School Principal

Ms. Melinda Berry-Dreisbach, Public Information Specialist

Sam Sweat, Special Projects

# FINANCIAL SECTION



*Where Excellence and Creativity Merge*



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## INDEPENDENT AUDITOR'S REPORT

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**Superintendent and Members of the  
Fayette County Board of Education  
Fayetteville, 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 **Fayette County Board of Education** (the "School System") as of and for the year ended June 30, 2021, 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.

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***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 School System as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note R, the School System implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, as of July 1, 2020. This standard changed the accounting for the School System’s fiduciary activities 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 (on pages 23 through 39) and the schedules of proportionate share of the net pension liabilities, the schedule of pension contributions, the schedule of proportionate share of the net OPEB liability, and the schedule of OPEB contributions, (on pages 90 through 104) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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 School System’s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures by Object – Lottery Program, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated (“O.C.G.A.”) § 48-8-121, and are also not a required part of the basic financial statements.

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The combining and individual fund statements and schedules, the Schedule of Expenditures by Object – Lottery Program and the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds (collectively “the supplementary information”) 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical 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 February 25, 2022 on our consideration of the Fayette 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 Fayette County Board of Education’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Macon, Georgia  
February 25, 2022



*Where Excellence and Creativity Merge*

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**Fayette County Board of Education**  
**Management's Discussion and Analysis**

**June 30, 2021**

Our discussion and analysis of the Fayette County Board of Education's (the School System) financial performance provides an overview of the School System's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School System's financial performance as a whole. Readers should also review the notes to the basic financial statements to enhance their understanding of the School System's financial performance.

**Financial Highlights**

- The assets and deferred outflows of resources of the School System exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2021 by \$25,432,826.
- The School System's total net position increased by \$8,432,512.
- At the end of fiscal 2021, the School System's governmental funds reported combined ending fund balances of \$75,616,931, an increase of \$10,465,046 in comparison with the prior year fund balance, as restated for implementation of GASB Statement No. 84. Of this total, \$38,749,679 is available for spending at the School System's discretion (assigned and unassigned fund balance).
- At the end of fiscal 2021, unassigned fund balance for the General Fund was \$32,248,644 or 14.63% of total General Fund expenditures.
- Total bonded debt for the School System decreased by \$7,385,000, resulting from scheduled debt service payments on bonds issued in 2013 and 2018.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School System's basic financial statements. These basic financial statements consist of three sections: system-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other information supplementary to the basic financial statements.

*System-wide Financial Statements*

The system-wide financial statements are designed to provide readers with a broad overview of the Fayette County School System's finances in a manner similar to a private-sector business. They include the statement of net position and the statement of activities found on pages 42 and 43 of this report.

The statement of net position presents information on the School System's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the residual balance being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School System is improving or deteriorating.

The statement of activities presents information showing how the School System's net position changed during the current fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid. Therefore, some revenues and expenses are reported here that will only result in cash flows in future years, such as uncollected property taxes and earned but unused vacation leave. Additionally, this statement shows how much

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of the School System's activities are funded by program revenues (charges for services, state funding, grants and contributions) and how much of the School System's functions rely on general revenues (primarily taxes) for funding.

*Fund Financial Statements*

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fayette County School System, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the School System can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the system-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the system-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the system-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Fayette County School System maintains twenty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital Projects SPLOST III Fund, each of which are considered to be a major fund. Data from the other twenty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 108-119 of this report.

The Fayette County School System adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate its compliance with this budget. One should note that the budget is not prepared on the same basis as accounting principles generally accepted in the United States of America ("USGAAP"). A reconciliation of general fund revenues and expenditures on a USGAAP basis and on the budgetary basis is provided in Note B to the financial statements.

Proprietary funds – The financial statements of the School System include one internal service fund: the Workers' Compensation Fund. Internal service funds are a type of proprietary fund used to accumulate and allocate costs internally among various functions within the School System.

Basic proprietary fund financial statements can be found on pages 49-51 of this report.

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Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the School System. Fiduciary funds are not reflected in the system-wide financial statements because the resources of those funds are not available to support the School System's own programs. The basic fiduciary fund financial statements can be found on pages 52-53 of this report.

Notes to the basic financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the system-wide and fund financial statements. Notes to the financial statements can be found on pages 55-88 of this report.

Other information – In addition to the basic financial statements and the notes that accompany them, this report includes *required supplementary information* concerning the School System's proportionate share of the net pension liability for the Teachers Retirement System of Georgia and the Public Schools Employee Retirement System of Georgia and related contributions and its proportionate share of the net OPEB liability for the School OPEB Fund and related contributions. The combining fund statements referred to earlier, and schedules of the Special Purpose Local Option Sales Tax (SPLOST) and lottery program, are also included as supplementary information. This other information follows the notes to the financial statements.

**System-wide Financial Analysis**

As noted earlier, changes in net position over time can be a useful indicator of a School System's financial position. At the end of the fiscal year ending June 30, 2021, the School System's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$25,432,826.

The following summarizes the components to the School System's net position at June 30:

<b>Fayette County School System's Net Position</b>			
		<u>2021</u>	<u>2020</u>
Current assets	\$	109,838,676	\$ 92,676,445
Capital assets		350,956,976	337,724,130
Total assets		<u>460,795,652</u>	<u>430,400,575</u>
Deferred outflows of resources		116,478,110	90,674,466
Current liabilities		31,103,238	25,676,675
Noncurrent liabilities		479,784,767	429,464,155
Total liabilities		<u>510,888,005</u>	<u>455,140,830</u>
Deferred inflow of resources		40,952,931	50,737,144
Net position			
Net investment in capital assets		290,780,568	274,883,620
Restricted		31,623,880	26,513,690
Unrestricted		<u>(296,971,622)</u>	<u>(286,201,243)</u>
Total net position	\$	<u><u>25,432,826</u></u>	\$ <u><u>15,196,067</u></u>

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The School System's current assets increased approximately \$17.16 million over the prior year. There was a \$14.90 million increase in balances held in bank deposits and investments resulting primarily from revenues exceeding expenditures at the fund level. Amounts due from other governments increased by \$2.51 million. All other components of current assets decreased \$0.25 million.

The School System's capital assets had a \$13.23 million net increase. Depreciation of \$20.19 million reduced the net book value of capital assets. The School System expended \$33.42 million in capital outlay, primarily related to the educational Special Purpose Local Option Sales Tax (SPLOST) projects. Both SPLOST funds provide funding for textbooks and instructional materials, computers, technology upgrades, transportation, security, facility improvements, and general obligation debt reduction. The School System also disposed of several assets that had no net book value at the time of disposal.

The School System's deferred outflows of resources increased \$25.80 million. Deferred outflows consist of three components: pensions, OPEB and loss on refunding of bonds. Actuarial assumptions are made in determining the total pension liability and total OPEB liability of each plan. As those assumptions change, changes in the liability calculation are recorded as either deferred outflows or deferred inflows of resources. The deferred outflows of resources related to pensions are created by changes in the School System's portion of the entire plan and differences between the School System's contributions and its proportionate share of contributions (\$8.15 million, a decrease of \$2.92 million over prior year balance), differences between expected and actual experience (\$11.25 million, a decrease of \$1.58 million over prior year balance) and changes in actuarial assumptions (\$26.62 million, an increase of \$4.77 million over prior year balance). Furthermore, the TRS pension liability was measured as of June 30, 2020, one year prior to the balance sheet date. As a result, the contributions that the School System made after that date are recorded on the statement of net position as deferred outflows of resources. The contributions made in 2021 were \$2.60 million lower than in 2020 due to lower salaries and a lower employer contribution rate. As a result, deferred outflows related to pensions increased \$3.90 million. The deferred outflows of resources related to OPEB are created from similar changes. The change in proportion and differences between the School System's contributions and proportionate share of contributions decreased \$1.03 million, actuarial assumptions changes grew \$22.90 million, differences between projected and actual earnings on investments increased \$0.13 million and contributions to the plan subsequent to the measurement date increased \$0.37 million over the prior year. As a result of these changes, the deferred outflows of resources related to OPEB increased \$22.35 million. The deferred loss on refunding of bonds that occurred in fiscal year 2014 decreased \$0.45 million as the loss is being amortized over the life of the refunding bonds.

Deferred outflows of resources related to pensions and OPEB are further discussed in Notes M and N beginning on page 75.

Current liabilities of the School System increased \$5.43 million over the prior year. Annual changes in accounts payable (increase of \$3.50 million) are affected by the timing of payments at or near year end. Retainage payable on construction projects increased by \$1.75 million. This change is based on the timing of projects and the type of projects in progress at year end. Salaries and benefits payable increased slightly by \$0.21 million.

Non-current liabilities (which include the current portion of those liabilities) had net increase of \$50.32 million. The net pension liability increased \$30.80 million while the net OPEB liability increased \$27.56 million. These two liabilities represent benefits that employees have earned and that the School System has a present obligation to pay in the future. The net pension and OPEB liabilities are the amount of

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the total pension and OPEB liabilities (the promises of benefits for work already performed) in excess of the pension and OPEB plans' net positions. This liability is actuarially determined and is further explained in Note M and N beginning on page 75. Bonds payable decreased by a net \$7.96 million based on scheduled debt payments and amortization on bond issuance premium.

The deferred inflows of resources increased \$9.78 million. As previously noted, changes in actuarial assumptions affect the calculation of deferred outflows and deferred inflows of resources. The deferred inflows related to the TRS pension plan decreased by \$8.06 million. Total deferred inflows related to pensions of \$7.62 million relate to differences between expected and actual experience (zero balance at year end, a decrease of \$0.07 million), differences between projected and actual earnings on pension plan investments (zero balance at year end, a decrease of \$5.42 million), and changes in proportion and differences between the School System's contributions and proportionate share of contributions (\$7.62 million, a decrease of \$2.57 million). The change in deferred inflows related to OPEB decreased \$1.72 million, affected by changes in actuarial assumptions (\$14.94 million, a decrease of \$4.85 million), differences between expected and actual experience (\$18.33 million, an increase of \$3.06 million) and changes in proportion and differences between the School System's contributions and proportionate share of contributions (an increase to \$0.60 million). These deferred inflows of resources represent an acquisition of resources that applies to future periods and will be recognized as revenue in those future periods.

Deferred inflows of resources related to pensions and OPEB are further discussed in Notes M and N beginning on page 75.

The School System's net investment in capital assets (net of outstanding related debt used to acquire those capital assets and accumulated depreciation) equals 1,140% of total net position. The School System uses these capital assets to provide services to students, and consequently, these assets are not available for future spending. Although the School System's net investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities. The investment in capital assets increased by \$15.90 million from the prior year due to an increase in capital assets, net of depreciation and disposal, of \$13.23 million, a reduction in bonds payable, net of amortization of discounts and premiums, of \$7.96 million, increases in retainage and accounts payable on construction projects of \$4.85 million and amortization of the prior year's deferred loss on the refunding of general obligation bonds of \$0.45 million.

Total restricted net position increased \$5.11 million over the prior year. Net position is restricted when limitations are imposed on its use through constitutional provisions or enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted net position indicates the amount of liquid assets the School System has to meet the existing obligations to its creditors. For the year ended June 30, 2021, the School System reported a deficiency in its unrestricted net position of \$296.97 million. This deficiency is attributable to recording pension and OPEB liabilities and the related deferred outflows and inflows of resources on the financial statements. If the adjustments related to pension and OPEB obligations had not been recorded, the School System's unrestricted net position would be \$55.76 million. These pension and OPEB obligations are expected to be funded over time through future employer contributions to the pension and OPEB plans. The School System's most immediate long-term obligations are for long-term debt which will be repaid based on future property taxes levied specifically for the repayment of bonded indebtedness.

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**Fayette County School System's Changes in Net Position**

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues		
Charges for services	\$ 1,999,589	\$ 5,126,305
Operating grants and contributions	131,423,521	124,785,145
Capital grants and contributions	6,853,890	6,472,357
General revenues		
Property taxes	122,142,635	116,367,637
Sales taxes	30,938,606	27,740,618
Other taxes	5,457,088	3,757,991
Interest and investment earnings	53,045	936,159
Other	153,895	294,512
Total revenues	<u>299,022,269</u>	<u>285,480,724</u>
Expenses:		
Instruction	192,309,443	181,874,689
Pupil services	16,498,708	15,079,390
Improvement of instructional services	7,069,951	7,049,918
Instructional staff training	1,051,816	1,057,895
Educational media services	4,336,323	4,043,475
Federal grants administration	380,459	408,275
General administration	2,075,686	1,760,578
School administration	18,019,223	16,399,329
Business administration	1,581,991	1,478,903
Maintenance and operation of facilities	17,746,301	16,866,071
Student transportation services	10,390,403	10,284,854
Central support services	6,792,229	6,734,056
Other support services	308,930	205,613
Community services	2,676,803	2,653,079
Food services	7,407,027	7,559,725
Interest expense	1,944,464	2,084,618
Total expenses	<u>290,589,757</u>	<u>275,540,468</u>
Change in net position	8,432,512	9,940,256
Net position, beginning of the year	15,197,320	5,257,064
Prior period adjustment	1,802,994	-
Net position, end of year	<u>\$ 25,432,826</u>	<u>\$ 15,197,320</u>

Total revenues of the School System increased approximately \$13.54 million, driven primarily by the following items:

- Property tax increased by \$5.77 million over prior year as property values continued to rebound.
- Operating grants and contributions increased by \$6.64 million. State funding decreased by \$4.19 million, primarily related to state QBE funding as discussed in more detail as it relates

**Fayette County Board of Education**  
**Management's Discussion and Analysis**

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to the General Fund below. Federal grants revenue and contributions from other sources increased a combined \$10.83 million. Federal grants funding increased primarily as a result of the federal response to the COVID-19 pandemic. Also, the School System implemented GASB Statement No. 84 which resulted in recording transactions at the system-wide level that had not been in prior years.

- Capital grants and contributions increased \$0.38 million. The School System received \$1.48 million more in capital outlay reimbursements from the State (GSFIC). Other contributions decreased \$0.10 million.
- Interest and investment earnings are affected by two variables, average investment balances and monthly interest rates for the Georgia Fund One. The interest rate on investments dropped from 0.25070% at June 30, 2020 to 0.03507% at June 30, 2021. This is a 86% reduction in the interest rate from June to June, and a 95% decrease in the average monthly rate. The average monthly balances held in investments increased by \$3.30 million over prior year.

Total expenses increased by \$15.05 million over prior year. Most activity which results in annual fluctuations of expenditures at the fund level also affects the fluctuations of expenses at the system-wide level. Activity that affects the system-wide statement differently than the fund financial statements is detailed in the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the System-wide Statement of Activities on page 47. Significant changes in expenses are as follows:

- Pension expense increased \$5.53 million over the prior year. Pension expense recognizes the changes in the net pension liability of the School System and the associated deferred outflows and inflows of resources. These amounts are actuarially determined each year and changes in assumptions and differences between expected and actual earnings on pension plan investments can have a significant impact on pension plan expense each year.
- OPEB expense increased \$3.38 million over the prior year. Like pension expense, OPEB expense recognizes the changes in net OPEB liability of the School System and the associated deferred outflows and inflows of resources. These amounts are actuarially determined each year and changes in assumptions and differences between expected and actual earnings on OPEB plan investments can have a significant impact on OPEB plan expense each year.
- Total salaries increased by approximately \$3.46 million, or 2.26%. During the year, the School System averaged 98 fewer employees than the previous year. That decline is attributable to the pandemic, with fewer people seeking employment, causing positions to go unfilled. Despite this decrease, salaries rose resulting from a step increase for those employees who earned it, retention pay, supplement increases, stipends to write virtual learning curricula, and an expanded summer school program to help those students who fell behind as a result of the pandemic.
- Depreciation of capital assets increased by \$1.24 million over prior year.

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By function, variances in expenses were driven by the following items:

- Instruction costs had a net increase of \$10.43 million, or 5.7%. Instruction cost is primarily personnel driven, meaning most costs within this category are for salary and benefits of teachers and paraprofessionals. Instruction increased approximately \$2.58 million for salaries and \$6.60 million for benefits (including pension and OPEB costs). Operating costs (non-payroll) increased \$1.26 million.
- Pupil services increased \$1.42 million, or 9.4%. Salaries and benefits increased \$0.55 million and \$0.62 million, respectively, while operating expenses also increased \$0.25 million.
- School administration expenses increased by \$1.62 million, or 9.9%. Salaries increased \$0.31 million as benefits increased \$0.75 million. Operating costs increased \$0.56 million for increased depreciation expense and the reclassification of transactions which had been classified as fiduciary funds and not included in the system-wide numbers in the prior year.

**Financial Analysis of the School System's Funds**

As noted earlier, the School System uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds* – Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the School System's financing requirements. Unassigned fund balance is a useful measure of the School System's net resources available for spending at the end of the fiscal year.

As of June 30, 2021, the School System's governmental funds reported combined ending fund balances of \$75,616,931, an increase of \$10,465,046 in comparison with the previous year. Approximately 42.65% (\$32,248,644) of ending fund balance is made up of unassigned fund balance of the General Fund that is available for spending at the School System's discretion. Fund balances of special revenue funds and capital project funds are classified as restricted, committed or assigned. These categories are defined based on the level of limitations imposed on their use. Note A12 on pages 61 and 62 provides a definition of the various categories of fund balance. Note I on pages 71 and 72 provides additional detail. Total fund balances for the governmental funds are as follows:

<b>Fund Balances at June 30, 2021</b>	
Nonspendable	\$ 411,623
Restricted	\$ 32,185,499
Committed	\$ 4,270,130
Assigned	\$ 6,501,035
Unassigned	\$ 32,248,644

The *General Fund* is the chief operating fund of the School System. Its fund balance increased \$5.31 million over the prior year. Overall, revenues for the General Fund increased approximately \$3.23 million compared to the prior year. This was a result of a decrease of \$4.00 million in state funds and an increase of \$7.23 million in local funds.

## Fayette County Board of Education

### Management's Discussion and Analysis

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- All public school systems in Georgia receive state funding based on the Quality Basic Education Act (QBE) earnings formula. The formula is based on a system's enrollment multiplied by dollar values for different cost categories. Many factors affect the total QBE earnings for a school system, including the student enrollment, the instructional program classification of those students, the experience level of teachers (training and experience or "T&E") and the relative property wealth of the school system. Overall, earnings of direct instruction decreased by \$0.93 million. This decrease was due to a reduction number of full time equivalent (FTE) students (588 fewer), and a decrease in the TRS funded rate from 21.14% to 19.06%. The School System earned \$1.06 million less in indirect costs. Other earnings categories, including media and staff development, decreased \$0.06 million. The improving county tax digest has had a negative the effect on the calculation for the System's local 5 mill share portion of the formula. The increase in the tax base in fiscal year 2019 translated into an increase of local 5 mill share of \$2.39 million and a decrease in state funding by the same amount. Near the end of prior year, the State announced a cut to QBE funding, known as the "amended formula adjustment". A portion of that cut impacted the amounts received in July and August 2020 for funding teachers' salaries earned in fiscal year 2020 (a \$1.77 million reduction). This funding reduction also cut fiscal year 2021 revenue by \$3.52 million, an increase in cuts of \$1.75 million year over year. For fiscal year 2021, the School System benefitted from the "hold harmless" calculation. This amount helps protect school systems when there is a decrease in the number of FTE students from year to year. The initial QBE funding amounts are based on the prior year counts and usually the budget is set based on this initial allotment. At mid-term, the State recalculates earnings based on updated student counts at the end of October. Fayette experienced a significant decrease in students at midterm, a 588 FTE reduction. The "hold harmless" calculation added back \$1.98 million of funding that the School System would have lost between the initial QBE allotment and the midterm allotment based on updated numbers. Categorical grants under QBE for transportation costs and nursing services decreased by less than \$0.10 million. In total, QBE earnings decreased \$4.23 million over last year.
- Other state revenue related to grants and on-behalf payments increased by \$0.23 million.
- Property taxes increased by \$4.78 million as the gross digest values increased by 5.44% (5.68% if motor vehicle values are excluded) showing economic recovery in the county. The digest increase was the result of increases in assessed values for real property of 2.89% and growth in real and personal property of 3.02%. Exemptions grew by 9.63% for the tax year. Additionally, the district decreased the maintenance and operations millage rate by 0.10 mills.
- Ad valorem for automobiles was down \$0.39 million as the state continued to transition to a sales tax based auto tag registration system and the value of motor vehicles on the tax digest decreased 15.58%. The title ad valorem tax increased \$1.98 million, demonstrating an increase in vehicle purchases during the year.
- Intangible and transfer taxes, both related to real estate transactions, were up \$1.61 million.
- Earnings on investments decreased \$0.40 million.
- All other local revenue sources decreased \$0.35 million.

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**Management's Discussion and Analysis**

**June 30, 2021**

Expenditures for the General Fund increased only \$0.22 million, or 0.10%, from 2020. Fluctuations from prior year are generally caused by the same circumstances as fluctuations of expenses at the system-wide level with several exceptions. The primary exception is the effect of the pension plan and OPEB plan expense adjustments at the system-wide level as previously discussed. The only portion of pension and OPEB costs that are reflected in the General Fund are current year employer contributions. The current year contributions have been removed from the system-wide statement of activities because those costs were incurred after the measurement dates for the plans.

Salaries within the General Fund increased \$0.44 million. The step increase in salary for those who earned it based on longevity was mostly offset by savings due to unfilled vacancies throughout the year. Benefits decreased \$1.15 million. Expenditures for teachers' retirement (pension cost) decreased \$2.34 million for a reduction in the employer contribution rate from 21.14% to 19.06%. Workers' compensation cost increased \$0.95 as more resources were set aside for future payment of claims. Unemployment costs increased \$0.19 million, as claims covering the early months of the pandemic were billed by the State. Overall, non-payroll related operating costs increased by \$0.93 million. The two areas that had the largest increases were repair and maintenance (\$0.39 million) and supplies (\$0.23 million).

Transfers from the General Fund increased \$0.80 million. Each year, transfers are made to special revenue funds to cover the difference between the cost of the program and the revenues received from state or federal funding. These transfers are regularly made for the Lottery fund (pre-kindergarten program) and Jr. ROTC fund. In both years, \$1.0 million was transferred to the Local Capital Projects Fund to provide additional resources for future projects. Additionally, transfers from the General Fund to the School Nutrition Services fund were made to help offset operational losses experienced due to the COVID-19 pandemic and school shut-down. Transfers to School Nutrition Services increased \$0.76 million over prior year.

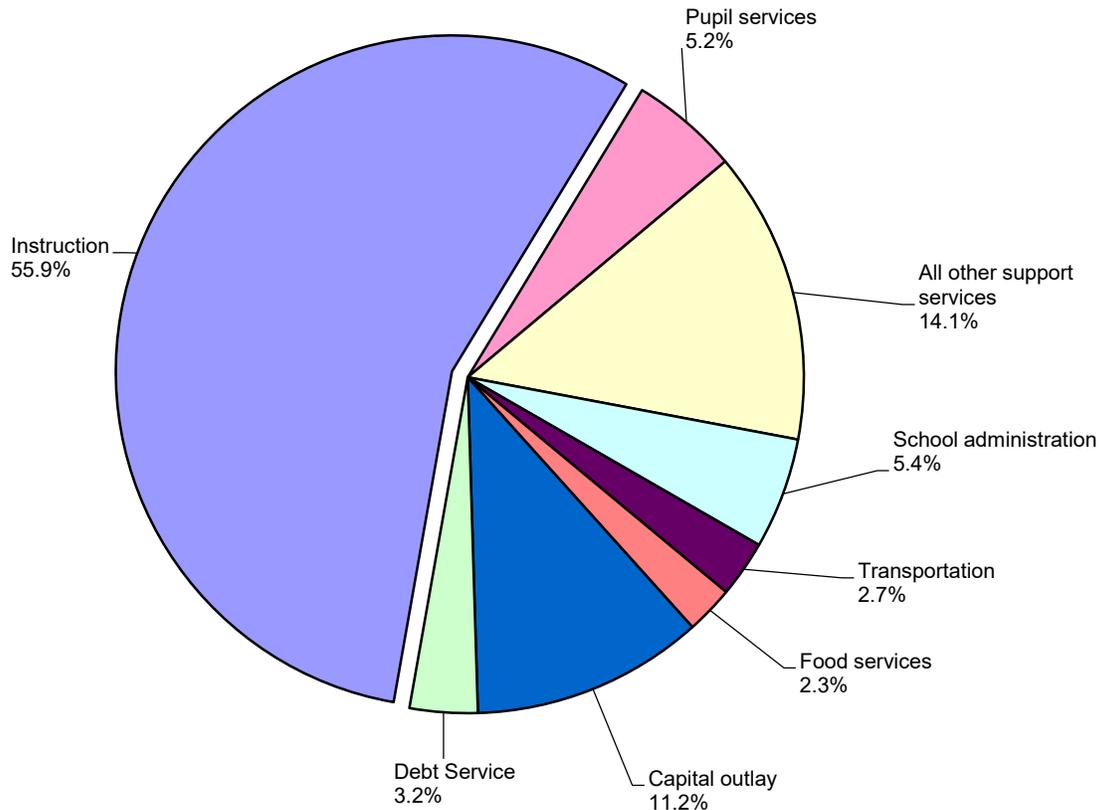
The *Capital Projects SPLOST III Funds* are used to account for various projects funded through a one-cent local option sales tax for education as approved through voter referendum. During the year sales tax collections for fiscal year 2021 was \$31.90 million. SPLOST III funds also had reimbursements from the state related to several capital projects of \$1.44 million. Approximately \$30.60 was spent during the year from the SPLOST III Fund.

*Other governmental funds* consist of non-major special revenue funds, non-major capital projects funds and one non-major debt service fund. The aggregate fund balance of these funds increased by approximately \$2.82 million compared to the prior year (based on these same funds being classified as non-major for the prior year). Most of the increase was in the capital project funds, resulting from state reimbursements for projects paid for out of the SPLOST II fund. In the special revenue funds, the School Nutrition Service had the largest increase of fund balance of \$0.38 million due to transfers from the General Fund. The After School Program had a reduction in fund balance of \$0.69 million as it struggled to balance operational costs with reduced student participation as a result of the COVID-19 pandemic. Debt service fund balance grew \$0.37 million, as tax collections exceeded required debt service payments for the year.

Fayette County Board of Education  
Management's Discussion and Analysis

June 30, 2021

**2021 Total Expenditures - All Governmental Funds**



*Proprietary funds*- The School System's proprietary fund provides the same type of information found in the system-wide financial statements, but in more detail. The proprietary fund consists of an internal service fund, the Workers' Compensation Fund. At June 30, 2021, the proprietary fund has a net position of approximately \$1.29 million.

**General Fund Budgetary Highlights**

The School System's original budget was set based on preliminary state QBE allotments communicated by the State in April 2021. As in prior years, the State amended the QBE allotments during the year. Once the earnings sheets were finalized in March 2021, actual QBE earnings were approximately \$5.43 million more than the initial budget. The net adjustments were primarily the result of the state restoring QBE budget cuts for all school districts. The school board amended its budget for this change in funding.

The School System had a positive revenue budget variance of \$4.02 million. The positive variance for state revenue related to differences in planned and actual amounts of state grants. The net digest

**Fayette County Board of Education**  
**Management's Discussion and Analysis**

**June 30, 2021**

increased 4.48% and the Board set the millage rate at 0.10 mills lower than the previous year. Property tax collections were \$0.44 million over budget. Both title ad valorem tax (TAVT) and automotive ad valorem came in over budget by a net \$1.73 million. Intangible taxes were over budget \$2.42 million while transfer and other taxes were over budget \$0.31 million. Interest earnings were \$0.47 million under budget. Revenue from all other local revenue sources had a negative budget variance of \$0.52 million.

Instruction makes up 68.1% of the general fund budget (before budgeted transfers). This functional area had a positive budget variance of \$3.25 million or 2.11%. Most functional areas had positive budget variances with the exception of general and school administration, other support services, community service and food services. For other support services, community service and food services, a budget was not established but expenditures were allocated to them. These expenditures included miscellaneous salary cost covered by other resources like PTO donations, health insurance adjustments for employees on leave without pay, and maintenance of food service equipment covered by general fund resources.

Budget variances in salaries and benefits have the most significant impact on the budgeted expenditures, as personnel costs make up 89.61% of the General Fund budget. Overall, personnel costs (salaries and benefits) were under budget by \$2.39 million. The overall variance for personnel was 1.17% of the personnel budget. Total salaries were under budget by \$3.08 million resulting from unfilled vacancies throughout the year. All employee benefits expenditures also were under budget, with the exception of unemployment and workers' compensation costs.

Overall, expenditures were \$5.03 million less than budget. Therefore, the net budget variance in non-payroll costs is a favorable variance of \$2.64 million. Specific notable budget variances are as follows:

- Purchased professional services, including legal fees, were \$0.60 million under budget.
- Communications and web-based subscriptions were \$0.26 million under budget.
- Grounds maintenance was \$0.77 million under budget.
- Repair and maintenance of equipment was \$0.60 million over budget.
- Travel, including board member travel, was \$0.22 million under budget.
- Supply purchases were \$0.27 million less than budgeted.
- Purchases of textbooks, books and periodicals was \$0.23 million under budget.
- Expendable equipment, including purchases of computers, was \$0.16 million over budget.
- Bus fuel purchases were \$0.40 million under budget.
- Dues and fees were \$0.17 million under budget.

**Fayette County Board of Education**  
**Management's Discussion and Analysis**

**June 30, 2021**

- Expenditures recorded in other support services are primarily related to salaries funded by a source other than the School System such as student groups, booster clubs and parent teacher organizations (PTOs). As such, the School System does not budget for these expenditures. Proceeds related to these costs are recorded in other local revenue and also are not budgeted.

The budget was amended at the end of the year to reflect transfers between functional areas that the administration felt would best serve operational adjustments needed to reach strategic goals.

**Capital Assets and Debt Administration**

*Capital assets* – The School System's balance of capital assets as of June 30, 2021 totals \$350,956,976, net of accumulated depreciation. Capital assets include land, land improvements, buildings, autos and trucks, other equipment and construction in progress. This balance reflects a net increase in capital assets of \$13,23 million. The change in capital assets is affected by additions to capital assets, disposals of capital assets and depreciation expense.

Major capital asset related events during the year included the following:

- The School System purchased two special needs school buses.
- New kitchen equipment was purchased to replace aging equipment.
- Three high school tracks were resurfaced.
- Major renovations for an elementary school were completed during the year.
- Wireless networks were installed at four high school stadiums.
- The School System replaced approximately \$1.69 million of student chromebooks.
- HVAC systems were upgraded for bipolar ionization.
- Thermal imaging cameras were installed throughout the district.
- A flight simulation lab at one of the high schools was completed and equipped.
- Construction on a new middle school continued throughout the year and is in progress at year end.
- Other projects still in progress at year end include renovations to a middle school and an elementary school, an addition to a high school, improvements and renovations to an administrative building, and construction of high school band towers.

Additional information on the School System's capital assets can be found in Note G on page 68 of this report.

**Fayette County Board of Education**  
**Management's Discussion and Analysis**

**June 30, 2021**

*Long-term debt* – As of June 30, 2021, the School System had total bonded debt of \$49,299,972 (before premiums) from the 2013 and 2018 bond issuance. The 2013 issuance is payable from an ad valorem tax on all taxable property within the School District, without limit as to rate or amount. The 2018 issuance is payable from the proceeds from the SPLOST III referendum.

The School System maintains an “AA-” rating from Standard & Poor’s and an “Aa2” rating from Moody’s Investor Services for general obligation debt, without credit enhancements as a result of the Georgia Intercept Program or bond insurance.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation. The current debt limitation for the School System is \$570,458,421 which is significantly in excess of the School System’s outstanding general obligation debt.

Additional information on the School System’s long-term debt can be found in Note H on pages 69 and 70 of this report.

**Economic Factors and Next Year’s Budgets and Rates**

The pandemic outbreak of COVID-19 directly impacted the development of the fiscal year 2022, as further adjustments in operations had to be considered. One of the goals the school district had in going into 2022 was to return to in person instruction and normal operations as much as practical in a safe environment for students, teachers, and support staff.

The school system’s planning for the new school year included lengthy and detailed discussions about how to safely re-open schools. Plans were developed to minimize students in virtual learning and placing as many students as possible to in-person instruction. COVID-19 case data from the Georgia Department of Public Health continued to be a key element in decision making for requiring face coverings and maintaining social distancing protocols. Schools re-opened with in-person instruction. A complete virtual option was also made available to students who meet specific criteria for illness, exposure, and on-line performance.

Providing different instructional delivery models and needing to be flexible in changes to those models as community health conditions changed impacted planning for personnel allotments and the related payroll budget for fiscal year 2022. Additionally, re-opening schools and administrative buildings required adjustments in operational processes to ensure a safe return. Purchases of personal protective equipment (PPE), additional cleaning supplies and alternate work schedules impacted the 2022 budget similar to the prior year.

In addition to adjustments in operating plans, the budget process also had to consider how to fund revenue shortfalls while maintaining the current budget expenditure level. The state passed a budget that reduced K-12 education funding by 5% due to anticipated revenue declines related to the pandemic impact on the economy. This is the same approximate reduction from the prior year. This reduction was implemented through an austerity reduction in QBE earnings to local school districts. For Fayette County, the final austerity reduction was \$4.6 million. Net of other adjustments such as the decrease in FTEs earned and decreased revenues associated with teachers’ retirement funding, total QBE earnings from the state was reduced by \$1.62 million from the 2021 funding.

**Fayette County Board of Education**  
**Management's Discussion and Analysis**

**June 30, 2021**

Local revenues were anticipated to be relatively flat with increases in some sources offset by decline in others. The property ad valorem taxes were budgeted with no increase at \$105.2 million. The tax digest has increase significantly by of 7.09%. The 2021 digest reflected growth in new value of 1.65%. Reassessments increased by 6.34% reflecting a strong property tax base in the county. The overall gross digest increase was \$500 million for real property value.

However, property tax exemptions increased by \$632.8 million or 46%. This was more than the gross digest increased resulting in a net digest decrease of \$133.8 million or 2.36%. The exemption increase was the result of new local legislation approved in a voter referendum that capped the increase in homestead property values at the lower of 3% or inflation. The legislation called for the implementation of the new floating homestead exemption used fair market values from 2017 through 2019 to set a base homestead value. This value was adjusted for inflation through 2021. The base value is reset on each property when ownership or homestead status changes.

The new floating homestead exemption included 19,778 properties with an average exemption of \$23,000. This resulted in a \$445 average reduction in homestead property tax bills. The new exemptions equate to \$8.8 million in property revenue and now the digest now reflects values at more than 26.5% of the gross digest. The impact will not be as significant in future years but will be a major factor in local revenues each year.

Motor vehicle, title ad valorem Tax (TAVT), intangible tax, real estate tax and earnings on investments were all budgeted for a combined increase of \$0.8 million. The anticipated increase in revenue is based on the projected economic conditions during recovery from the pandemic.

Overall, local revenues account for 52.86% of budgeted revenues in the General Fund for fiscal year 2022.

The administration's main 2022 budget goals were to:

1. provide in-person instruction to as many students as possible,
2. provide limited remote learning models based on the COVID risk assessment at any point in time,
3. maintain educational programs and enhance areas focused on college and career readiness,
4. provide a safe learning and work environment for all students and employees,
5. maintain or reduce budgeted expenditures for the coming year.

The largest part of the School System's budget is personnel accounting for approximately 90% of the General Fund budget. Despite the planned decreases in revenue sources, cost of living increases were implemented due to employment market conditions and other factors resulting from the pandemic. For example, the school system experienced a high number of retirements due to the pandemic and an even higher number during the school year. In addition, hiring employees for positions in instructional support, school nutrition, transportation, and after school programing became more difficult as many competing industries raised starting pay and included hiring bonuses.

Step increases were awarded for all employees who had earned a step based on years of experience. Step increases will cost approximately \$2.4 million. This increase is offset by a reduction of approximately \$2.4 million in contributions to the Teachers' Retirement System resulting from a rate change for employer contributions.

**Fayette County Board of Education**  
**Management's Discussion and Analysis**

**June 30, 2021**

Five additional positions were approved for employment with the goal of maintaining minimal change in the General fund prior year's budget. These five General Fund positions included a paraprofessional at one high school to provide support based on higher student enrollment compared to other schools. Exceptional Children's Services added a teacher and a paraprofessional for Project Search is a school-to-work transition initiative for students ages 18 - 21 with intellectual or developmental disabilities. Most of the students are working at a local hospital in the county. This program was unable to operate during fiscal year 2021. The two final General Fund positions are an elementary and secondary curriculum instructional coach. The new elementary curriculum coach now allows these coaches to be responsible for only two elementary schools. The secondary curriculum coach will be added in math. Test scores indicated additional assistance needed for this academic subject.

Nine positions were added for FY 2022 using ESSER funds. These positions are fully funded by the ESSER acts for one year. Positions include three counselors. Bennett's Mill Middle School kept a counselor position that they would have lost due to a decrease in enrollment. The other two counselors provide additional support for students throughout the county as they transition from virtual back to in person classes. Three new teachers were funded by the ESSER acts. They were hired for ESOL, Math and Science in anticipation of additional sections and assistance needed for our students. The COVID environment created an extra burden of compliance for ECS. An additional coordinator was added to their staff to address these issues. Another position funded by ESSER is the program administrator for the Mentor program. The Mentor program was suspended during FY 2021. The final position paid with ESSER funds is the Elementary Virtual Academy administrator.

The School System continues to develop and expand the Center for Innovation (COI) that focuses on career and technical education (CTE). The School System has partnered with a state level technical college to offer students opportunities to learn about the career aspects in emergency medical responder, patient care fundamentals, allied health, aviation, sports medicine, and culinary arts. Plans for an expanded COI with partnership with a state university will allow students to earn college credits through dual enrollment. This particular program will include the university offering courses on school system property that is currently a middle school. This middle school is being replaced on land nearby and the current facility will be renovated to accommodate the college level curriculum in multiple subject areas including science.

During 2022, the School System will continue to utilize sales tax receipts from SPLOST proceeds to fund capital projects. Current projects include interactive classroom technology, computer replacements, technology upgrades, 16 new school buses, textbooks, and facility additions/renovations. The School System is utilizing additional funding sources for some projects in conjunction with SPLOST proceeds when funds are available.

A major project currently in progress is the construction of a new middle school facility to replace an existing middle school. The existing middle school will be repurposed as a new location of the COI and to expand collaboration with state level post-secondary institutions mentioned above. If needed, the current COI location will be renovated as an elementary school. Major capital projects in the planning phase or currently in progress include renovations and additions at two elementary schools and one high school.

The overall expectations for the local economy continues to feel the effect of the COVID-19 pandemic. Georgia as a state, and Fayette as a county, seem to be doing better than most parts of the country. One indication of that trend is the continued strong collections of sales and use tax

**Fayette County Board of Education**

**Management's Discussion and Analysis**

**June 30, 2021**

revenue. The restaurant, travel and hospitality businesses have experienced revenue declines and are having difficulty hiring staff.

A large part of the economic growth in Fayette County is associated with film and television production. At the start of the pandemic, this industry saw a significant reduction in projects. However, activity resumed in the fall of 2020.

The county is experiencing a growth in residential housing that has not been slowed down by the pandemic. Both residential and commercial construction projects across the county have continued to stay on track during the otherwise economic shut down. Two cities within the county have continued their planned projects for downtown development that include new municipal facilities and a multi-use complex.

**Requests for Information**

This financial report is designed to provide a general overview of the School System's finances for all those with an interest in the School System's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Laura Brock, Coordinator of Audits and Financial Reporting, P.O. Box 879, Fayetteville, Georgia, 30214.



*Where Excellence and Creativity Merge*

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## **Basic Financial Statements**

Fayette County Board of Education

STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 14,918,287
Investments	69,278,916
Due from other governments	18,985,978
Taxes receivable	6,234,914
Due from others	8,958
Prepaid items	8,217
Inventory	403,406
Capital assets, not being depreciated:	
Land	16,505,401
Construction in progress	34,964,052
Capital assets, net of accumulated depreciation:	
Buildings	267,876,918
Trucks and autos	7,390,125
Other equipment	24,220,480
Total assets	<u>460,795,652</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	78,738,747
OPEB	35,828,897
Deferred loss on refunding	1,910,466
Total deferred outflows of resources	<u>116,478,110</u>
<b>LIABILITIES</b>	
Accounts payable	11,777,235
Accrued interest	627,923
Salaries and benefits payable	15,462,330
Retainage payable	2,985,712
Unearned revenue	250,038
Noncurrent liabilities:	
Due within one year	8,662,941
Due in more than one year	
Accrued compensated absences	814,472
Claims payable	1,140,000
Bonds payable	42,817,286
Net pension liability	258,432,827
Net OPEB liability	167,917,241
Total liabilities	<u>510,888,005</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	7,620,079
OPEB	33,332,852
Total deferred inflows of resources	<u>40,952,931</u>
<b>NET POSITION</b>	
Net investment in capital assets	290,780,568
Restricted for:	
Capital projects	29,521,404
Debt service	1,419,822
Grant purposes	682,654
Unrestricted	<u>(296,971,622)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 25,432,826</u>

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

Fayette County Board of Education

STATEMENT OF ACTIVITIES

For the year ended June 30, 2021

Functions/Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 192,309,443	\$ 21,740	\$ 102,274,785	\$ -	\$ (90,012,918)
Support services					
Pupil services	16,498,708	-	2,787,744	-	(13,710,964)
Improvement of instructional services	7,069,951	-	665,751	-	(6,404,200)
Instructional staff training	1,051,816	-	606,421	-	(445,395)
Educational media services	4,336,323	-	2,522,546	-	(1,813,777)
Federal grants administration	380,459	-	141,276	-	(239,183)
General administration	2,075,686	-	2,586,935	-	511,249
School administration	18,019,223	-	5,497,242	-	(12,521,981)
Business administration	1,581,991	-	19,271	-	(1,562,720)
Maintenance and operation of facilities	17,746,301	-	5,865,945	6,853,890	(5,026,466)
Student transportation services	10,390,403	-	1,953,410	-	(8,436,993)
Central support services	6,792,229	-	314,890	-	(6,477,339)
Other support services	308,930	-	673	-	(308,257)
Community services	2,676,803	1,485,053	578,573	-	(613,177)
Food services	7,407,027	492,796	5,608,059	-	(1,306,172)
Interest expense	1,944,464	-	-	-	(1,944,464)
Total governmental activities	<u>\$ 290,589,757</u>	<u>\$ 1,999,589</u>	<u>\$ 131,423,521</u>	<u>\$ 6,853,890</u>	<u>(150,312,757)</u>
General revenues					
Taxes					
Property taxes, levied for general purposes					
Property taxes, levied for debt service					
Intangible taxes, general purposes					
Intangible taxes, debt service					
Transfer taxes, general purposes					
Transfer taxes, debt service					
Other taxes, general purposes					
Sales tax, capital outlay and debt service					
Interest and investment earnings					
Other					
Total general revenues					
Change in net position					
Net position - beginning of year, as restated					
Net position - end of year					

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

Fayette County Board of Education

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2021

	<u>Major Governmental Funds</u>			
		Capital Projects	Other	Total
	General	SPLOST III Fund	Governmental Funds	Governmental Funds
<b>ASSETS</b>				
Cash	\$ 3,691,434	\$ 135,748	\$ 8,122,931	\$ 11,950,113
Investments	25,733,830	31,984,041	11,560,739	69,278,610
Due from other governments	15,609,388	-	3,376,590	18,985,978
Taxes receivable	3,260,205	2,820,784	153,925	6,234,914
Due from other funds	2,702,710	-	-	2,702,710
Due from others	8,196	-	762	8,958
Prepaid items	8,217	-	-	8,217
Inventory	200,256	-	203,150	403,406
<b>Total assets</b>	<u>\$ 51,214,236</u>	<u>\$ 34,940,573</u>	<u>\$ 23,418,097</u>	<u>\$ 109,572,906</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 3,435,711	\$ 7,332,930	\$ 745,830	\$ 11,514,471
Salaries and benefits payable	14,346,998	-	1,115,332	15,462,330
Due to other funds	-	-	2,702,710	2,702,710
Retainage payable	-	2,985,712	-	2,985,712
Unearned revenue	-	-	250,038	250,038
<b>Total liabilities</b>	<u>17,782,709</u>	<u>10,318,642</u>	<u>4,813,910</u>	<u>32,915,261</u>
Deferred Inflows				
Unavailable property tax revenue	974,410	-	66,304	1,040,714
<b>Total deferred inflows</b>	<u>974,410</u>	<u>-</u>	<u>66,304</u>	<u>1,040,714</u>
Fund Balances:				
Nonspendable	208,473	-	203,150	411,623
Restricted	-	24,621,931	7,563,568	32,185,499
Committed	-	-	4,270,130	4,270,130
Assigned	-	-	6,501,035	6,501,035
Unassigned	32,248,644	-	-	32,248,644
<b>Total fund balances</b>	<u>32,457,117</u>	<u>24,621,931</u>	<u>18,537,883</u>	<u>75,616,931</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 51,214,236</u>	<u>\$ 34,940,573</u>	<u>\$ 23,418,097</u>	<u>\$ 109,572,906</u>

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

**Fayette County Board of Education**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**June 30, 2021**

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

Total fund balances - governmental funds		\$ 75,616,931
Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds.		350,956,976
Property taxes receivable not collected within sixty days of year end are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable property tax revenue in the funds.		1,040,714
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pensions and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows of pension related items	78,738,747	
Deferred outflows of OPEB related items	35,828,897	
Deferred inflows of pension related items	(7,620,079)	
Deferred inflows of OPEB related items	<u>(33,332,852)</u>	
		73,614,713
Governmental funds report the effect of premiums, discounts and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Unamortized premium on issuance of bonds	(1,822,314)	
Deferred loss on refunding of bonds	<u>1,910,466</u>	
		88,152
Internal service funds are used to charge the costs of workers' compensation claims to the individual funds. The assets and liabilities of the internal service fund are included in the statement of net position.		1,290,716
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
General obligation bonds payable	(49,299,972)	
Accrued interest on long term debt	(627,923)	
Compensated absences payable	(897,413)	
Net pension liability	(258,432,827)	
Net OPEB liability	<u>(167,917,241)</u>	
		<u>(477,175,376)</u>
Net position of governmental activities		<u>\$ 25,432,826</u>

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

Fayette County Board of Education

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the year ended June 30, 2021

	<u>Major Governmental Funds</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital Projects SPLOST III Fund</u>	<u>Other Governmental Funds</u>	
<b>Revenues</b>				
State funds	\$ 108,618,667	443,722	\$ 8,026,698	\$ 117,089,087
Federal funds	-	-	17,962,434	17,962,434
Local and other funds	121,102,359	31,914,775	12,557,714	165,574,848
Total revenues	<u>229,721,026</u>	<u>32,358,497</u>	<u>38,546,846</u>	<u>300,626,369</u>
<b>Expenditures</b>				
Current				
Instruction	150,870,845	-	11,337,555	162,208,400
Support services				
Pupil services	12,988,269	-	2,133,305	15,121,574
Improvement of instructional services	6,129,259	-	233,210	6,362,469
Instructional staff training	411,804	-	606,421	1,018,225
Educational media services	3,551,584	-	200,425	3,752,009
Federal grants administration	205,219	-	141,276	346,495
General administration	1,917,591	-	4,771	1,922,362
School administration	14,617,619	-	910,586	15,528,205
Business administration	1,440,064	-	18,839	1,458,903
Maintenance and operation of facilities	15,783,165	-	1,175,656	16,958,821
Student transportation services	7,403,474	-	488,443	7,891,917
Central support services	6,174,190	-	80,401	6,254,591
Other support services	293,879	-	538	294,417
Community service	9,758	-	2,465,360	2,475,118
Food services	98,053	-	6,602,237	6,700,290
Capital outlay	-	27,728,658	4,679,589	32,408,247
Debt Service				
Principal retirement	-	1,600,000	5,785,000	7,385,000
Interest and fees	-	1,270,500	803,780	2,074,280
Total expenditures	<u>221,894,773</u>	<u>30,599,158</u>	<u>37,667,392</u>	<u>290,161,323</u>
Excess (deficiency) of revenues over (under) expenditures	7,826,253	1,759,339	879,454	10,465,046
<b>Other financing sources (uses)</b>				
Transfers in	-	571,128	2,514,042	3,085,170
Transfers out	(2,514,042)	-	(571,128)	(3,085,170)
Total other financing sources (uses)	<u>(2,514,042)</u>	<u>571,128</u>	<u>1,942,914</u>	<u>-</u>
Net change in fund balances	5,312,211	2,330,467	2,822,368	10,465,046
<b>Fund balances, beginning of year, as restated</b>	<u>27,144,906</u>	<u>22,291,464</u>	<u>15,715,515</u>	<u>65,151,885</u>
<b>Fund balances, end of year</b>	<u>\$ 32,457,117</u>	<u>\$ 24,621,931</u>	<u>\$ 18,537,883</u>	<u>\$ 75,616,931</u>

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

Fayette County Board of Education

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE SYSTEM-WIDE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2021

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

Net change in fund balances - total governmental funds		\$ 10,465,046
Capital outlays are reported in governmental funds as expenditures. However, in the 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 outlay (\$33,422,588) exceeds depreciation (\$20,189,742).		13,232,846
Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, deferred losses on refundings, and similar items when debt is first issued, where these amounts are deferred and amortized in the statement of activities. The details of this difference are as follows:		
Repayment of bond principal	7,385,000	
Amortization on bond premiums	575,467	
Amortization on deferred loss on bond refunding	<u>(449,521)</u>	
		7,510,946
Because some property and sales taxes will not be collected for several months after the School System's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable tax revenues decreased by this amount.		(1,220,918)
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 the governmental funds.		
Accrued interest on long-term debt	3,870	
Compensated absences	71,602	
Changes in pension liabilities and related deferred outflows and inflows of resources	(18,834,527)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(3,480,776)</u>	
		(22,239,831)
Internal service funds are used to charge the costs of workers' compensation claims to the individual funds. Net change in position of the internal service fund is reported in the governmental activities.		<u>684,423</u>
Change in net position of governmental activities		<u>\$ 8,432,512</u>

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

**Fayette County Board of Education**

**General Fund  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
BUDGET AND ACTUAL - (NON-GAAP BASIS)**

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budget basis)</u>	<u>Variance</u>
<b>Revenues</b>				
State funds	\$ 101,484,489	\$ 106,909,802	\$ 107,032,269	\$ 122,467
Local and other funds	<u>117,200,000</u>	<u>117,200,000</u>	<u>121,102,359</u>	<u>3,902,359</u>
Total revenues	<u>218,684,489</u>	<u>224,109,802</u>	<u>228,134,628</u>	<u>4,024,826</u>
<b>Expenditures</b>				
Current				
Instruction	154,146,359	154,124,832	150,870,845	3,253,987
Support services				
Pupil services	12,892,870	12,915,067	12,749,717	165,350
Improvement of instructional services	6,316,968	6,372,638	6,129,259	243,379
Instructional staff training	807,253	760,913	411,804	349,109
Educational media services	3,583,100	3,583,100	3,551,584	31,516
Federal grant administration	220,552	220,552	205,219	15,333
General administration	1,813,476	1,813,476	1,917,591	(104,115)
School administration	14,581,441	14,581,441	14,617,619	(36,178)
Business administration	1,434,906	1,434,906	1,432,031	2,875
Maintenance and operation of facilities	15,745,905	15,745,905	15,603,478	142,427
Student transportation services	8,395,698	7,845,698	7,276,402	569,296
Central support services	6,637,828	6,851,828	6,148,384	703,444
Other support services	-	-	291,365	(291,365)
Community service	-	-	9,758	(9,758)
Food services	<u>35,000</u>	<u>35,000</u>	<u>36,189</u>	<u>(1,189)</u>
Total expenditures	<u>226,611,356</u>	<u>226,285,356</u>	<u>221,251,245</u>	<u>5,034,111</u>
Excess (deficiency) of revenues over (under) expenditures	(7,926,867)	(2,175,554)	6,883,383	9,058,937
<b>Other financing uses</b>				
Transfers out	<u>(2,233,000)</u>	<u>(2,559,000)</u>	<u>(2,514,042)</u>	<u>44,958</u>
Total other financing uses	<u>(2,233,000)</u>	<u>(2,559,000)</u>	<u>(2,514,042)</u>	<u>44,958</u>
<b>Net change in fund balances</b>	<u>\$ (10,159,867)</u>	<u>\$ (4,734,554)</u>	<u>\$ 4,369,341</u>	<u>\$ 9,103,895</u>

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

Fayette County Board of Education

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

June 30, 2021

	<b>Governmental                      Activities--                      Internal Service                      Workers'                      Compensation Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 2,968,174
Investments	<u>306</u>
Total assets	<u>2,968,480</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	262,764
Claims payable	<u>275,000</u>
Total current liabilities	<u>537,764</u>
Noncurrent Liabilities:	
Claims payable	<u>1,140,000</u>
Total noncurrent liabilities	<u>1,140,000</u>
Total liabilities	<u>1,677,764</u>
<b>NET POSITION</b>	
Unrestricted	<u>1,290,716</u>
Total net position	<u>\$ 1,290,716</u>

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

**Fayette County Board of Education  
Proprietary Funds**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

For the year ended June 30, 2021

	<u>Governmental Activities-- Internal Service Workers' Compensation Fund</u>
<b>Operating revenues</b>	
Local and other funds	\$ 1,744,949
	<hr/>
Total operating revenues	1,744,949
	<hr/>
<b>Operating expenses</b>	
Administration	305,905
Claims	754,621
	<hr/>
Total operating expenses	1,060,526
	<hr/>
Change in net position	684,423
	<hr/>
<b>Net position, beginning of year</b>	606,293
	<hr/>
<b>Net position, end of year</b>	<u>\$ 1,290,716</u>

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

**Fayette County Board of Education  
Proprietary Funds**

**STATEMENT OF CASH FLOWS**

**For the year ended June 30, 2021**

	<b>Governmental Activities-- Internal Service Workers' Compensation Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from interfund services	\$ 1,744,949
Cash paid to suppliers	<u>(890,388)</u>
Net cash provided by operating activities	<u>854,561</u>
<b>Net increase in cash</b>	854,561
<b>Cash at beginning of year</b>	<u>2,113,613</u>
<b>Cash at end of year</b>	<u><u>\$ 2,968,174</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 684,423
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable	25,145
Increase in accounts payable	<u>144,993</u>
Net cash provided by operating activities	<u><u>\$ 854,561</u></u>

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

**Fayette County Board of Education  
Fiduciary Funds**

**STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2021**

	<b>David Phillips Memorial Private-Purpose Trust Fund</b>
<b>ASSETS</b>	
Investments	\$ 5,989
Total assets	<u>5,989</u>
<b>LIABILITIES</b>	
Due to others	<u>-</u>
Total liabilities	<u>-</u>
<b>NET POSITION</b>	
Restricted for scholarships	<u>\$ 5,989</u>

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

**Fayette County Board of Education  
Fiduciary Funds**

**STATEMENT OF CHANGES IN FIDUCIARY  
NET POSITION**

For the year ended June 30, 2021

	<b>David Phillips Memorial Private-Purpose Trust Fund</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Interest	\$ <u>          5</u>
Total additions	<u>          5</u>
 <b>DEDUCTIONS</b>	
Other support services	<u>         1,000</u>
Total deletions	<u>         1,000</u>
 Change in net position	(995)
 <b>NET POSITION, beginning of year</b>	 <u>         6,984</u>
 <b>NET POSITION, end of year</b>	 <u><u>      \$ 5,989</u></u>

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



*Where Excellence and Creativity Merge*

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## Fayette County Board of Education

### NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

#### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Fayette County Board of Education (the “School System”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“USGAAP”) as applicable to government units. The more significant of the School System’s accounting policies are summarized below.

**1. Description of System-wide Financial Statements**

The system-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the School System. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

**2. Reporting Entity**

The School System was established under the laws of the State of Georgia and operates under the guidance of a five-member school board (the “Board”) elected by the voters of Fayette County and a superintendent appointed by the Board. The School System is organized as a separate legal entity and has the power to levy taxes, issue bonds with voter approval, and conduct all other business pursuant to the operation of the School System. Its budget is not subject to approval by any other entity. Accordingly, the School System is a primary government and consists of all the organizations that compose its legal entity. There are no component units included in the School System’s reporting entity as defined by Governmental Accounting Standards Board (“GASB”) Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No. 61.

**3. Basis of Presentation – System-wide Financial Statements**

While separate system-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the system-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the system-wide financial statements, but interfund services provided and used are not eliminated in the process of consolidation.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

4. **Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the School System’s funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements

The School System reports the following major governmental funds:

The *General Fund* is the School System’s primary operating fund. It accounts for all financial resources of the School System, except those required to be accounted for in another fund.

The *Capital Projects – SPLOST III Fund* is used to account for various projects funded by an educational special purpose local option sales tax and approved by voter referendum in 2017.

The School System does not report any enterprise funds.

Additionally, the School System reports the following fund types:

The *debt service fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service.

The *special revenue funds* account for revenue sources that are restricted or committed to expenditure for specific programs, primarily federal and state grant funded programs. These grants are awarded to the School System for the purpose of accomplishing specific educational tasks as defined in the grant agreements. These funds also contain several locally funded programs whose expenditures are limited to specific purposes. School Activity Funds are also reported as special revenue funds. The School Activity Funds are used to account for funds collected primarily through the fund raising efforts of the individual school. Each school’s principal is responsible, under the authority of the School System, for collecting, controlling, disbursing and accounting for his or her school’s funds. All resources of the fund, including any earnings on invested resources, may be used to support the schools’ activities.

The *capital project funds* are used to account for resources provided for the acquisition, construction or renovation of major capital facilities.

The *internal service fund* accounts for the self-insurance of workers’ compensation of the School System’s employees.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

4. **Basis of Presentation – Fund Financial Statements - continued**

The *fiduciary fund* is a classification of funds used to account for assets held on behalf of various funds, governments or individuals. The fiduciary fund include the following fund type:

The *private-purpose trust fund* accounts for resources devoted to the presentation of a scholarship awarded to a student each year. The corpus of this trust fund is to be invested and remain intact, with the investment earnings to be used to provide the scholarships.

During the course of operations, the School System has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the system-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the system-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

5. **Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The system-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all requirements imposed by the provider have been met.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

5. Measurement Focus and Basis of Accounting - continued

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School System considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period. Additionally, the School System considers grant revenues to be available if all requirements imposed by the provider have been met, regardless of timing of the collection. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, grant revenue, state QBE (“Quality Basic Education”) revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met.

The State of Georgia (“the State”) 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 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 year are accrued as the State 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 year, the State has a signed appropriation that includes this final amount, which represents the State’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.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

6. Cash and Cash Equivalents

The School System's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Official Code of Georgia Annotated ("O.C.G.A.") 45-8-14 authorizes the School System to deposit its funds in one or more solvent banks or insured federal savings and loan associations.

7. Investments

Investments made in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-bearing contract and money market investments with a maturity at purchase of one year or less are reported at amortized cost. Both participating interest earning contracts and money market investments with a maturity at purchase greater than one year are reported at fair value.

8. Inventories and Prepaid Items

Inventories consist of consumable supplies and food used in the preparation of meals reported using the first-in, first-out method (FIFO). Inventories of donated food commodities are reported at their federally assigned values. Inventories of purchased food and consumable supplies are valued at cost. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Donated food commodities are recorded as revenue when received.

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

9. Capital Assets

Capital assets, which include property and equipment, are reported in the system-wide financial statements. Capital assets are defined by the School System as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 3 years. Additionally, the School System capitalizes certain bulk purchases of items, like computers, with an individual cost of less than \$5,000 and an estimated useful life in excess of 3 years, which are deemed significant by management. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

9. Capital Assets- continued

Land and construction in progress are not depreciated. Other property and equipment of the School System is depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	25 to 50 years
Computers	3 to 5 years
Machinery and equipment	5 to 20 years
Kitchen equipment	15 to 20 years
Vehicles	10 years

10. Compensated Absences

It is the School System’s policy to permit employees to accumulate earned but unused vacation benefits. All vacation is accrued when incurred in the system-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Sick and personal leave does not vest with the employee and unused accumulated sick and personal leave is forfeited upon retirement or termination of employment. Therefore, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of resources that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to the items related to changes in net pension liability and net OPEB liability as discussed below, the School System has a deferred loss on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to the items related to changes in net pension liability and net OPEB liability as discussed below, the School System has one item that qualifies for reporting in this category. Accordingly, the item, unavailable property tax revenue, is reported only in the governmental funds balance sheet. This amount will be recognized as an inflow of resources in the period in which the amount becomes available.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

11. Deferred Outflows/Inflows of Resources - continued

The School System also has deferred outflows and inflows related to the recording of changes in its net pension liability and net OPEB liability. Certain changes in the net pension liability and net OPEB liability are recognized as expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the plans' 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 expense over the expected remaining life of plan members. Changes in actuarial assumptions 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 expense over the expected remaining live of the plan members. The difference between projected investment return on investments and actual return on those investments is also deferred and amortized against expense over a five-year period. Additionally, any contributions made by the School System to the pension and OPEB plan before 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.

12. Fund Balance Policy and Flow Assumptions

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring use of resources for specific purposes. The School System itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School System's highest level of decision-making authority. The School Board is the highest level of decision-making authority for the School System that can, by a majority vote after a recommendation brought to it by the Superintendent or a member of the Board prior to year end, commit fund balance. Once approved, the limitation imposed by the vote remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the School System for specific purposes but do not meet the criteria to be classified as committed. By policy, the Board has authorized the Superintendent to assign fund balance, with Board consent. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

12. Fund Balance Policy and Flow Assumptions -continued

Other categories of fund balance are:

Nonspendable: Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form 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 whether through constitutional provisions or enabling legislation, or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unassigned: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the criterion to be classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that reports a positive unassigned fund balance. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Sometimes the School System will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School System's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. Net Position Flow Assumptions

Sometimes the School System will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the system-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are to be applied.

Based on the School System's policy on fund balance flows where restricted fund balance is depleted before using unrestricted fund balance, restricted – net position is to be depleted before unrestricted – net position is applied.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

14. **Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

15. **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 Public School Employees Retirement System (“PSERS”) and additions to/deductions from TRS’s and PSERS’s fiduciary net position have been determined on the same basis as they were reported on by TRS and PSERS, respectively. 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.

16. **Postemployment Benefits Other Than Pensions (OPEB)**

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 Fund) and additions to/deletions from School OPEB Fund fiduciary net position have been determined on the same basis as they are reported by 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.

17. **Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the School System’s internal service fund are charges to customers for services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Fayette County Board of Education adopts annual budgets for its General Fund, Debt Service Fund and special revenue funds. Appropriations not spent or encumbered lapse at year end. Any outstanding encumbrances must be re-appropriated in the budget of the following year. The budget process begins when the School System’s administration prepares a tentative budget for the Board’s approval. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality. At the next regular meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. This final budget is then submitted to the Georgia Department of Education, in accordance with provisions of the Quality Basic Education Act.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the aggregate level by fund type. Management may make transfers of appropriations within a specific fund and between funds within the same fund type.

The Statement of Revenues and Expenditures - Budget and Actual presents actual and budget data for the General Fund. To facilitate comparison with the budget, adjustments have been made to actual revenues and expenditures to reflect actual amounts on the budget basis.

The primary differences between the budget basis and accounting principles generally accepted in the United States of America (“USGAAP”) are:

- (a) State revenue relating to Quality Basic Education expenditures is recorded when received (budget) rather than when susceptible to accrual (USGAAP).
- (b) Payments made by the State of Georgia for School System employee benefits are recognized as revenues and expenditures under USGAAP and are not recognized on the budget basis.

Adjustments necessary to convert the General Fund’s net change in fund balance from the USGAAP basis to the budget basis are shown below:

USGAAP Basis Net Change in Fund Balances	\$ 5,312,211
Adjustments for:	
State QBE revenue	(942,870)
State paid employee benefit revenue	(404,976)
State paid personal protective equipment revenue	(238,552)
State paid employee benefit expenditures	404,976
State paid personal protective equipment expenditures	238,552
Budget Basis Net Change in Fund Balances	\$ <u>4,369,341</u>

**Fayette County Board of Education**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**

June 30, 2021

**NOTE C – DEPOSTS AND INVESTMENTS**

**Credit Risk.** O.C.G.A. 36-83-4 authorizes the School System to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. The School System may invest its funds in obligations of the State of Georgia or other states, obligations issued by the United States government, obligations fully insured or guaranteed by the United States government or a United States government agency, obligations of any corporation of the United States government, prime banker’s acceptances, the Georgia Fund 1 administered and regulated by the Georgia Office of the State Treasurer, repurchase agreements, and obligations of political subdivisions of the State of Georgia. The School System does not have a policy for credit risk beyond the types of investments authorized by Georgia state law.

At June 30, 2021, the School System had the following investments:

Investment Type	Maturities	Rating	Fair Value
Georgia Fund 1	36 day weighted average	AAAf	\$ 69,284,905

Georgia Fund 1, created by O.C.G.A. 36-83-8, is a stable net asset value investment pool which follows Standard and Poor’s criteria for AAAf rated money market funds. The pool is not registered with the Securities Exchange Commission as an investment company. The Office of the State Treasurer is the regulatory oversight agency for Georgia Fund 1. The pool’s primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant’s shares sold and redeemed based on \$1.00 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 Georgia Fund 1 is reported at fair value. The pool does not issue any legally binding guarantees to support the value of the shares. Participation in the pool is voluntary and deposits consist of funds from local governments; operating and trust funds of Georgia’s state agencies; colleges and universities; and current operating funds of the State of Georgia’s general fund. Investments in Georgia Fund 1 are directed toward short-term instruments such as U.S. Treasury obligations, securities issued or guaranteed as to principal and interest by the U.S. government or any of its agencies or instrumentalities, banker’s acceptances and repurchase agreements. The remaining investments are reported at fair value.

**Fair Value Measurements.** The School System 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 observable inputs. At year end, the School System does not have recurring fair value measurements.

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 investment in the Georgia Fund 1 within the fair value hierarchy.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

**NOTE C – DEPOSITS AND INVESTMENTS – continued**

**Interest rate risk.** In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. However, the School System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of failure of a depository financial institution or of counterparties to investment transactions, the School System will not be able to recover deposits, investments or collateral securities that are in the possession of an outside party. The School System follows Georgia state law which requires bank balances to be covered by federal deposit insurance or by collateral held by the School System's agent in the School System's name. As of June 30, 2021, the School System was not exposed to custodial credit risk for investments. The School System does not have a policy for custodial credit risk beyond the requirements of Georgia state law.

**NOTE D – DUE FROM OTHER GOVERNMENTS**

Due from other governments consists of grant reimbursements due primarily from the Georgia Department of Education.

**NOTE E – TAXES RECEIVABLE**

Property taxes were levied on September 15, 2020, based on property values assessed as of January 1, 2020, and were considered past due if not paid on or before November 15, 2020, at which time the applicable property is subject to lien, and penalties and interest may be assessed. State law limits the School System's tax levy for operations to 20 mills (one mill equals \$1 per thousand dollars of assessed value). Taxes levied in calendar year 2020 were levied at 19.150 mills for operations and 1.180 mills for school bonds.

Tax revenues, at the fund reporting level, amounted to \$120,901,335 for maintenance and operations and \$6,962,901 for school bonds.

A one percent Special Purpose Local Option Sales Tax (SPLOST) is to be used for capital outlay for educational purposes and for debt service. The State of Georgia collects the tax on behalf of the School System. Collection of the tax authorized under the 2012 referendum (SPLOST II) terminated on March 31, 2019. Collection of the tax authorized under the 2017 referendum (SPLOST III) began upon termination of SPLOST II and will terminate once a total of \$145,000,000 has been collected or after twenty calendar quarters, whichever occurs first.

SPLOST tax revenues, at the fund reporting level, amounted to \$31,895,010 for the year ended June 30, 2021.

**Fayette County Board of Education**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE E – TAXES RECEIVABLE - continued**

At June 30, 2021, taxes receivable, at the fund reporting level, consisted of the following:

- \$1,040,714 (net of \$536,125 in allowances for doubtful accounts) in delinquent property taxes receivable was recognized as receivable and as deferred inflows,
- \$1,351,170 of property tax was recognized as receivable and as revenue because it was considered susceptible for accrual based on collections within 60 days of year end,
- \$2,820,784 of SPLOST receipts recognized as receivables and as revenue because it was considered susceptible for accrual based on the underlying date of the transactions and collections by the School System within the period of availability,
- \$998,441 of intangible recording and real estate transfer taxes,
- and \$23,805 of railroad equipment taxes.

Approximately \$536,000 of the delinquent property taxes receivable is not expected to be collected within the next year.

**NOTE F – INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2021, interfund receivables and payables consisted of the following:

	RECEIVABLE FUND
<u>PAYABLE FUNDS</u>	General Fund
Nonmajor Funds:	
School Nutrition Service	8,514
Title I	82,908
IDEA	313,384
Vocational Grants	11,567
Title II	53,424
Title III	3,994
Title IV	25,159
CARES Act	2,203,760
	\$ 2,702,710

Interfund balances resulted from the time lag between receiving and recognizing certain revenues and meeting temporary cash flow requirements.

**Fayette County Board of Education**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE G – CAPITAL ASSETS**

The following is a summary of capital asset activity for the fiscal year ending June 30, 2021:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Capital assets, not being depreciated					
Land	\$ 16,505,401	\$ -	\$ -	\$ -	\$ 16,505,401
Construction in progress	20,122,332	30,085,019	-	(15,243,299)	34,964,052
Total capital assets, not being depreciated	<u>36,627,733</u>	<u>30,085,019</u>	<u>-</u>	<u>(15,243,299)</u>	<u>51,469,453</u>
Capital asset, being depreciated					
Buildings and improvements	435,310,794	19,465	-	15,243,299	450,573,558
Autos and trucks	24,034,182	269,043	-	-	24,303,225
Other equipment	70,783,336	3,049,061	(42,480)	-	73,789,917
Total capital assets, being depreciated	<u>530,128,312</u>	<u>3,337,569</u>	<u>(42,480)</u>	<u>15,243,299</u>	<u>548,666,700</u>
Less accumulated depreciation for:					
Buildings and improvements	(171,759,300)	(10,937,340)	-	-	(182,696,640)
Autos and trucks	(14,893,272)	(2,019,828)	-	-	(16,913,100)
Other equipment	(42,379,343)	(7,232,574)	42,480	-	(49,569,437)
Total accumulated depreciation	<u>(229,031,915)</u>	<u>(20,189,742)</u>	<u>42,480</u>	<u>-</u>	<u>(249,179,177)</u>
Total capital assets being depreciated, net	<u>301,096,397</u>	<u>(16,852,173)</u>	<u>-</u>	<u>15,243,299</u>	<u>299,487,523</u>
Governmental activities capital assets, net	<u>\$ 337,724,130</u>	<u>\$ 13,232,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,956,976</u>

Depreciation expense was charged to various functions for governmental activities as follows:

Instruction	\$ 15,290,439
Support services	
Pupil services	3,642
Improvement of instructional services	123,343
Educational media services	255,753
General administration	107,462
School administration	1,021,233
Business administration	9,010
Maintenance and operations of facilities	130,698
Student transportation services	2,322,227
Central support services	389,129
Community service	9,940
Food services	526,866
Total depreciation	<u>\$ 20,189,742</u>

**Fayette County Board of Education**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**

June 30, 2021

**NOTE H – LONG-TERM DEBT**

**General Obligation Bonds**

In September 2013, the School System issued \$53,240,000 in Series 2013 General Obligation Bonds to advance refund a portion of its outstanding Series 2005 General Obligation Bonds and a portion of its outstanding Series 2007 General Obligation Bonds. These bonds were directly placed with a financial institution. The net proceeds of \$52,901,111 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments beginning in 2017 on the Series 2005 Bonds and future debt service payments beginning in 2018 through a portion of 2026 on the Series 2007 Bonds. As a result, these portions of the Series 2005 and Series 2007 Bonds are considered defeased and the liability for these bonds has been removed from the statement of net position.

Additionally, the School System sold an unoccupied elementary school facility for \$5,170,000 in fiscal year 2014. The proceeds of the sale were placed in escrow to defease the principal and interest payments of the Series 2007 Bonds due in 2026 and 2027 remaining after the transaction to advance refund the debt with the issuance of the Series 2013 Bonds. These bonds are considered to be defeased and the liability for these bonds has been removed from the statement of net position.

All of the Series 2007 and Series 2005 bonds which were defeased related to these transactions were called and paid in a prior year.

In June 2018, the School System issued \$25,000,000 of Series 2018 General Obligation Bonds for the purpose of advance funding construction projects related to the 2017 SPLOST referendum. Principal and interest of the bonds are payable from the receipts of the 2017 SPLOST.

General obligation bonds consist of the following as of June 30, 2021:

Series	Coupon Rate	Maturities	Balance
2013	2.53%	2014 to 2026	\$ 25,899,972
2018	5.25%	2021 to 2025	\$ 23,400,000

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

	Principal	Interest	Total
2022	\$ 6,005,000	\$ 655,269	\$ 6,660,269
2023	6,210,000	503,343	6,713,343
2024	6,430,000	346,230	6,776,230
2025	6,655,000	183,551	6,838,551
2026	599,972	15,179	615,151
Total	\$ 25,899,972	\$ 1,703,572	\$ 27,603,544

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE H – LONG-TERM DEBT – continued

**General Obligation Bonds - continued**

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,300,000	\$ 1,168,125	\$ 3,468,125
2023	6,695,000	932,006	7,627,006
2024	7,025,000	571,856	7,596,856
2025	7,380,000	193,725	7,573,725
Total	<u>\$ 23,400,000</u>	<u>\$ 2,865,712</u>	<u>\$ 26,265,712</u>

**Changes in Long-Term Liabilities**

The changes in long-term debt during the year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Direct placement bonds	\$ 31,684,972	\$ -	\$ (5,785,000)	\$ 25,899,972	\$ 6,005,000
General obligation bonds	25,000,000	-	(1,600,000)	23,400,000	2,300,000
Plus premium on issuance of bonds	<u>2,397,781</u>	-	<u>(575,467)</u>	<u>1,822,314</u>	<u>-</u>
Total bonds payable	59,082,753	-	(7,960,467)	51,122,286	8,305,000
Claims payable	1,415,000	754,621	(754,621)	1,415,000	275,000
Accrued compensated absences payable	969,015	1,127,216	(1,198,818)	897,413	82,941
Net pension liability	227,636,441	61,746,137	(30,949,751)	258,432,827	-
Net OPEB liability	<u>140,360,946</u>	<u>35,575,897</u>	<u>(8,019,602)</u>	<u>167,917,241</u>	<u>-</u>
	<u>\$ 429,464,155</u>	<u>\$ 99,203,871</u>	<u>\$ (48,883,259)</u>	<u>\$ 479,784,767</u>	<u>\$ 8,662,941</u>

Claims payable, compensated absences payable, net pension liability and net OPEB liability are generally liquidated by the General Fund.

**Fayette County Board of Education**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE I - FUND BALANCES**

**Nonspendable** – The following fund balance are nonspendable because they are allocated to:

General Fund:	
Prepaid items	\$ 8,217
Inventory	200,256
Nonmajor Special Revenue Funds:	
School Nutrition Service Fund inventory	<u>203,150</u>
Total Nonspendable Fund Balance	<u>\$ 411,623</u>

**Restricted** – The following balances are restricted for:

Capital Projects-SPLOST III Fund: used to account for sales tax proceeds collected under the 2017 SPLOST referendum and the cost of capital projects financed with those SPLOST proceeds	\$ 24,621,931
Nonmajor Capital Projects-SPLOST II Fund: used to account for sales tax proceeds collected under the 2012 SPLOST referendum and the cost of capital projects financed with those SPLOST proceeds	4,899,473
Nonmajor Debt Service Fund: used to account for tax proceeds and debt service payments on general obligation debt	1,981,441
Nonmajor Special Revenue Funds:	
School Nutrition Services Fund – used to account for activity of the school lunch program	658,039
Friends Mentoring Program Fund– used to account for proceeds of grant from Department of Human Resources	19,573
Other Grants Fund– used to account for various grant awards	<u>5,042</u>
Total Restricted Fund Balance	<u>\$ 32,185,499</u>

**Fayette County Board of Education**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**

June 30, 2021

**NOTE I - FUND BALANCES – continued**

**Committed** - The following fund balances are committed to:

Nonmajor Special Revenue Funds:	
Community Education Fund – used to account for the activities of community school programs	\$ 652,901
After School Program Fund – used to account for the activities of after school programs	265,271
Donations Fund – used to account for resources provided by donations	88,211
Auditorium Rentals Fund – used to account for resources generated by auditorium facility rentals	70,489
Principals’ Fund – used to account for resources generated by schools for various school activities and needs	<u>3,193,258</u>
Total Committed Fund Balance	<u>\$ 4,270,130</u>

**Assigned** – The following fund balances are assigned to:

Regular Capital Project Fund – to account for amounts intended to be spent on capital outlay	<u>\$ 6,501,035</u>
Total Assigned Fund Balance	<u>\$ 6,501,035</u>

**NOTE J – INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2021 consisted of the following amounts:

	TRANSFERS OUT		
	General Fund	Nonmajor Fund Local Capital Projects	Total
<u>TRANSFERS IN</u>			
SPLOST III	\$ -	\$ 571,128	\$ 571,128
Nonmajor Funds:			
Local Capital Projects	1,000,000	-	\$ 1,000,000
Special Revenue			
School Nutrition Services	984,069	-	984,069
JR ROTC	292,754	-	292,754
Lottery	237,219	-	237,219
	<u>\$ 2,514,042</u>	<u>\$ 571,128</u>	<u>\$ 3,085,170</u>

The General Fund provides funding for various programs accounted for in other funds but which are not completely funded by state, federal or local grants or other proceeds.

## Fayette County Board of Education

### NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

#### NOTE K – RISK MANAGEMENT

The School System is exposed to various risks of loss for claims associated with torts; theft of, damage to and destruction of assets; errors and omissions; job related injuries to employees; natural disasters and unemployment compensation.

##### Risk Pool

The School System has elected to be a member of the Georgia School Boards Association- Risk Management Fund (GSBA–RMF), an interlocal risk management agency created under Georgia law. Coverage for losses arising from certain liability and property risks to the School System is provided through a group self-insurance plan. For accounting purposes, this plan is considered to be a risk transfer pool. Under this plan, the School System is responsible for the first \$10,000 of each property loss, the first \$2,500 of each auto physical damage loss and each auto liability claim and the first \$10,000 of each school leader's liability claim. The plan assumes certain risks of the School System in excess of the stated retentions up to certain customary coverage limits. The School System is required to make a financial contribution to the plan each year in an amount that is determined on the basis of actuarial projections of losses. There has been no significant reduction in insurance coverage from the coverage maintained in the prior year. Additionally, there were no settlements in excess of the insurance coverage in any of the past three years.

Management of GSBA–RMF has informed the School System it had no outstanding liabilities within the loss retentions stated in the preceding paragraph. Management of GSBA–RMF has also informed the School System that there is a possibility of additional contribution liability in the event that the plan is terminated or the School System elects to withdraw prematurely. No amount has been recorded in financial statements due to the belief that plan termination is unlikely and withdrawal by the School System is not contemplated.

##### Workers' Compensation Claims

On October 1, 2017, the School System became a member in the Georgia School Boards Association Workers' Compensation Fund (GSBA-WCF), a public entity risk pool organized on July 1, 1992, to develop, implement and administer a program of workers' compensation self-insurance for its member organization. As a member, the School System will pay an annual premium to the GSBA-WCF for its workers' compensation insurance coverage. Additional insurance coverage is provided through an agreement by GSBA-WCF with Safety National Casualty Corporation to provide coverage for potential losses sustained by the GSBA-WCF in excess of \$400,000 per occurrence, up to the statutory limit. The School System remains self-insured on all workers' compensation claims incurred prior to October 1, 2017.

The School System accounts for workers' compensation claims in an internal service fund. Workers' compensation claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School System, in consultation with its claims administrator, has accrued a liability for claims that have been incurred but not reported.

**Fayette County Board of Education**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE K – RISK MANAGEMENT – continued**

**Workers' Compensation Claims- continued**

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

<u>Year Ended June 30,</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims Accrual</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
2021	\$ 1,415,000	\$ 754,621	\$ 754,621	\$ 1,415,000
2020	\$ 1,415,000	\$ 603,093	\$ 603,093	\$ 1,415,000

**Unemployment Claims**

The School System is self-insured for unemployment compensation claims. These claims are accounted for in the School System's General Fund. Unemployment compensation expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Changes in the unemployment compensation liability during the last two fiscal years were as follows:

<u>Year Ended June 30,</u>	<u>Beginning of Year Liability</u>	<u>Current Year Unemployment Accrual</u>	<u>Unemployment Paid</u>	<u>End of Year Liability</u>
2021	\$ -	\$ 194,646	\$ -	\$ 194,646
2020	\$ -	\$ -	\$ -	\$ -

**NOTE L – ON-BEHALF PAYMENTS FOR FRINGE BENEFITS**

The School System has recognized revenue and expenditures in the General Fund for retirement contributions paid on the School System's behalf as follows:

Georgia Department of Education	
Paid to Teachers' Retirement System (TRS)	\$ 64,698
Office of Treasury and Fiscal Services	
Paid to the Public School Employees' Retirement System (PSERS)	340,278
Georgia Emergency Management and Homeland Security Agency	
Donated personal protective equipment	238,552
	<u>\$ 643,528</u>

**Fayette County Board of Education**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**

June 30, 2021

**NOTE M – RETIREMENT PLANS**

The School System participates in various retirement plans administered by the State of Georgia. There are two major retirement systems in which the School System participates. These systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

**Teachers Retirement System (TRS)**

**Plan Description.** All teachers of the School System as defined by O.C.G.A. 47-3-60 and certain other support personnel as defined by O.C.G.A 47-3-63 are provided a pension through the Teachers Retirement System of Georgia (“TRS”). TRS is a cost-sharing multiple employer defined benefit pension and is administered by the TRS Board of Trustees (“TRS Board”). Title 47 of the O.C.G.A assigns the authority to establish and amend the benefit provisions to the State Legislature. The Teachers Retirement System of Georgia issues a publicly available separate financial audit report that can be obtained at [www.trsga.com/publications](http://www.trsga.com/publications).

**Benefits Provided.** TRS provides service retirement, disability retirement and death benefits for its members. Normal retirement benefits are determined as 2% of the average of the employee’s two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee’s creditable service and compensation up to the time of disability. Death benefits equal to the amount that would be payable to the employee’s beneficiary had the employee retired on the date of death. Death benefits are based on the employee’s creditable service and compensation up to the date of death.

**Contributions.** Per Title 47 of 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% of their annual pay during fiscal year 2021.

The School System’s contractually required contribution rate for the year ended June 30, 2021 was 19.06% of annual School System payroll (excluding payroll attributable to those personnel funded on behalf of the School System by the State). Employer contributions for the current fiscal year and the two preceding years are as follows:

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2021	100%	\$ 26,492,303
2020	100%	\$ 29,089,649
2019	100%	\$ 27,001,644

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE M – RETIREMENT PLANS – continued

**Public School Employees' Retirement System (PSERS)**

**Plan Description.** Public School Employees' Retirement System of Georgia (PSERS) is a cost-sharing multiple employer defined benefit plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The Employee Retirement System ("ERS") Board of Trustees, plus two additional trustees, administer PSERS. Title 47 of O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov/financials](http://www.ers.ga.gov/financials).

**Benefits Provided.** A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

Upon retirement, the member will receive a monthly benefit of \$15.50, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request of the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

**Contributions.** The General Assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. 47-4-29(a) and 60(b). 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.

Individuals who became members prior to July 1, 2012 contribute \$4 month for the nine months of the fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months of the fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions as actuarially determined and approved and certified by the PSERS Board of Trustees.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE M – RETIREMENT PLANS – continued

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the School System reported a liability for its proportionate share of the net pension liability for Teachers Retirement System (TRS) that reflected a reduction for support attributable to those personnel funded on behalf of the School System by the State of Georgia. The amount recognized by the School System as its proportionate share of the net pension liability, the related State of Georgia funding, and the total portion of the net pension liability that was associated with the School System were as follows:

School System’s proportionate share of the net pension liability	\$ 258,432,827
State of Georgia’s proportionate share of the net pension liability associated with the System	\$ <u>602,207</u>
Total	\$ <u>259,035,034</u>

The TRS net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The School System’s proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2020.

At June 30, 2020, the School System’s TRS proportion is 1.066850%, which was an increase of 0.008209% from its proportion measured as of June 30, 2019.

At June 30, 2021, the School System did not have a PSERS liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the State’s proportionate share of the net pension liability associated with the School System is \$1,955,989.

The PSERS net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The State’s proportion of the net pension liability associated with the School System was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2020.

For the year ended June 30, 2021, the School System recognized pension expense of \$45,326,830 for the changes in the TRS net pension liability and the associated deferred outflows and inflows of resources. Additionally, the School System recognized pension expense(revenue) of (\$371,818) for TRS and of \$393,612 for PSERS for support provided by the State of Georgia for certain support personnel.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE M – RETIREMENT PLANS – continued

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – continued**

At June 30, 2021, 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 Inflow of Resources
Difference between expected and actual experience	\$ 11,254,830	\$ -
Changes in assumptions	26,618,878	-
Net difference between projected and actual earnings on pension plan investments	6,224,398	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	8,148,338	7,620,079
School System contributions subsequent to the measurement date	<u>26,492,303</u>	<u>-</u>
Total	<u>\$ 78,738,747</u>	<u>\$ 7,620,079</u>

School System contributions subsequent to the measurement date of June 30, 2020 for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	TRS
2022	\$ 10,564,858
2023	15,176,000
2024	12,715,586
2025	6,169,921
2026	-
Thereafter	-

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE M – RETIREMENT PLANS – continued

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – continued**

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

**Teachers Retirement System:**

Inflation	2.50%
Salary increase	3.00 – 8.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% as used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rate of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

The long-term expected rate of return on TRS 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 asset 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 real rate of return*
Fixed income	30.00 %	(0.10) %
Domestic large equities	51.00	8.90
Domestic small equities	1.50	13.20
International developed market equities	12.40	8.90
International emerging market equities	5.10	10.90
Total	100.00 %	

\*Rates shown are net of inflation.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE M – RETIREMENT PLANS – continued

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – continued**

**Public School Employees’ Retirement System:**

Inflation	2.75%
Salary increase	N/A
Investment rate of return	7.30%, net of pension plan investment expense, including inflation
Postretirement benefit increases	1.5% semi-annually

Post-retirement mortality rates were based on 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) for the period after service retirements and for dependent beneficiaries. 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 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 December 17, 2015, the numbers of expected future deaths are 9-11% 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.

The actuarial assumptions used in the June 30, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

The long-term expected rate of return on PSERS pension plan investments was determined using a log-normal distribution analysis 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 asset 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 real rate of return*
Fixed income	30.00 %	(0.10) %
Domestic large equities	46.20	8.90
Domestic small equities	1.30	13.20
International developed market equities	12.40	8.90
International emerging market equities	5.10	10.90
Alternative	5.00	12.00
Total	100.00 %	

\*Rates shown are net of inflation.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE M – RETIREMENT PLANS – continued

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – continued**

**Discount rate.** The discount rates used to measure the total TRS and PSERS pension liabilities were 7.25% and 7.30%, respectively. 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 TRS and PSERS 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 expect 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 School System’s proportionate share of the TRS net pension liability to changes in the discount rate.** The following represents the School Systems proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the School System’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point higher (8.25%) and 1-percentage-point lower (6.25%) than the current rate:

	1% Decrease <u>(6.25%)</u>	Current Discount rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
System’s proportionate share of the net pension liability	\$409,812,771	\$258,432,827	\$134,344,676

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued TRS and PSERS financial report which is publically available at [www.trsga.com/publications](http://www.trsga.com/publications) and [www.ers.ga.gov/formspubs/formspubs.html](http://www.ers.ga.gov/formspubs/formspubs.html).

**Fayette County School System Supplemental Retirement Plan**

**Plan Description.** The Fayette County School System Supplemental Retirement Plan (the “Plan”) is a single employer defined contribution plan established and administered by the Fayette County Board of Education for those employees covered by PSERS who did not elect coverage under Social Security in 2002. The Plan provides retirement benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the Board. At June 30, 2021, there were 629 plan participants.

**Contributions.** Under the Plan, the School System contributes 7.5% of each participant’s base compensation. Participants may not make contributions to the Plan. For the fiscal year ending June 30, 2021, the School System’s contribution to the Plan was approximately \$72,000.

## Fayette County Board of Education

### NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

#### NOTE N – POSTEMPLOYMENT BENEFITS (OPEB)

##### **School OPEB Fund**

**Plan Description.** The School System participates in the State of Georgia School Employees Postemployment Benefit Fund (the School OPEB Fund) which is an other post employment benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and non-certified public school employees of the School System as defined in O.C.G.A. 20-2-875 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.

**Benefits Provided.** 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 Employee' 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 School OPEB Fund is permitted.

**Contributions.** As established by the Board, 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 to the School OPEB fund from the School System were \$4,222,369 for the year ended June 30, 2021. Active employees are not required to contribute to the School OPEB Fund.

##### **OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2020, the School System reported a liability of \$167,917,241 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019. An expected total OPEB liability as of June 30, 2020 was determined using standard roll-forward techniques. The School System's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2020. At June 30, 2020, the School System's proportion was 1.143253%, which was a decrease of 0.000483% from its proportion measured as of June 30, 2019.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE N – POSTEMPLOYMENT BENEFITS (OPEB) –continued

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - continued**

For the year ended June 30, 2021, the School System recognized OPEB expense of \$7,703,145. At June 30, 2021, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
	<u>                    </u>	<u>                    </u>
Difference between expected and actual experience	\$ -	\$ 18,331,349
Changes in assumptions	27,769,782	14,941,023
Net difference between projected and actual earnings on OPEB plan investments	437,656	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	3,399,090	60,480
School System contributions subsequent to the measurement date	<u>4,222,369</u>	<u>-</u>
Total	<u>\$ 35,828,897</u>	<u>\$ 33,332,852</u>

School System contributions subsequent to the measurement date of June 30, 2020 for \$4,222,369 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	OPEB
<u>June 30</u>	<u>                    </u>
2022	\$ (2,304,360)
2023	(2,316,106)
2024	(1,647,449)
2025	689,790
2026	2,845,997
2027	1,005,804
Thereafter	-

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE N – POSTEMPLOYMENT BENEFITS (OPEB) –continued

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – continued**

**Actuarial Assumptions.** The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, 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, 2020:

Inflation	2.50%
Salary increases	3.00 – 8.75%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.00%
Medicare Eligible	5.25%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate Trend	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

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 Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with MP-2019 projection scale (set forward one year and adjusted 106%) is used for death prior to retirement and for service retirements and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with MP-2019 Projection scale (set forward one year and adjusted 106%) is used for disability retirements. For both, rate of improvement were reduced by 20% for all years prior to the ultimate rate.
- For PSERS members: The RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward three years for males and two years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disability Mortality Table projected to 2025 with projection scale BB (set forward five years for both males and females) is used for the period after disability retirement. Rates of mortality in active service were based on the PR-2000 Employee Mortality Table projected to 2025 with projection scale BB. There is a margin for future mortality improvement in the tables used by the plan.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE N – POSTEMPLOYMENT BENEFITS (OPEB) –continued

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – continued**

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial capital costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer 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.

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 as follows:

Asset class	Target allocation	Long-term expected real rate of return *
Fixed Income	30.00 %	0.50 %
Equities	70.00	9.20 %
	100.00 %	

\*net of inflation

**Discount rate.** In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 2.22% was used as the discount rate, as compared with the last years rate of 3.58%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (2.21% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that the contributions from members and 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 2118.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE N – POSTEMPLOYMENT BENEFITS (OPEB) –continued

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – continued**

**Sensitivity of the School System’s proportionate share of the net OPEB liability to changes in the discount rate.** The following represents the School Systems proportionate share of the net OPEB liability calculated using the discount rate of 2.22%, 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 higher (3.22%) and 1-percentage-point lower (1.22%) than the current rate:

	<u>1% Decrease (1.22%)</u>	<u>Current Discount rate (2.22%)</u>	<u>1% Increase (3.22%)</u>
System’s proportionate share of the net OPEB liability	\$197,275,055	\$167,917,241	\$144,439,189

**Sensitivity of the School System’s proportionate share of the net OPEB liability to changes in the healthcare trend rates.** The following represents the collective net OPEB liability of the participating employers, as well as what the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher and 1-percentage-point lower than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
System’s proportionate share of the net OPEB liability	\$139,807,982	\$167,917,241	\$204,310,566

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan’s fiduciary net position is available in the 2020 State of Georgia Comprehensive Annual Financial Report which is publicly available at <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

## Fayette County Board of Education

### NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

#### NOTE O – NON-MONETARY TRANSACTIONS

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$432,000 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenues when received and as expenditures when used.

#### NOTE P – TAX ABATEMENTS

Fayette County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within its jurisdiction. The abatements may be granted to any business located within or promising to relocate to Fayette County.

For the fiscal year ended June 30, 2021, Fayette County abated property taxes due to the School System that were levied on September 15, 2020 and due on November 15, 2020 totaling approximately \$881,000. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 57 percent property tax abatement to a film studio. The abatement amounted to approximately \$608,000.
- A 30 percent property tax abatement to a chemical processing company. The abatement amounted to approximately \$111,000.

#### NOTE Q – COMMITMENTS AND CONTINGENCIES

##### Contracts

The School System has entered into various construction and renovation contracts that are in progress at year end. At year end, approximately \$23,703,000 remains to be paid on these contracts.

##### Grant Programs

The School System participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Amounts received or receivable related to these grants are subject to the audit and review by grantor agencies. This could result in request for reimbursement to the grantor agency for any costs which are disallowed under the terms of the grant. The School System has recorded all such known contingent liabilities related to grant programs in the financial statements. The School System believes that any additional such disallowances, if any, will be immaterial to its overall financial position.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE Q – COMMITMENTS AND CONTINGENCIES - continued

Litigation

The School System is engaged in other various lawsuits arising in the ordinary course of business. These lawsuits are in various stages of the litigation process, and their ultimate outcome cannot be determined currently. Management does not believe the ultimate outcome of these lawsuits will have a material impact on the School System’s financial statements.

NOTE R – ACCOUNTING CHANGE – RESTATEMENTS

In fiscal year 2021, the School System adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Adoption of this Statement requires the restatement of the June 30, 2020 net position in governmental activities and fund balance in the non-major special revenue fund, Principals’ Fund. These changes are in accordance with generally accepted accounting principles.

Net position, July 1, 2020 as previously reported	\$ 15,197,320
Prior period adjustment, implementation of GASB No. 84	<u>1,802,994</u>
Net position, July 1, 2020, as restated	\$ <u>17,000,314</u>
Fund balance, Governmental Activities, non-major governmental funds, July 1, 2020, as previously reported	\$ 13,912,521
Prior period adjustment, implementation of GASB No. 84	<u>1,802,994</u>
Fund balance, Governmental Activities, non-major governmental funds, July 1, 2020, as restated	\$ <u>15,715,515</u>

Agency Fund (Club and Class Funds) of \$1,802,994 was reclassified to net position and fund balance (Principals’ Fund).

## **Required Supplementary Information**

Fayette County Board of Education

Required Supplementary Information  
 Schedule of Proportionate Share of the Net Pension Liability  
 Teachers Retirement System of Georgia  
 For the Year Ended June 30

	<u>2021</u>	<u>2020</u>
System's proportion of the net pension liability	1.066850%	1.058641%
System's proportionate share of the net pension liability	\$ 258,432,827	\$ 227,636,441
State of Georgia's proportionate share of the net pension liability associated with the School System	<u>602,207</u>	<u>537,138</u>
Total	<u>\$ 259,035,034</u>	<u>\$ 228,173,579</u>
School System's covered payroll	\$ 137,604,773	\$ 129,194,469
School System's proportionate share of the net pension liability as a percentage of its covered payroll	187.81%	176.20%
Plan fiduciary net position as a percentage of the total pension liability	77.01%	78.56%

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1.130805%	1.044771%	1.030252%	1.009596%	1.014565%
\$ 209,901,630	\$ 194,173,908	\$ 212,552,475	\$ 153,700,966	\$ 128,176,906
<u>588,420</u>	<u>1,777,871</u>	<u>3,443,539</u>	<u>2,502,827</u>	<u>1,956,073</u>
<u>\$ 210,490,050</u>	<u>\$ 195,951,779</u>	<u>\$ 215,996,014</u>	<u>\$ 156,203,793</u>	<u>\$ 130,132,979</u>
\$ 134,656,496	\$ 120,017,546	\$ 112,998,480	\$ 106,562,244	\$ 106,658,720
155.88%	161.79%	188.10%	144.24%	120.17%
80.27%	79.33%	76.06%	81.44%	84.03%

**Fayette County Board of Education**

**Required Supplementary Information**

**Schedule of Contributions**

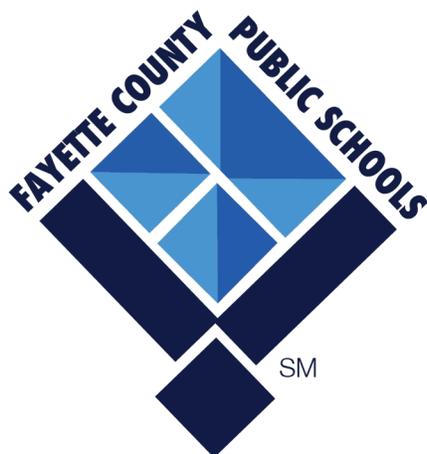
**Teachers Retirement System of Georgia**

**For the Year Ended June 30**

	2021	2020
Contractually required contribution	\$ 26,492,303	\$ 29,089,649
Contributions in relation to the contractually required contribution	\$ 26,492,303	\$ 29,089,649
Contribution deficiency (excess)	\$ -	\$ -
School System's covered payroll	\$ 138,994,243	\$ 137,604,773
Contributions as a percentage of covered payroll	19.06%	21.14%

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

2019	2018	2017	2016	2015
\$ 27,001,643	\$ 22,635,757	\$ 17,126,504	\$ 16,124,883	\$ 14,012,935
\$ 27,001,643	\$ 22,635,757	\$ 17,126,504	\$ 16,124,883	\$ 14,012,935
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 129,194,469	\$ 134,656,496	\$ 120,017,546	\$ 112,998,480	\$ 106,562,244
20.90%	16.81%	14.27%	14.27%	13.15%



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**Fayette County Board of Education**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
TEACHERS RETIREMENT SYSTEM OF GEORGIA**

**For the Year Ended June 30, 2021**

**Changes of assumptions.** In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

On November 18, 2015, the TRS Board adopted recommended changes to the economic and demographic assumptions utilized by TRS. Primary among the changes were the updates to the rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to 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).

On May 15, 2019, the TRS Board adopted recommended changes from the smoothed valuation interest rate methodology that has been in effect since June 20, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

Fayette County Board of Education

Required Supplementary Information  
 Schedule of Proportionate Share of the Net Pension Liability  
 Public School Employees Retirement System of Georgia  
 For the Year Ended June 30

	<u>2021</u>	<u>2020</u>
System's proportion of the net pension liability	0.00%	0.00%
System's proportionate share of the net pension liability	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability associated with the School System	<u>1,955,989</u>	<u>1,813,358</u>
Total	<u>\$ 1,955,989</u>	<u>\$ 1,813,358</u>
School System's covered-employee payroll	\$ 6,782,761	\$ 6,602,026
School System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	84.45%	85.02%

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.00%	0.00%	0.00%	0.00%	0.00%
\$ -	\$ -	\$ -	\$ -	\$ -
<u>1,776,803</u>	<u>1,666,389</u>	<u>2,151,946</u>	<u>1,414,807</u>	<u>1,282,001</u>
<u>\$ 1,776,803</u>	<u>\$ 1,666,389</u>	<u>\$ 2,151,946</u>	<u>\$ 1,414,807</u>	<u>\$ 1,282,001</u>
\$ 6,674,225	\$ 6,495,827	\$ 6,227,365	\$ 6,096,868	\$ 5,984,514
N/A	N/A	N/A	N/A	N/A
85.26%	85.69%	81.00%	87.00%	88.29%



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**Fayette County Board of Education**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA  
For the Year Ended June 30, 2021**

**Changes of assumptions.** In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Table rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

On December 17, 2015, the PSERS Board adopted recommended changes to the economic and demographic assumptions utilized by PSERS. Primary among the changes were the updates to the rates of mortality, retirement and withdrawal. The expectation of retired life mortality was changed to RP-2000 Blue Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward 3 years for males and 2 years for females).

On March 15, 2018, the PSERS Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the PSERS Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date. The assumed investment rate of return remained at 7.30% for the June 30, 2019 valuation.

Fayette County Board of Education

Required Supplementary Information  
 Schedule of Proportionate Share of the Net OPEB Liability  
 School OPEB Fund  
 For the Year Ended June 30

	<u>2021</u>	<u>2020</u>
System's proportion of the net OPEB liability	1.143253%	1.143736%
System's proportionate share of the net OPEB liability	\$ 167,917,241	\$ 140,360,946
School System's covered-employee payroll *	\$ 114,006,320	\$ 105,311,108
School System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	147%	133%
Plan fiduciary net position as a percentage of the total OPEB liability	3.99%	4.63%

\* the payroll of employees that are provided OPEB through the OPEB plan

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

	<u>2019</u>	<u>2018</u>
	1.128899%	1.124738%
\$	143,479,598	\$ 158,025,236
\$	101,246,120	\$ 96,065,102
	142%	164%
	2.93%	1.61%

Fayette County Board of Education

Required Supplementary Information  
 Schedule of Contributions  
 School OPEB Fund  
 For the Year Ended June 30

	2021	2020	2019
Contractually required contribution	\$ 4,222,369	\$ 3,866,215	\$ 6,159,808
Contributions in relation to the contractually required contribution	\$ 4,222,369	\$ 3,866,215	\$ 6,159,808
Contribution deficiency (excess)	\$ -	\$ -	\$ -
School System's covered-employee payroll *	\$ 116,431,343	\$ 114,006,320	\$ 105,311,108
Contributions as a percentage of covered-employee payroll	3.63%	3.39%	5.85%

\* the payroll of employees that are provided OPEB through the OPEB plan

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

<u>2018</u>	<u>2017</u>
\$ 5,850,975	\$ 5,864,472
\$ 5,850,975	\$ 5,864,472
\$ -	\$ -
\$ 101,246,120	\$ 96,065,102
5.78%	6.10%

**Fayette County Board of Education**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SCHOOL OPEB FUND**

**For the Year Ended June 30, 2021**

**Changes of benefit terms.** There have been no changes in benefit terms.

**Changes of assumptions.**

June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers' Retirement System's experience study.

June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.

June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.

The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% as of June 30, 2019, and to 2.22% as of June 20, 2020.

## **Combining Statements and Schedules**

**Fayette County Board of Education**  
**NON-MAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for funds received from other governmental agencies and users that are legally restricted to be expended for specified purposes. These funds also account for receipt and expenditures of resources transferred from the General Fund when these funds are inadequate to finance the specified activities. The following funds are included in the Special Revenue Funds category:

School Nutrition Service Fund is used to account for the school breakfast and lunch programs which are funded primarily by the Federal government.

Title I Fund was established to account for federal grant funds flowing through the State of Georgia Department of Education to the School System for the purpose of providing remedial education in the areas of reading and math and of providing a special education program for children who are physically handicapped.

Individuals With Disabilities Education Act (IDEA) Fund was established to account for federal grant funds flowing through the State of Georgia Department of Education to the School System, for the purpose of providing special education programs for children in pre-kindergarten through the twelfth grade.

Vocational Grants Fund was established to account for federal grant funds flowing through the Georgia Department of Education for providing a vocational curriculum program for students.

Supporting Effective Instruction (Title II) Fund was established to account for federal grant funds flowing through the State of Georgia Department of Education to the School System, for the purpose of training teachers in the math, science, foreign language and computer science programs.

Title III Fund was established to account for federal funds flowing through the State of Georgia Department of Education for the purpose of providing programs for training teachers in new teaching methods of ESOL and providing learning materials for students.

Title IV Fund was established to account for federal funds flowing through the State of Georgia Department of Education for the purpose of providing programs to improve students' academic achievement by increasing capacity to provide all students with access to a well-rounded education, improve school conditions for student learning and improve the use of technology in order to improve the academic achievement and digital literacy of all students.

CARES Act Fund was established to account for federal funds flowing through the State of Georgia Department of Education for the purpose of providing emergency relief funding as a result of the COVID-19 pandemic.

Jr. ROTC Fund was established to account for federal funds from the Department of Defense for the purpose of training students in military protocol and serving as an incentive for students to further seek a career in the United States Air Force.

Lottery Fund was established to account for state lottery funds.

Friends Mentoring Program Fund was established to account for funds flowing through the Department of Human Resources to the School System for the purpose of providing services to at risk youths to prevent juvenile delinquency and substance abuse.

Other Grants Fund was established to account for various grant awards not reported in other special revenue funds.

Community Education Fund was established to account for local fees paid by students for the Community School classes.

## Fayette County Board of Education

### NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED

#### SPECIAL REVENUE FUNDS - continued

After School Program Fund was established to account for local fees paid for the after school program in place at various Fayette County Schools.

Donation Funds was established to account for donations by various businesses and individuals for various specified purposes.

Auditorium Rentals Fund was established to account for the proceeds and costs of renting auditorium facilities to various outside groups.

Principals' Fund was established for funds raised at each school for local school programs.

#### CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for resources provided for the acquisition or construction of major capital facilities. Capital projects may be financed by the sale of bonds, state or federal grants, special tax levies or transfers of resources from other funds. The following capital projects funds are non-major capital projects funds:

Local Capital Projects Fund – This fund accounts for locally funded construction and renovation projects.

SPLOST II Fund – This fund accounts for various projects funded by an educational special purpose local option sales tax approved by voter referendum in 2012.

#### DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for the purpose of debt service.

Fayette County Board of Education

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Funds
<b>ASSETS</b>				
Cash	\$ 5,716,223	\$ 2,189,099	\$ 217,609	\$ 8,122,931
Investments	22,773	9,861,755	1,676,211	11,560,739
Due from other governments	3,376,590	-	-	3,376,590
Taxes receivable	-	-	153,925	153,925
Due from others	762	-	-	762
Inventory	203,150	-	-	203,150
<b>Total assets</b>	<u>\$ 9,319,498</u>	<u>\$ 12,050,854</u>	<u>\$ 2,047,745</u>	<u>\$ 23,418,097</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 95,484	\$ 650,346	\$ -	\$ 745,830
Unearned revenue	250,038	-	-	250,038
Salaries payable	1,115,332	-	-	1,115,332
Due to other funds	2,702,710	-	-	2,702,710
Total liabilities	4,163,564	650,346	-	4,813,910
<b>Deferred Inflows</b>				
Unavailable property tax revenue	-	-	66,304	66,304
Total deferred inflows	-	-	66,304	66,304
<b>Fund balances</b>				
Nonspendable	203,150	-	-	203,150
Restricted	682,654	4,899,473	1,981,441	7,563,568
Committed	4,270,130	-	-	4,270,130
Assigned	-	6,501,035	-	6,501,035
Total fund balances	5,155,934	11,400,508	1,981,441	18,537,883
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 9,319,498</u>	<u>\$ 12,050,854</u>	<u>\$ 2,047,745</u>	<u>\$ 23,418,097</u>

Fayette County Board of Education

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS

For the year ended June 30, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Funds
<b>Revenues</b>				
State funds	\$ 1,638,519	\$ 6,388,179	\$ -	\$ 8,026,698
Federal funds	17,962,434	-	-	17,962,434
Local and other funds	5,301,832	291,039	6,964,843	12,557,714
Total revenues	<u>24,902,785</u>	<u>6,679,218</u>	<u>6,964,843</u>	<u>38,546,846</u>
<b>Expenditures</b>				
Current				
Instruction	11,202,775	134,780	-	11,337,555
Support services				
Pupil services	2,133,305	-	-	2,133,305
Improvement of instructional services	233,210	-	-	233,210
Instructional staff training	606,421	-	-	606,421
Educational media services	200,425	-	-	200,425
Federal grants administration	141,276	-	-	141,276
General administration	4,771	-	-	4,771
School administration	910,586	-	-	910,586
Business administration	18,839	-	-	18,839
Maintenance and operation of facilities	1,175,656	-	-	1,175,656
Student transportation services	488,443	-	-	488,443
Central support services	80,401	-	-	80,401
Other support services	538	-	-	538
Community service	2,465,360	-	-	2,465,360
Food services	6,602,237	-	-	6,602,237
Capital outlay	-	4,679,589	-	4,679,589
Debt service				
Principal retirement	-	-	5,785,000	5,785,000
Interest and fees	-	-	803,780	803,780
Total expenditures	<u>26,264,243</u>	<u>4,814,369</u>	<u>6,588,780</u>	<u>37,667,392</u>
Excess (deficiency) of revenues over (under) expenditures	(1,361,458)	1,864,849	376,063	879,454
<b>Other financing sources (uses)</b>				
Transfers in	1,514,042	1,000,000	-	2,514,042
Transfers out	-	(571,128)	-	(571,128)
Total other financing sources	<u>1,514,042</u>	<u>428,872</u>	<u>-</u>	<u>1,942,914</u>
Net change in fund balances	152,584	2,293,721	376,063	2,822,368
<b>Fund balances, beginning of year, as restated</b>	<u>5,003,350</u>	<u>9,106,787</u>	<u>1,605,378</u>	<u>15,715,515</u>
<b>Fund balances, end of year</b>	<u>\$ 5,155,934</u>	<u>\$ 11,400,508</u>	<u>\$ 1,981,441</u>	<u>\$ 18,537,883</u>

Fayette County Board of Education

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
Special Revenue Funds

June 30, 2021

	School Nutrition Service	Title I	IDEA	Vocational Grants
<b>ASSETS</b>				
Cash	\$ 1,097,933	\$ -	\$ -	\$ -
Investments	-	-	-	-
Due from other governments	67,632	147,423	547,980	11,567
Due from others	-	-	-	-
Inventory	203,150	-	-	-
<b>Total assets</b>	<u>\$ 1,368,715</u>	<u>\$ 147,423</u>	<u>\$ 547,980</u>	<u>\$ 11,567</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 363	\$ 3,601	\$ -
Unearned revenue	250,038	-	-	-
Salaries payable	248,974	64,152	230,995	-
Due to other funds	8,514	82,908	313,384	11,567
Total liabilities	<u>507,526</u>	<u>147,423</u>	<u>547,980</u>	<u>11,567</u>
<b>Fund balances</b>				
Nonspendable	203,150	-	-	-
Restricted	658,039	-	-	-
Committed	-	-	-	-
Total fund balances	<u>861,189</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,368,715</u>	<u>\$ 147,423</u>	<u>\$ 547,980</u>	<u>\$ 11,567</u>

Title II	Title III	Title IV	CARES Act	JR ROTC	Lottery
\$ -	\$ -	\$ -	\$ -	\$ 53,074	\$ 137,532
-	-	-	-	-	-
79,564	11,477	25,159	2,480,527	5,261	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 79,564</u>	<u>\$ 11,477</u>	<u>\$ 25,159</u>	<u>\$ 2,480,527</u>	<u>\$ 58,335</u>	<u>\$ 137,532</u>

\$ 1,015	\$ -	\$ -	\$ 46,447	\$ 12,521	\$ -
-	-	-	-	-	-
25,125	7,483	-	230,320	45,814	137,532
<u>53,424</u>	<u>3,994</u>	<u>25,159</u>	<u>2,203,760</u>	<u>-</u>	<u>-</u>
<u>79,564</u>	<u>11,477</u>	<u>25,159</u>	<u>2,480,527</u>	<u>58,335</u>	<u>137,532</u>

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 79,564</u>	<u>\$ 11,477</u>	<u>\$ 25,159</u>	<u>\$ 2,480,527</u>	<u>\$ 58,335</u>	<u>\$ 137,532</u>

continued

Fayette County Board of Education

COMBINING BALANCE SHEET - CONTINUED  
NON-MAJOR GOVERNMENTAL FUNDS  
Special Revenue Funds

June 30, 2021

	Friends Mentoring Program	Other Grants	Community Education	After School Program
<b>ASSETS</b>				
Cash	\$ 19,573	\$ 5,217	\$ 706,585	\$ 365,898
Investments	-	-	-	-
Due from other governments	-	-	-	-
Due from others	-	-	-	762
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 19,573</u>	<u>\$ 5,217</u>	<u>\$ 706,585</u>	<u>\$ 366,660</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 175	\$ 30,081	\$ 55
Unearned revenue	-	-	-	-
Salaries payable	-	-	23,603	101,334
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>175</u>	<u>53,684</u>	<u>101,389</u>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	19,573	5,042	-	-
Committed	-	-	652,901	265,271
<b>Total fund balances</b>	<u>19,573</u>	<u>5,042</u>	<u>652,901</u>	<u>265,271</u>
<b>Total liabilities and fund balances</b>	<u>\$ 19,573</u>	<u>\$ 5,217</u>	<u>\$ 706,585</u>	<u>\$ 366,660</u>

Donation Funds	Auditorium Rentals	Principals' Fund	Total
\$ 66,488	\$ 70,665	\$ 3,193,258	\$ 5,716,223
22,773	-	-	22,773
-	-	-	3,376,590
-	-	-	762
-	-	-	203,150
<u>\$ 89,261</u>	<u>\$ 70,665</u>	<u>\$ 3,193,258</u>	<u>\$ 9,319,498</u>
\$ 1,050	\$ 176	\$ -	\$ 95,484
-	-	-	250,038
-	-	-	1,115,332
-	-	-	2,702,710
<u>1,050</u>	<u>176</u>	<u>-</u>	<u>4,163,564</u>
-	-	-	203,150
-	-	-	682,654
88,211	70,489	3,193,258	4,270,130
<u>88,211</u>	<u>70,489</u>	<u>3,193,258</u>	<u>5,155,934</u>
<u>\$ 89,261</u>	<u>\$ 70,665</u>	<u>\$ 3,193,258</u>	<u>\$ 9,319,498</u>

Fayette County Board of Education

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

For the year ended June 30, 2021

	School Nutrition Service	Title I	IDEA	Vocational Grants
<b>Revenues</b>				
State funds	\$ 181,090	\$ -	\$ -	\$ -
Federal funds	5,291,344	1,418,598	3,705,392	132,924
Local and other funds	492,796	-	-	-
Total revenues	<u>5,965,230</u>	<u>1,418,598</u>	<u>3,705,392</u>	<u>132,924</u>
<b>Expenditures</b>				
Current				
Instruction	-	950,936	1,925,847	132,924
Support services				
Pupil services	-	395,772	1,494,445	-
Improvement of instructional services	-	1,486	8,102	-
Instructional staff training	-	21,945	180,864	-
Educational media services	-	-	-	-
Federal grants administration	-	46,960	89,472	-
General administration	-	-	-	-
School administration	-	-	-	-
Business administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	1,499	6,662	-
Central support services	-	-	-	-
Other support services	-	-	-	-
Community service	-	-	-	-
Food services	6,469,941	-	-	-
Total expenditures	<u>6,469,941</u>	<u>1,418,598</u>	<u>3,705,392</u>	<u>132,924</u>
Excess (deficiency) of revenues over (under) expenditures	(504,711)	-	-	-
<b>Other financing sources</b>				
Transfers in	984,069	-	-	-
Total other financing sources	<u>984,069</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	479,358	-	-	-
<b>Fund balances, beginning of year, as restated</b>	<u>381,831</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 861,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title II	Title III	Title IV	CARES Act	JR ROTC	Lottery
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,457,429
362,964	113,177	122,898	6,613,269	173,462	28,406
-	-	-	-	-	-
<u>362,964</u>	<u>113,177</u>	<u>122,898</u>	<u>6,613,269</u>	<u>173,462</u>	<u>1,485,835</u>
-	39,152	38,165	4,328,200	466,216	1,723,054
-	38,978	35,115	168,995	-	-
-	2,955	41,303	176,182	-	-
362,964	30,242	8,315	2,091	-	-
-	-	-	40,597	-	-
-	-	-	4,844	-	-
-	-	-	4,771	-	-
-	-	-	271,274	-	-
-	-	-	18,839	-	-
-	-	-	1,015,828	-	-
-	1,850	-	318,604	-	-
-	-	-	80,401	-	-
-	-	-	538	-	-
-	-	-	49,809	-	-
-	-	-	132,296	-	-
<u>362,964</u>	<u>113,177</u>	<u>122,898</u>	<u>6,613,269</u>	<u>466,216</u>	<u>1,723,054</u>
-	-	-	-	(292,754)	(237,219)
-	-	-	-	292,754	237,219
-	-	-	-	292,754	237,219
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued

Fayette County Board of Education

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED

Special Revenue Funds

For the year ended June 30, 2021

	Friends Mentoring Program	Other Grants	Community Education	After School Program
<b>Revenues</b>				
State funds	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Local and other funds	1,500	492	514,578	952,205
Total revenues	<u>1,500</u>	<u>492</u>	<u>514,578</u>	<u>952,205</u>
<b>Expenditures</b>				
Current				
Instruction	-	-	-	-
Support services				
Pupil services	-	-	-	-
Improvement of instructional services	-	-	-	-
Instructional staff training	-	-	-	-
Educational media services	-	-	-	-
Federal grants administration	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Business administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	-	-	-
Central support services	-	-	-	-
Other support services	-	-	-	-
Community service	240	852	229,517	1,646,959
Food services	-	-	-	-
Total expenditures	<u>240</u>	<u>852</u>	<u>229,517</u>	<u>1,646,959</u>
Excess (deficiency) of revenues over (under) expenditures	1,260	(360)	285,061	(694,754)
<b>Other financing sources</b>				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	1,260	(360)	285,061	(694,754)
<b>Fund balances, beginning of year, as restated</b>	<u>18,313</u>	<u>5,402</u>	<u>367,840</u>	<u>960,025</u>
<b>Fund balances, end of year</b>	<u>\$ 19,573</u>	<u>\$ 5,042</u>	<u>\$ 652,901</u>	<u>\$ 265,271</u>

Donation Funds	Auditorium Rentals	Principals' Fund	Total
\$ -	\$ -	\$ -	\$ 1,638,519
-	-	-	17,962,434
<u>37,242</u>	<u>18,270</u>	<u>3,284,749</u>	<u>5,301,832</u>
<u>37,242</u>	<u>18,270</u>	<u>3,284,749</u>	<u>24,902,785</u>
-	-	1,598,281	11,202,775
-	-	-	2,133,305
3,182	-	-	233,210
-	-	-	606,421
-	-	159,828	200,425
-	-	-	141,276
-	-	-	4,771
-	-	639,312	910,586
-	-	-	18,839
-	-	159,828	1,175,656
-	-	159,828	488,443
-	-	-	80,401
-	-	-	538
32,779	25,720	479,484	2,465,360
-	-	-	<u>6,602,237</u>
<u>35,961</u>	<u>25,720</u>	<u>3,196,561</u>	<u>26,264,243</u>
1,281	(7,450)	88,188	(1,361,458)
-	-	-	<u>1,514,042</u>
-	-	-	<u>1,514,042</u>
1,281	(7,450)	88,188	152,584
<u>86,930</u>	<u>77,939</u>	<u>3,105,070</u>	<u>5,003,350</u>
<u>\$ 88,211</u>	<u>\$ 70,489</u>	<u>\$ 3,193,258</u>	<u>\$ 5,155,934</u>

Fayette County Board of Education

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
Capital Project Funds

June 30, 2021

	Local Capital Projects	SPLOST II	Total
<b>ASSETS</b>			
Cash	\$ 1,950,533	\$ 238,566	\$ 2,189,099
Investments	<u>4,550,502</u>	<u>5,311,253</u>	<u>9,861,755</u>
<b>Total assets</b>	<u>\$ 6,501,035</u>	<u>\$ 5,549,819</u>	<u>\$ 12,050,854</u>
 <b>FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 650,346	\$ 650,346
Total liabilities	<u>-</u>	<u>650,346</u>	<u>650,346</u>
 <b>Fund balances</b>			
Restricted	-	4,899,473	4,899,473
Assigned	<u>6,501,035</u>	<u>-</u>	<u>6,501,035</u>
Total fund balances	<u>6,501,035</u>	<u>4,899,473</u>	<u>11,400,508</u>
<b>Total fund balances</b>	<u>\$ 6,501,035</u>	<u>\$ 5,549,819</u>	<u>\$ 12,050,854</u>

Fayette County Board of Education

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
Capital Project Funds

For the year ended June 30, 2021

	Local Capital Projects	SPLOST II	Total
<b>Revenues</b>			
State funds	\$ -	\$ 6,388,179	\$ 6,388,179
Local and other funds	<u>266,777</u>	<u>24,262</u>	<u>291,039</u>
Total revenues	<u>266,777</u>	<u>6,412,441</u>	<u>6,679,218</u>
<b>Expenditures</b>			
Current			
Instruction	-	134,780	134,780
Capital outlay	<u>277,003</u>	<u>4,402,586</u>	<u>4,679,589</u>
Total expenditures	<u>277,003</u>	<u>4,537,366</u>	<u>4,814,369</u>
Excess (deficiency) of revenues over (under) expenditures	(10,226)	1,875,075	1,864,849
<b>Other financing sources (uses)</b>			
Transfers in	1,000,000	-	1,000,000
Transfers out	<u>(571,128)</u>	<u>-</u>	<u>(571,128)</u>
Total other financing sources, net	<u>428,872</u>	<u>-</u>	<u>428,872</u>
Net change in fund balances	418,646	1,875,075	2,293,721
<b>Fund balances, beginning of year</b>	<u>6,082,389</u>	<u>3,024,398</u>	<u>9,106,787</u>
<b>Fund balances, end of year</b>	<u>\$ 6,501,035</u>	<u>\$ 4,899,473</u>	<u>\$ 11,400,508</u>

**Fayette County Board of Education**

**School Nutrition Service  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
State funds	\$ 185,000	\$ 185,000	\$ 181,090	\$ (3,910)
Federal funds	3,660,600	3,660,600	5,291,344	1,630,744
Local and other funds	<u>3,125,000</u>	<u>3,125,000</u>	<u>492,796</u>	<u>(2,632,204)</u>
Total revenues	<u>6,970,600</u>	<u>6,970,600</u>	<u>5,965,230</u>	<u>(1,005,370)</u>
<b>Expenditures</b>				
Current				
Food services	<u>7,726,600</u>	<u>7,726,600</u>	<u>6,469,941</u>	<u>1,256,659</u>
Total expenditures	<u>7,726,600</u>	<u>7,726,600</u>	<u>6,469,941</u>	<u>1,256,659</u>
Deficiency of revenues under expenditures	<u>(756,000)</u>	<u>(756,000)</u>	<u>(504,711)</u>	<u>251,289</u>
<b>Other financing sources</b>				
Transfers in	<u>756,000</u>	<u>756,000</u>	<u>984,069</u>	<u>228,069</u>
Total other financing sources	<u>756,000</u>	<u>756,000</u>	<u>984,069</u>	<u>228,069</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,358</u>	<u>\$ 479,358</u>

**Fayette County Board of Education**

**Title I  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 1,539,708	\$ 1,507,800	\$ 1,418,598	\$ (89,202)
Total revenues	<u>1,539,708</u>	<u>1,507,800</u>	<u>1,418,598</u>	<u>(89,202)</u>
<b>Expenditures</b>				
Current				
Instruction	1,087,230	1,019,368	950,936	68,432
Support services				
Pupil services	345,942	411,711	395,772	15,939
Improvement of instructional services	3,175	1,486	1,486	-
Instructional staff training	34,884	22,554	21,945	609
Federal grant administration	52,989	50,113	46,960	3,153
Student transportation services	15,488	2,568	1,499	1,069
Total expenditures	<u>1,539,708</u>	<u>1,507,800</u>	<u>1,418,598</u>	<u>89,202</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fayette County Board of Education

IDEA  
 Special Revenue Fund  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 4,564,541	\$ 4,972,878	\$ 3,705,392	\$ (1,267,486)
Total revenues	<u>4,564,541</u>	<u>4,972,878</u>	<u>3,705,392</u>	<u>(1,267,486)</u>
<b>Expenditures</b>				
Current				
Instruction	2,667,351	2,818,724	1,925,847	892,877
Support services				
Pupil services	1,620,510	1,796,659	1,494,445	302,214
Improvement of instructional services	-	8,102	8,102	-
Instructional staff training	116,000	211,000	180,864	30,136
Federal grant administration	139,080	115,400	89,472	25,928
General administration	600	700	-	700
Student transportation services	21,000	22,293	6,662	15,631
Total expenditures	<u>4,564,541</u>	<u>4,972,878</u>	<u>3,705,392</u>	<u>1,267,486</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fayette County Board of Education

Vocational Grants  
 Special Revenue Fund  
**SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 130,388	\$ 132,924	\$ 132,924	\$ -
Total revenues	<u>130,388</u>	<u>132,924</u>	<u>132,924</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Instruction	<u>130,388</u>	<u>132,924</u>	<u>132,924</u>	<u>-</u>
Total expenditures	<u>130,388</u>	<u>132,924</u>	<u>132,924</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fayette County Board of Education

Title II  
 Special Revenue Fund  
**SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 375,760	\$ 379,072	\$ 362,964	\$ (16,108)
Total revenues	<u>375,760</u>	<u>379,072</u>	<u>362,964</u>	<u>(16,108)</u>
<b>Expenditures</b>				
Current				
Support services				
Instructional staff training	375,760	379,072	362,964	16,108
Total expenditures	<u>375,760</u>	<u>379,072</u>	<u>362,964</u>	<u>16,108</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Fayette County Board of Education**

**Title III  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Federal funds	\$ 114,864	\$ 113,177	\$ 113,177	\$ -
Total revenues	114,864	113,177	113,177	-
<b>Expenditures</b>				
Current				
Instruction	19,159	37,995	39,152	(1,157)
Support services				
Pupil services	38,390	38,381	38,978	(597)
Improvement of instructional services	44,814	4,000	2,955	1,045
Instructional staff training	7,909	30,932	30,242	690
Student transportation services	4,592	1,869	1,850	19
Total expenditures	114,864	113,177	113,177	-
<b>Net change in fund balances</b>	\$ -	\$ -	\$ -	\$ -

Fayette County Board of Education

Title IV  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 141,535	\$ 108,109	\$ 122,898	\$ 14,789
Total revenues	<u>141,535</u>	<u>108,109</u>	<u>122,898</u>	<u>14,789</u>
<b>Expenditures</b>				
Current				
Instruction	66,543	32,752	38,165	(5,413)
Support services				
Pupil services	-	35,115	35,115	-
Improvement of instructional services	58,600	35,095	41,303	(6,208)
Instructional staff training	<u>16,392</u>	<u>5,147</u>	<u>8,315</u>	<u>(3,168)</u>
Total expenditures	<u>141,535</u>	<u>108,109</u>	<u>122,898</u>	<u>(14,789)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Fayette County Board of Education**

**CARES Act  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL**

**For the year ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ -	\$ 8,671,668	\$ 6,613,269	\$ (2,058,399)
Total revenues	<u>-</u>	<u>8,671,668</u>	<u>6,613,269</u>	<u>(2,058,399)</u>
<b>Expenditures</b>				
Current				
Instruction	-	5,712,968	4,328,200	1,384,768
Support services				
Pupil services	-	197,436	168,995	28,441
Improvement of instructional services	-	174,092	176,182	(2,090)
Instructional staff training	-	2,091	2,091	-
Educational media services	-	40,597	40,597	-
Federal grant administration	-	4,845	4,844	1
General administration	-	4,773	4,771	2
School administration	-	341,472	271,274	70,198
Business administration	-	18,839	18,839	-
Maintenance and operation of facilities	-	1,471,977	1,015,828	456,149
Student transportation services	-	318,606	318,604	2
Central support services	-	80,401	80,401	-
Other support services	-	539	538	1
Community service	-	49,810	49,809	1
Food services	-	253,222	132,296	120,926
Total expenditures	<u>-</u>	<u>8,671,668</u>	<u>6,613,269</u>	<u>2,058,399</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Fayette County Board of Education**

**JR ROTC  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 165,100	\$ 165,100	\$ 173,462	\$ 8,362
Total revenues	<u>165,100</u>	<u>165,100</u>	<u>173,462</u>	<u>8,362</u>
<b>Expenditures</b>				
Current				
Instruction	<u>397,189</u>	<u>397,189</u>	<u>466,216</u>	<u>(69,027)</u>
Total expenditures	<u>397,189</u>	<u>397,189</u>	<u>466,216</u>	<u>(69,027)</u>
Deficiency of revenues under expenditures	(232,089)	(232,089)	(292,754)	(60,665)
<b>Other financing sources</b>				
Transfers in	<u>232,089</u>	<u>232,089</u>	<u>292,754</u>	<u>60,665</u>
Total other financing sources	<u>232,089</u>	<u>232,089</u>	<u>292,754</u>	<u>60,665</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Fayette County Board of Education**

**Lottery  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
State funds	\$ 1,470,000	\$ 1,470,000	\$ 1,457,429	\$ (12,571)
Federal funds	-	28,406	28,406	-
Total revenues	1,470,000	1,498,406	1,485,835	(12,571)
<b>Expenditures</b>				
Current				
Instruction	1,714,892	1,743,298	1,723,054	20,244
Total expenditures	1,714,892	1,743,298	1,723,054	20,244
Deficiency of revenues under expenditures	(244,892)	(244,892)	(237,219)	7,673
<b>Other financing sources</b>				
Transfers in	244,892	244,892	237,219	(7,673)
Total other financing sources	244,892	244,892	237,219	(7,673)
<b>Net change in fund balances</b>	\$ -	\$ -	\$ -	\$ -

Fayette County Board of Education

Friends Mentoring Program  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Community service	<u>5,000</u>	<u>5,000</u>	<u>240</u>	<u>4,760</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>240</u>	<u>4,760</u>
<b>Net change in fund balances</b>	<u>\$ (3,500)</u>	<u>\$ (3,500)</u>	<u>\$ 1,260</u>	<u>\$ 4,760</u>

**Fayette County Board of Education**

**Other Grants  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Local and other funds	\$ 1,000	\$ 1,000	\$ 492	\$ (508)
Total revenues	1,000	1,000	492	(508)
<b>Expenditures</b>				
Current				
Community service	1,000	1,000	852	148
Total expenditures	1,000	1,000	852	148
<b>Net change in fund balances</b>	\$ -	\$ -	\$ (360)	\$ (360)

Fayette County Board of Education

Community Education  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 420,000	\$ 420,000	\$ 514,578	\$ 94,578
Total revenues	<u>420,000</u>	<u>420,000</u>	<u>514,578</u>	<u>94,578</u>
<b>Expenditures</b>				
Current				
Community service	<u>364,954</u>	<u>364,954</u>	<u>229,517</u>	<u>135,437</u>
Total expenditures	<u>364,954</u>	<u>364,954</u>	<u>229,517</u>	<u>135,437</u>
<b>Net change in fund balances</b>	<u>\$ 55,046</u>	<u>\$ 55,046</u>	<u>\$ 285,061</u>	<u>\$ 230,015</u>

**Fayette County Board of Education**

**After School Program  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 2,262,444	\$ 2,262,444	\$ 952,205	\$ (1,310,239)
Total revenues	<u>2,262,444</u>	<u>2,262,444</u>	<u>952,205</u>	<u>(1,310,239)</u>
<b>Expenditures</b>				
Current				
Community service	<u>2,262,444</u>	<u>2,262,444</u>	<u>1,646,959</u>	<u>615,485</u>
Total expenditures	<u>2,262,444</u>	<u>2,262,444</u>	<u>1,646,959</u>	<u>615,485</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (694,754)</u>	<u>\$ (694,754)</u>

Fayette County Board of Education

Donations  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 50,000	\$ 50,000	\$ 37,242	\$ (12,758)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>37,242</u>	<u>(12,758)</u>
<b>Expenditures</b>				
Current				
Improvement of instructional services	-	-	3,182	(3,182)
Community service	<u>50,000</u>	<u>50,000</u>	<u>32,779</u>	<u>17,221</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>35,961</u>	<u>14,039</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,281</u>	<u>\$ 1,281</u>

Fayette County Board of Education

Auditorium Rentals  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 45,000	\$ 45,000	\$ 18,270	\$ (26,730)
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>18,270</u>	<u>(26,730)</u>
<b>Expenditures</b>				
Current				
Community service	<u>45,000</u>	<u>45,000</u>	<u>25,720</u>	<u>19,280</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>25,720</u>	<u>19,280</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,450)</u>	<u>\$ (7,450)</u>

**Fayette County Board of Education**

**Principals' Fund  
Special Revenue Fund  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 6,000,000	\$ 6,000,000	\$ 3,284,749	\$ (2,715,251)
Total revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,284,749</u>	<u>(2,715,251)</u>
<b>Expenditures</b>				
Current				
Instruction	3,000,000	3,000,000	1,598,281	1,401,719
Support services				
Educational media services	300,000	300,000	159,828	140,172
School administration	1,200,000	1,200,000	639,312	560,688
Maintenance and operation of facilities	300,000	300,000	159,828	140,172
Student transportation services	300,000	300,000	159,828	140,172
Community service	<u>900,000</u>	<u>900,000</u>	<u>479,484</u>	<u>420,516</u>
Total expenditures	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,196,561</u>	<u>2,803,439</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,188</u>	<u>\$ 88,188</u>

Fayette County Board of Education

Debt Service Fund  
**SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL**

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 6,580,000	\$ 6,580,000	\$ 6,964,843	\$ 384,843
Total revenues	<u>6,580,000</u>	<u>6,580,000</u>	<u>6,964,843</u>	<u>384,843</u>
<b>Expenditures</b>				
Debt services				
Principal retirement	5,785,000	5,785,000	5,785,000	-
Interest and fees	<u>806,630</u>	<u>806,630</u>	<u>803,780</u>	<u>2,850</u>
Total expenditures	<u>6,591,630</u>	<u>6,591,630</u>	<u>6,588,780</u>	<u>2,850</u>
<b>Net change in fund balances</b>	<u>\$ (11,630)</u>	<u>\$ (11,630)</u>	<u>\$ 376,063</u>	<u>\$ 387,693</u>



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## **ADDITIONAL FINANCIAL INFORMATION**

**FAYETTE COUNTY BOARD OF EDUCATION**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2012 ISSUE  
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years' Expenditures</u>	<u>Current Year's Expenditures</u>
Debt service payments on previously issued bonded debt	\$ 10,000,000	\$ -	\$ -	\$ -
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	35,000,000	90,000,000	79,634,939	3,501,652
Acquisition of miscellaneous new equipment, fixtures and furnishings for the school system, including technology infrastructure, equipment and software, safety and security equipment	42,000,000	37,700,000	37,030,567	623,196
Acquisition of textbooks and instructional materials	10,000,000	10,000,000	8,929,868	134,780
Acquisition of school buses and transportation and maintenance equipment	<u>10,000,000</u>	<u>10,000,000</u>	<u>8,888,717</u>	<u>277,738</u>
	<u>\$ 107,000,000</u>	<u>\$ 147,700,000</u>	<u>\$ 134,484,091</u>	<u>\$ 4,537,366</u>

The amounts included in current estimated cost above, as well as prior years' and current year's expenditures include costs funded from non-SPLOST revenues. Those revenue sources include state grants and transfers from other funds.

**FAYETTE COUNTY BOARD OF EDUCATION**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 ISSUE  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>Project</b>	<b>Original Estimated Cost</b>	<b>Current Estimated Cost</b>	<b>Prior Years' Expenditures</b>	<b>Current Year's Expenditures</b>
Debt service payments on previously issued bonded debt	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities, and acquisition, construction and equipping new school buildings and school system facilities	74,000,000	84,000,000	42,863,881	27,243,863
Acquisition of miscellaneous new equipment, fixtures and furnishings for the school system, including technology infrastructure, equipment and software, safety and security equipment	50,000,000	50,000,000	-	487,298
Acquisition of textbooks and instructional materials	8,000,000	8,000,000	2,083,266	(2,503)
Acquisition of school buses and transportation and maintenance equipment	8,000,000	8,000,000	-	-
Payment of interest on general obligation debt issued related to the SPLOST referendum.	-	31,593,504	2,459,143	1,270,500
	<u>\$ 145,000,000</u>	<u>\$ 186,593,504</u>	<u>\$ 47,406,290</u>	<u>\$ 28,999,158</u>

The amounts included in current estimated cost above, as well as prior years' and current year's expenditures include costs funded from non-SPLOST revenues. Those revenue sources include state grants, proceeds from the issuance of bonds, proceeds from the sale of capital assets and transfers from other funds.

Reconciliation of Schedule of Expenditures of SPLOST Tax Proceeds to Annual Financial Statements:

Amount expended in current year reported above	\$ 28,999,158
Payment of principal on general obligation bonds	<u>1,600,000</u>
Total expenditures reported for SPLOST III Fund	<u>\$ 30,599,158</u>

FAYETTE COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES BY OBJECT  
LOTTERY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2021

Expenditures

Operating costs	
Salaries	\$ 1,202,916
Employee benefits	506,031
Employee Travel	33
Supplies and materials	4,585
Supplies and materials related to technology	1,346
Expendable equipment	7,006
Expendable computer equipment	749
Books and periodicals	<u>388</u>
Total expenditures	<u>\$ 1,723,054</u>

# STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the School System’s financial performance and well-being have changed over time.</i>	144
Revenue Capacity <i>These schedules contain information to help the reader assess the School System’s most significant local revenue source, the property tax.</i>	153
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the School System’s current level of outstanding debt and the School System’s ability to issue additional debt in the future.</i>	161
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the School System’s financial report relates to the services the School System provides and the activities it performs.</i>	166
Demographic and Economic Information <i>These schedules offer demographic and economic indications to help the reader understand the environment within which the School System’s financial activities take place.</i>	178



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**Fayette County Board of Education**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(unaudited)**

	Fiscal Year			
	2021	2020	2019	2018 (a)
Governmental Activities				
Net investment in capital assets	\$ 290,780,568	\$ 274,883,620	\$ 257,204,103	\$ 241,976,851
Restricted	31,623,880	26,513,690	22,440,593	38,634,281
Unrestricted	<u>(296,971,622)</u>	<u>(286,199,990)</u>	<u>(274,387,632)</u>	<u>(296,315,785)</u>
Total governmental activities net position	<u>\$ 25,432,826</u>	<u>\$ 15,197,320</u>	<u>\$ 5,257,064</u>	<u>\$ (15,704,653)</u>

(a) Effective July 1, 2017, the School System implemented GASB Statement No. 75.

(b) Effective July 1, 2014, the School System implemented GASB Statement No. 68 and Statement No. 71.

<u>2017</u>	<u>2016</u>	<u>2015 (b)</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 228,529,060	\$ 207,779,562	\$ 186,432,779	\$ 168,187,655	\$ 178,523,433	\$ 175,064,622
31,851,204	32,124,998	41,198,421	41,020,287	37,659,348	31,257,451
<u>(132,765,628)</u>	<u>(122,077,469)</u>	<u>(134,974,173)</u>	<u>33,633,101</u>	<u>13,941,511</u>	<u>13,339,704</u>
<u>\$ 127,614,636</u>	<u>\$ 117,827,091</u>	<u>\$ 92,657,027</u>	<u>\$ 242,841,043</u>	<u>\$ 230,124,292</u>	<u>\$ 219,661,777</u>

**Fayette County Board of Education**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(unaudited)**

Expenses	Fiscal Year			
	2021	2020	2019	2018
Governmental Activities				
Instruction	\$ 192,309,443	\$ 181,874,689	\$ 161,132,453	\$ 163,610,768
Support Services				
Pupil services	16,498,708	15,079,390	14,080,968	13,114,016
Improvement of instructional services	7,069,951	7,049,918	6,000,450	5,290,805
Instructional staff training	1,051,816	1,057,895	853,772	616,771
Educational media services	4,336,323	4,043,475	3,684,678	3,633,729
Federal administration	380,459	408,275	365,904	348,877
General administration	2,075,686	1,760,578	1,478,192	1,445,888
School administration	18,019,223	16,399,329	14,454,380	14,401,931
Business administration	1,581,991	1,478,903	1,325,334	1,369,710
Maintenance and operation of facilities	17,746,301	16,866,071	15,745,710	15,148,633
Student transportation services	10,390,403	10,284,854	10,503,034	10,386,171
Central support services	6,792,229	6,734,056	6,303,585	6,324,444
Other support services	308,930	205,613	232,354	244,308
Community services	2,676,803	2,653,079	2,595,096	2,653,207
Food services	7,407,027	7,559,725	7,850,877	7,870,165
Interest expense	1,944,464	2,084,618	2,149,912	2,024,416
Total governmental activities expenses	<u>\$ 290,589,757</u>	<u>\$ 275,540,468</u>	<u>\$ 248,756,699</u>	<u>\$ 248,483,839</u>
<b>Program Revenues</b>				
Charges for services				
Instruction	\$ 21,740	\$ 227,761	\$ 525,915	\$ 604,556
Support services	1,485,053	2,131,711	2,592,617	2,318,595
Food services	492,796	2,766,833	3,255,175	3,098,054
Operating grants and contributions	131,423,521	124,785,145	117,866,092	113,434,586
Capital grants and contributions	6,853,890	6,472,357	2,086,921	5,322,847
Total governmental activities program revenues	<u>\$ 140,277,000</u>	<u>\$ 136,383,807</u>	<u>\$ 126,326,720</u>	<u>\$ 124,778,638</u>
<b>NET EXPENSE</b>	<u>\$ (150,312,757)</u>	<u>\$ (139,156,661)</u>	<u>\$ (122,429,979)</u>	<u>\$ (123,705,201)</u>
<b>General Revenues</b>				
Governmental Activities				
Taxes:				
Property taxes	\$ 122,142,635	\$ 116,367,637	\$ 111,456,435	\$ 105,841,173
Intangible taxes	4,386,646	2,889,830	2,005,048	1,864,957
Transfer taxes	1,046,636	844,539	791,752	710,710
Other taxes	23,806	23,622	22,970	19,884
Sales tax, capital outlay and debt service	30,938,606	27,740,618	26,822,957	26,050,684
Interest and investment earnings	53,045	936,159	1,643,314	851,458
Gain on sale of assets	-	-	221,550	1,722,271
Other	153,895	294,512	427,670	289,004
Extraordinary items	-	-	-	-
Total governmental activities general revenues	<u>\$ 158,745,269</u>	<u>\$ 149,096,917</u>	<u>\$ 143,391,696</u>	<u>\$ 137,350,141</u>
<b>Change in Net Position</b>	<u>\$ 8,432,512</u>	<u>\$ 9,940,256</u>	<u>\$ 20,961,717</u>	<u>\$ 13,644,940</u>

	2017	2016	2015	2014	2013	2012
\$	153,170,007	\$ 133,734,324	\$ 126,035,930	\$ 123,283,652	\$ 126,989,501	\$ 138,166,002
	12,928,329	9,528,601	8,982,470	8,940,118	9,446,688	9,361,037
	5,391,077	4,887,298	4,233,092	3,919,268	4,059,005	4,396,525
	-	-	-	-	-	-
	3,643,719	3,717,116	3,031,063	3,078,138	3,435,491	3,714,750
	207,276	194,211	-	-	-	-
	1,367,169	1,609,711	1,664,955	1,778,299	1,676,637	1,328,258
	14,197,794	12,895,687	11,092,787	11,570,184	12,982,540	13,925,349
	1,376,557	986,533	865,120	872,724	1,067,217	937,222
	14,347,021	13,786,812	13,133,822	12,683,045	13,854,947	16,157,767
	10,052,045	9,112,882	8,620,521	8,820,745	8,687,580	9,031,403
	5,734,947	4,489,646	3,658,754	2,830,478	2,700,778	3,402,613
	318,883	434,780	225,350	491,443	276,311	303,373
	2,577,257	2,352,200	2,292,410	2,137,412	2,311,865	2,385,232
	7,897,792	7,386,296	7,090,152	7,495,355	7,534,165	8,078,108
	1,719,075	1,920,806	2,242,423	3,154,736	3,466,114	3,898,053
\$	<u>234,928,948</u>	<u>207,036,903</u>	<u>193,340,443</u>	<u>191,055,597</u>	<u>198,488,839</u>	<u>215,085,692</u>
\$	648,477	\$ 398,758	\$ 390,482	\$ 391,846	\$ 365,145	\$ 455,409
	2,507,129	2,518,716	2,399,442	2,238,940	2,141,197	2,220,197
	3,185,169	3,122,497	3,204,349	3,565,762	3,624,379	3,911,898
	108,175,326	103,718,783	98,522,267	96,557,210	94,197,669	91,800,116
	5,281,541	4,141,350	4,805,599	132,000	1,270,878	228,659
\$	<u>119,797,642</u>	<u>113,900,104</u>	<u>109,322,139</u>	<u>102,885,758</u>	<u>101,599,268</u>	<u>98,616,279</u>
\$	(115,131,306)	\$ (93,136,799)	\$ (84,018,304)	\$ (88,169,839)	\$ (96,889,571)	\$ (116,469,413)
\$	97,124,554	\$ 92,982,798	\$ 87,023,400	\$ 84,458,044	\$ 84,722,620	\$ 94,275,592
	2,025,242	1,819,958	1,533,959	1,288,192	1,813,025	1,392,564
	709,199	711,559	518,915	427,724	346,278	288,711
	34,822	16,965	15,647	15,611	-	-
	24,266,584	22,010,037	21,094,300	20,241,186	19,968,392	20,009,700
	411,070	265,945	125,297	85,588	93,786	78,268
	29,564	-	-	-	-	-
	317,816	499,601	485,388	420,342	671,912	488,765
	-	-	-	(6,050,097)	-	-
\$	<u>124,918,851</u>	<u>118,306,863</u>	<u>110,796,906</u>	<u>100,886,590</u>	<u>107,616,013</u>	<u>116,533,600</u>
\$	<u>9,787,545</u>	<u>25,170,064</u>	<u>26,778,602</u>	<u>12,716,751</u>	<u>10,726,442</u>	<u>64,187</u>

**Fayette County Board of Education**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(unaudited)**

	Fiscal Year			
	2021	2020	2019	2018
General Fund				
Nonspendable	\$ 208,473	\$ 191,157	\$ 214,009	\$ 134,250
Committed	-	-	-	-
Assigned	-	-	-	1,162,743
Unassigned	32,248,644	26,953,749	23,832,068	23,187,383
Unreserved	-	-	-	-
Total General Fund	<u>\$ 32,457,117</u>	<u>\$ 27,144,906</u>	<u>\$ 24,046,077</u>	<u>\$ 24,484,376</u>
All other governmental funds				
Nonspendable	\$ 203,150	\$ 379,998	\$ 239,938	\$ 229,048
Restricted	32,185,499	26,946,788	22,800,924	39,145,345
Committed	4,270,130	2,794,810	2,970,331	2,684,688
Assigned	6,501,035	6,082,389	10,179,613	6,360,212
Total all other governmental funds	<u>\$ 43,159,814</u>	<u>\$ 36,203,985</u>	<u>\$ 36,190,806</u>	<u>\$ 48,419,293</u>

Note: Includes all governmental fund types.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 224,118	\$ 140,206	\$ 4,788	\$ 4,788	\$ 4,788	\$ 30,575
-	-	989,886	791,710	580,481	399,052
-	-	-	-	-	14,197,281
20,381,367	23,171,077	26,378,632	22,751,211	14,505,398	2,190,268
-	-	-	-	-	-
<u>\$ 20,605,485</u>	<u>\$ 23,311,283</u>	<u>\$ 27,373,306</u>	<u>\$ 23,547,709</u>	<u>\$ 15,090,667</u>	<u>\$ 16,817,176</u>
\$ 137,351	\$ 381,893	\$ 193,570	\$ 180,376	\$ 192,252	\$ 491,954
32,163,566	32,473,696	42,088,724	47,746,430	41,646,462	35,325,484
2,670,041	2,446,594	3,879,580	3,620,207	3,223,019	2,630,664
7,104,275	10,637,994	1,061,510	1,062,101	1,106,021	1,523,608
<u>\$ 42,075,233</u>	<u>\$ 45,940,177</u>	<u>\$ 47,223,384</u>	<u>\$ 52,609,114</u>	<u>\$ 46,167,754</u>	<u>\$ 39,971,710</u>

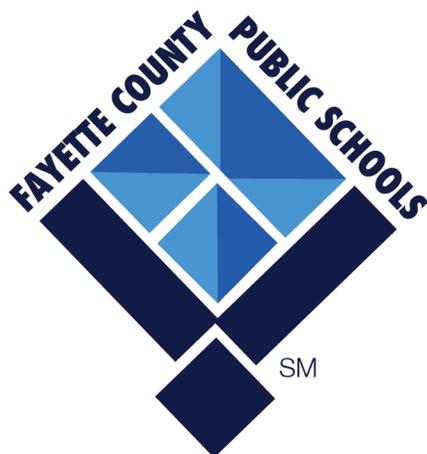
**Fayette County Board of Education**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**  
**(unaudited)**

	Fiscal Year			
	2021	2020	2019	2018
<b>Revenues</b>				
State funds	\$ 117,089,087	\$ 120,624,105	\$ 108,867,070	\$ 107,770,068
Federal funds	17,962,434	9,132,211	9,537,584	8,844,154
Local and other funds	165,574,848	154,832,112	151,305,061	143,907,959
Total revenues	<u>300,626,369</u>	<u>284,588,428</u>	<u>269,709,715</u>	<u>260,522,181</u>
<b>Expenditures</b>				
Current				
Instruction	162,208,400	158,878,344	150,618,898	143,669,255
Support services				
Pupil services	15,121,574	14,360,011	14,238,355	12,856,592
Improvement of instructional services	6,362,469	6,547,673	5,871,893	5,123,315
Instructional staff training	1,018,225	1,045,854	857,759	616,771
Educational media services	3,752,009	3,615,398	3,581,681	3,383,542
Federal grants administration	346,495	387,501	369,537	345,363
General administration	1,922,362	1,631,403	1,475,381	1,422,399
School administration	15,528,205	14,708,864	14,148,506	13,897,843
Business administration	1,458,903	1,408,512	1,358,046	1,402,529
Maintenance and operation of facilities	16,958,821	15,374,376	14,916,288	14,933,616
Student transportation services	7,891,917	7,944,968	8,332,088	8,059,463
Central support services	6,254,591	5,953,764	5,408,329	4,875,470
Other support services	294,417	204,220	231,027	218,711
Community service	2,475,118	2,581,106	2,663,613	2,608,831
Food services	6,700,290	6,874,618	7,408,398	7,108,972
Capital outlay	32,408,247	32,112,091	43,600,120	54,872,825
Debt Service				
Principal retirement	7,385,000	5,590,000	5,390,000	5,205,000
Interest and fees	2,074,280	2,257,707	2,228,142	1,467,337
Bond issuance cost	-	-	-	-
Total expenditures	<u>290,161,323</u>	<u>281,476,410</u>	<u>282,698,061</u>	<u>282,067,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,465,046</u>	<u>3,112,018</u>	<u>(12,988,346)</u>	<u>(21,545,653)</u>
<b>Other financing sources (uses)</b>				
Sale of assets	-	-	221,550	3,282,300
Transfers in	3,085,170	7,474,833	8,954,222	3,515,156
Transfers out	(3,085,170)	(7,474,833)	(8,954,222)	(3,515,156)
Premium (discount) on issuance of bonds	-	-	-	3,668,604
Issuance of bonds/ refunding bonds	-	-	-	25,000,000
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>221,550</u>	<u>31,950,904</u>
Net change in fund balances	10,465,046	3,112,018	(12,766,796)	10,405,251 <sup>1</sup>
Debt service as a percentage of noncapital expenditures	3.6%	3.1%	3.2%	2.8%

<sup>1</sup> Positive change in total fund balance is the result of the issuance of general obligation debt.

NOTE: Prior to Fiscal Year 2017, transfers were reported at net.

	2017	2016	2015	2014	2013	2012
\$	101,955,190	\$ 97,281,667	\$ 90,599,947	\$ 85,914,380	\$ 84,529,941	\$ 80,886,999
	8,883,979	9,333,571	11,102,101	8,535,870	8,743,298	8,884,415
	134,024,331	125,892,498	119,121,400	115,419,650	116,232,262	125,728,896
	<u>244,863,500</u>	<u>232,507,736</u>	<u>220,823,448</u>	<u>209,869,900</u>	<u>209,505,501</u>	<u>215,500,310</u>
	136,608,003	128,658,329	122,793,512	115,453,676	119,740,956	129,513,425
	12,318,614	9,974,713	9,541,931	8,941,466	9,450,764	9,378,670
	5,118,563	4,844,095	4,296,463	3,740,483	3,969,031	4,220,893
	-	-	-	-	-	-
	3,174,174	2,907,278	2,997,463	2,870,088	3,219,739	3,497,711
	199,122	194,211	-	-	-	-
	1,313,145	1,650,868	1,702,605	1,707,173	1,646,537	1,299,766
	13,318,954	12,661,688	11,260,039	10,909,670	12,555,692	13,384,943
	1,341,217	1,036,771	956,902	861,971	1,070,562	944,784
	14,267,062	13,726,106	13,150,553	12,393,833	12,356,626	13,733,068
	7,857,490	7,298,564	7,306,948	7,441,448	7,495,887	7,886,610
	4,788,118	4,001,455	3,316,811	2,570,756	2,374,312	2,614,046
	316,797	438,951	229,642	491,443	276,311	303,373
	2,543,418	2,433,128	2,359,127	2,137,436	2,299,935	2,376,826
	7,181,540	6,740,655	6,427,196	6,707,814	6,658,939	7,207,059
	34,823,453	34,966,996	24,978,776	6,318,135	7,758,864	9,151,831
	4,995,000	4,189,955	8,585,520	9,206,900	9,815,716	9,496,943
	1,363,572	2,129,203	2,480,093	3,264,945	4,346,095	4,686,378
	-	-	-	323,414	-	-
	<u>251,528,242</u>	<u>237,852,966</u>	<u>222,383,581</u>	<u>195,340,651</u>	<u>205,035,966</u>	<u>219,696,326</u>
	<u>(6,664,742)</u>	<u>(5,345,230)</u>	<u>(1,560,133)</u>	<u>14,529,249</u>	<u>4,469,535</u>	<u>(4,196,016)</u>
	94,000	-	-	5,170,000	-	-
	6,456,363	-	-	-	-	-
	(6,456,363)	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	53,240,000	-	-
	-	-	-	(58,040,847)	-	-
	<u>94,000</u>	<u>-</u>	<u>-</u>	<u>369,153</u>	<u>-</u>	<u>-</u>
	(6,570,742)	(5,345,230)	(1,560,133)	14,898,402	4,469,535	(4,196,016)
	2.9%	3.0%	5.5%	6.5%	7.1%	6.6%



*Where Excellence and Creativity Merge*

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**Fayette County Board of Education**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**  
**(unaudited)**

**MAINTENANCE AND OPERATIONS**

Fiscal Year	Assessed Valued			Less:	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Values as a Percentage of Actual Value
	Real Property	Personal Property	Privately-Owned Public Utilities	Freeport Homestead Exemption				
2021	6,889,545	64,267	82,759	1,366,719	5,669,852	19.150	17,591,428	40%
2020	6,518,336	76,126	78,970	1,246,721	5,426,711	19.250	16,683,580	40%
2019	6,034,277	92,942	77,951	1,131,602	5,073,568	19.500	15,512,925	40%
2018	5,712,341	122,973	76,918	1,033,520	4,878,712	19.500	14,780,580	40%
2017	5,086,160	166,111	75,650	918,934	4,408,987	19.750	13,319,803	40%
2016	4,761,779	218,903	74,640	842,707	4,212,615	20.000	12,638,305	40%
2015	4,311,654	296,890	74,580	748,672	3,934,452	20.000	11,707,810	40%
2014	4,210,089	354,671	74,510	736,562	3,902,708	20.000	11,598,175	40%
2013	4,190,197	333,992	72,396	684,150	3,912,435	20.000	11,491,463	40%
2012	4,685,363	320,053	72,841	720,582	4,357,675	20.000	12,695,643	40%

**DEBT SERVICE**

Fiscal Year	Assessed Valued			Less:	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Values as a Percentage of Actual Value
	Real Property	Personal Property	Privately-Owned Public Utilities	Freeport Homestead Exemption				
2021	6,889,545	64,267	82,759	1,331,987	5,704,584	1.180	17,591,428	40%
2020	6,518,337	76,126	78,970	1,211,394	5,462,039	1.271	16,683,583	40%
2019	6,034,277	92,942	77,951	1,096,526	5,108,644	1.350	15,512,925	40%
2018	5,712,341	122,973	76,918	997,280	4,914,952	1.350	14,780,580	40%
2017	5,086,160	166,111	75,650	882,872	4,445,049	1.350	13,319,803	40%
2016	4,761,779	218,903	74,640	805,577	4,249,745	1.350	12,638,305	40%
2015	4,311,654	296,890	74,580	711,210	3,971,914	1.450	11,707,810	40%
2014	4,210,089	354,671	74,510	696,952	3,942,318	1.450	11,598,175	40%
2013	4,190,197	333,992	72,396	642,828	3,953,757	1.450	11,491,463	40%
2012	4,685,363	320,053	72,841	677,754	4,400,503	1.650	12,695,643	40%

Source: Georgia Department of Revenue

**Fayette County Board of Education**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(unaudited)**

	School System			County			
	Operating Millage	Debt Service Millage	Total Millage	Unincorporated Operating Millage	Incorporated Operating Millage	Fire (1) District Millage	EMS (2) District Millage
2021	19.150	1.180	20.330	4.277	4.277	3.070	0.456
2020	19.250	1.271	20.521	4.392	4.392	3.070	0.456
2019	19.500	1.350	20.850	4.392	4.392	3.070	0.456
2018	19.500	1.350	20.850	4.509	4.509	3.070	0.456
2017	19.750	1.350	21.100	4.917	4.917	3.070	0.456
2016	20.000	1.350	21.350	5.171	5.171	3.070	0.456
2015	20.000	1.450	21.450	5.602	5.602	3.070	0.456
2014	20.000	1.450	21.450	5.714	5.714	3.070	0.456
2013	20.000	1.450	21.450	5.645	5.645	3.030	0.450
2012	20.000	1.650	21.650	5.645	5.645	2.500	0.450

Source: Georgia Department of Revenue

- Notes (1) Levied in all municipalities except Fayetteville and Peachtree City.  
(2) Levied in all municipalities except Peachtree City.  
(3) Previously included as a part of the unincorporated millage rate.

Overlapping Governments

E911 (3) District Millage	City of Fayetteville Millage	City of Tyrone Millage	City of Brooks Millage	City of Peachtree City Millage	City of Peachtree City Debt Service	State Millage
0.210	5.646	2.889	0.606	6.232	-	-
0.210	5.646	2.889	0.627	6.232	-	-
0.210	5.646	2.889	0.680	6.232	0.176	-
0.210	3.874	2.889	0.723	6.232	0.027	-
0.210	3.874	2.889	0.799	6.756	0.309	-
0.210	3.874	2.889	0.840	6.756	0.314	0.050
0.210	3.874	2.889	0.899	6.756	0.332	0.100
0.210	3.926	2.889	0.940	6.756	0.332	0.150
0.207	3.882	2.889	0.929	6.756	0.422	0.200
0.207	3.441	2.889	0.816	6.384	0.399	0.250

**Fayette County Board of Education  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	M&O Tax Levy	Debt Service Tax Levy	Total Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy	
				Amount	Percentage of Levy
2021	\$ 108,577,670	\$ 6,731,409	\$ 115,309,079	\$ 113,524,740	98.5%
2020	104,464,193	6,942,252	111,406,445	107,806,827	96.8%
2019	98,934,582	6,896,670	105,831,252	103,295,147	97.6%
2018	95,134,893	6,635,186	101,770,079	98,521,451	96.8%
2017	87,077,498	6,000,817	93,078,315	91,457,612	98.3%
2016	84,252,308	5,737,156	89,989,464	87,682,320	97.4%
2015	78,689,039	5,759,275	84,448,314	83,020,297	98.3%
2014	78,054,155	5,716,361	83,770,516	82,759,692	98.8%
2013	78,248,691	5,732,947	83,981,638	82,879,529	98.7%
2012	87,153,494	7,260,829	94,414,323	91,614,015	97.0%

Source: As reported by the Fayette County Tax Commissioner

Note Tax levy includes levy on motor vehicles.

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
-	\$ 113,524,740	98.5%
1,219,569	109,026,396	97.9%
585,791	103,880,938	98.2%
667,000	99,188,451	97.5%
639,596	92,097,208	98.9%
847,656	88,529,976	98.4%
795,337	83,815,634	99.3%
1,010,824	83,770,516	100.0%
1,102,109	83,981,638	100.0%
2,733,810	94,347,825	99.9%

**Fayette County Board of Education  
Governmental Activities Tax Revenues by Source  
Last Ten Fiscal Years**

Fiscal Year	Property Tax	Auto Title/ Ad Valorem	Intangible Tax	Transfer Tax	Special Purpose Local Option Sales Tax
2021	\$ 111,945,317	\$ 10,197,316	\$ 4,386,646	\$ 1,046,636	\$ 31,895,010
2020	107,729,523	8,638,114	2,889,831	844,539	26,784,214
2019	102,409,517	9,046,918	2,005,048	791,752	26,822,957
2018	97,054,882	8,786,291	1,864,957	710,710	26,050,684
2017	88,579,167	8,545,387	2,025,242	709,199	24,266,584
2016	84,025,850	8,956,949	1,819,958	711,558	22,010,037
2015	77,946,865	9,076,535	1,533,959	518,915	21,094,300
2014	75,056,047	9,401,997	1,288,192	427,724	20,241,186
2013	76,450,608	8,272,012	1,813,025	346,278	19,968,392
2012	86,806,456	7,469,136	1,392,564	273,132	20,009,700

<u>Other Taxes</u>	<u>Total</u>
\$ 23,806	\$ 159,494,731
23,622	146,909,843
22,970	141,099,162
19,884	134,487,408
34,822	124,160,401
16,965	117,541,317
15,647	110,186,221
15,611	106,430,757
-	106,850,315
15,579	115,966,567

**Fayette County Board of Education  
Principal Taxpayers (Top Ten)  
June 30, 2021 and Nine Years Ago**

Taxpayer	FY 2021 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	FY 2012 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wencor LLC	\$ 41,981,415	1	0.60%			
Sany America Inc.	28,268,000	2	0.40%			
Brent Scarbrough & Co. Inc.	28,117,064	3	0.40%			
Pinewood Atlanta LLC	22,172,528	4	0.32%			
Georgia Power Company	19,986,935	5	0.28%	11,968,740	6	0.24%
Hoshizaki America Inc.	18,312,416	6	0.26%	11,848,407	7	0.23%
Coweta Fayette EMC	16,580,523	7	0.24%	12,767,602	5	0.25%
GlaxoSmithKline LLC	15,472,843	8	0.22%			
Atlanta Gas Light	14,799,484	9	0.21%	10,600,002	8	0.21%
Camden Summit Parntership LP	14,464,200	10	0.21%	9,865,200	10	0.19%
NCR Corporation				29,676,954	1	0.58%
DDRTC Fayette Pavilion I & II				27,642,168	2	0.54%
DDRTC Fayette Pavilion III & IV				14,521,196	3	0.29%
BellSouth				12,889,306	4	0.25%
Coweta Fayette EMC & VP Finance				9,910,542	9	0.20%
Other Taxpayers	6,816,416,268		96.87%	4,926,566,883		97.01%
	<u>\$ 7,036,571,676</u>		<u>100.00%</u>	<u>\$ 5,078,257,000</u>		<u>100.00%</u>
Walmart Stores Inc.						

Source: Fayette County Tax Commissioner

Note: Amounts for FY 2021 relate to tax year 2020.

**Fayette County Board of Education**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

	Governmental Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases			
2021	\$ 51,122,286	\$ -	\$ -	\$ 51,122,286	NA	NA
2020	59,082,753	-	-	59,082,753	0.71%	510.12
2019	65,248,220	-	-	65,248,220	0.83%	569.13
2018	71,213,687	-	-	71,213,687	0.95%	628.36
2017	47,869,972	-	-	47,869,972	0.69%	425.03
2016	52,908,467	-	-	52,908,467	0.80%	475.39
2015	57,160,274	-	-	57,160,274	0.92%	518.63
2014	65,805,944	-	-	65,805,944	1.12%	602.29
2013	66,463,730	455,000	763,755	67,682,485	1.23%	626.09
2012	74,031,558	890,000	2,860,622	77,782,180	1.42%	724.61

Note: Details regarding the School System's debt can be found in the notes to the basic financial statements.

(1) Presented net of original issuance discounts and premiums.

(2) Personal income data can be found in the Schedule of Demographic and Economic Statistics on page 178.

(3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 178.

NA: Personal income data and population data not available for calculation of amounts.

**Fayette County Board of Education**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2021	\$ 51,122,286	\$ 1,488,072	\$ 49,634,214	0.28%	NA
2020	59,082,753	1,059,156	58,023,597	0.35%	500.98
2019	65,248,220	447,501	64,800,719	0.42%	565.23
2018	71,213,687	-	71,213,687	0.48%	628.36
2017	47,869,972	-	47,869,972	0.36%	425.03
2016	52,908,467	56,038	52,852,429	0.42%	474.89
2015	57,160,274	-	57,160,274	0.49%	518.63
2014	65,805,944	2,001,775	63,804,169	0.55%	583.97
2013	66,463,730	-	66,463,730	0.58%	614.82
2012	74,031,558	-	74,031,558	0.58%	689.67

Note: Details regarding the School System's outstanding debt can be found in the notes to the basic financial statements.

(1) This is the general bonded debt of governmental activities, net of original issuance discounts and premiums.

(2) This is the net position restricted for debt service principal payments.

(3) See the Schedule of Assessed and Estimated Actual Value of Taxable Property on page 153 for property tax data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 178.

NA - population data not available for calculation of per capita amount.

**Fayette County Board of Education**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2021**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Peachtree City	\$ 1,634,743	100%	\$ 1,634,743
Fayette County	26,590,000	100%	\$ 26,590,000
Total Overlapping Debt			28,224,743
Fayette County Board of Education, direct debt			<u>51,122,286</u>
Total Direct and Overlapping Debt			<u><u>\$ 79,347,029</u></u>

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

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the municipality/authority's taxable assessed value that is within the School System's boundaries and dividing it by the municipality/authority's total taxable assessed value.

**Fayette County Board of Education  
Legal Debt Margin Information  
Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessed value 2020 tax digest			\$ 5,704,584,213
Limit of bonded indebtedness, 10% of net assessed taxable property value			570,458,421
Amount of debt applicable to the debt limit General obligation bonds, net of original issuance discounts and premiums			51,122,286
Legal Debt Margin			\$ 519,336,135

	2021	2020	2019
Debt limit	\$ 570,458,421	\$ 546,203,931	\$ 510,864,430
Total debt applicable to limit	51,122,286	59,082,753	65,248,220
Legal debt margin	\$ 519,336,135	\$ 487,121,178	\$ 445,616,210

Total debt applicable as a percentage of debt limit	9.0%	10.8%	12.8%
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Note: Under the Constitution of the State of Georgia, the School System may not incur long-term debt in excess of ten percent of the assessed value of all taxable property within the district.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 491,495,247	\$ 444,504,926	\$ 424,974,542	\$ 397,191,396	\$ 394,231,773	\$ 395,375,655	\$ 440,050,269
<u>71,213,687</u>	<u>47,869,972</u>	<u>52,908,467</u>	<u>57,160,274</u>	<u>65,805,944</u>	<u>66,918,730</u>	<u>74,921,558</u>
<u>\$ 420,281,569</u>	<u>\$ 396,634,954</u>	<u>\$ 372,066,075</u>	<u>\$ 340,031,122</u>	<u>\$ 328,425,829</u>	<u>\$ 328,456,925</u>	<u>\$ 365,128,711</u>
14.5%	10.8%	12.4%	14.4%	16.7%	16.9%	17.0%

**Fayette County Board of Education  
Operating Statistics  
Last Ten Fiscal Years  
(unaudited)**

Fiscal Year	General Fund Expenditures	Student Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2021	\$ 221,894,773	19,959	\$ 11,117.53	3.4%	1,525	13.52
2020	221,674,642	20,613	10,754.12	5.0%	1,513	13.47
2019	208,723,090	20,377	10,243.07	4.0%	1,484	13.60
2018	198,752,997	20,177	9,850.47	4.1%	1,454	13.83
2017	190,150,915	20,104	9,458.36	7.3%	1,438	14.07
2016	178,395,251	20,238	8,814.87	6.6%	1,410	14.36
2015	167,402,295	20,242	8,270.05	6.0%	1,327	15.25
2014	158,003,155	20,243	7,805.32	-5.4%	1,304	15.58
2013	167,709,003	20,318	8,254.21	-5.6%	1,423	14.41
2012	179,379,327	20,506	8,747.65	5.7%	1,483	14.24

Source: School System records

**Fayette County Board of Education  
Teacher Salaries  
Last Ten Fiscal Years  
(unaudited)**

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Statewide Base</u>
2021	\$ 41,147	\$ 91,308	\$ 37,092
2020	41,147	91,308	37,092
2019	38,147	88,308	34,092
2018	38,147	88,308	34,092
2017	37,399	86,576	33,424
2016	36,309	84,054	33,424
2015	35,597	82,405	33,424
2014	34,723	80,383	33,424
2013	(a) 33,809	78,267	33,424
2012	34,723	80,383	33,424

Source: School System records

(a) Reflects a reduced work year of 185 days

**Fayette County Board of Education**  
**School Building Information**  
**Last Ten Years**  
**(unaudited)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Elementary</b>				
Braclinn (1989)				
Square feet	73,986	73,986	73,986	73,986
Capacity	675	675	675	675
Enrollment	533	551	529	552
Brooks (1962) <sup>(1)</sup>				
Square feet	60,413	60,413	60,413	60,413
Capacity	-	-	-	-
Enrollment	-	-	-	-
Robert J. Burch (1989)				
Square feet	73,146	73,146	73,146	73,146
Capacity	675	675	675	675
Enrollment	585	605	586	568
Crabapple Lane (2004)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	585	653	614	621
Fayetteville Intermediate (1974) <sup>(1)</sup>				
Square feet	67,482	67,482	67,482	67,482
Capacity	-	-	-	-
Enrollment	-	-	-	-
Fayetteville/Hood Avenue (1970) <sup>(2)</sup>				
Square feet	73,176	73,176	73,176	73,176
Capacity	575	575	575	575
Enrollment	481	484	468	466
Huddleston (1979)				
Square feet	79,694	79,694	79,694	79,694
Capacity	625	625	625	625
Enrollment	562	624	612	601
Inman (2009)				
Square feet	86,172	86,172	86,172	86,172
Capacity	663	663	663	663
Enrollment	597	659	690	648

Note (1): School facility closed as of school year 2013-2014.

Note (2): As of school year 2013-2014, Hood Avenue transitioned from a K-2 school to a K-5 school and the Board of Education renamed the building to Fayetteville Elementary School

**Note:** Enrollment data as of 9th month, with the exception of FY2020 (7th month)

**Note:** Capacity information is based on State of Georgia capacity calculations using the total number of instructional units for the facility and allowable class sizes.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
73,986	73,986	73,986	73,986	73,986	73,986
675	675	675	675	675	675
529	547	549	542	443	471
60,413	60,413	60,413	60,413	60,413	60,413
-	-	-	-	525	525
-	-	-	-	243	298
73,146	73,146	73,146	73,146	73,146	73,146
675	675	675	675	675	675
530	548	583	531	557	576
94,816	94,816	94,816	94,816	94,816	94,816
800	800	800	800	800	800
619	652	637	637	536	508
67,482	67,482	67,482	67,482	67,482	67,482
-	-	-	-	550	550
-	-	-	-	395	389
73,176	73,176	73,176	73,176	73,176	73,176
575	575	575	575	575	575
482	465	483	590	370	365
79,694	79,694	79,694	79,694	79,694	79,694
625	625	625	625	625	625
627	627	634	645	590	562
86,172	86,172	86,172	86,172	86,172	86,172
663	663	663	663	663	663
652	626	585	512	467	490

**Fayette County Board of Education**  
**School Building Information- continued**  
**Last Ten Years**  
**(unaudited)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Elementary - continued</b>				
Kedron (1995)				
Square feet	87,734	87,734	87,734	87,734
Capacity	725	725	725	725
Enrollment	693	681	679	627
Cleveland (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	447	488	507	450
S. H. Minter (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	760	780	779	742
North Fayette (1980)				
Square feet	78,174	78,174	78,174	78,174
Capacity	750	750	750	750
Enrollment	601	660	638	625
Oak Grove (1986)				
Square feet	84,568	71,040	71,040	71,040
Capacity	725	725	725	725
Enrollment	545	544	529	534
Peachtree City (1968)				
Square feet	80,945	80,945	80,945	80,945
Capacity	625	625	625	625
Enrollment	496	503	490	486
Peoples (1998)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	757	779	756	725
Spring Hill (1996)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	666	713	712	718
Tyrone (1980) <sup>(1)</sup>				
Square feet	59,580	59,580	59,580	59,580
Capacity	-	-	-	-
Enrollment	-	-	-	-
<b>Middle</b>				
Fayette (1986) <sup>(1)</sup>				
Square feet	135,649	135,649	135,649	135,649
Capacity	-	-	-	-
Enrollment	-	-	-	-

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
87,734	87,734	87,734	87,734	87,734	87,734
725	725	725	725	725	725
597	593	573	582	518	560
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
487	502	545	538	547	523
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
726	743	765	772	599	593
78,174	75,785	75,785	75,785	75,785	75,785
750	750	750	750	750	750
618	628	597	574	478	478
71,040	71,040	71,040	71,040	71,040	71,040
725	725	725	725	725	725
501	464	464	497	556	521
80,945	62,732	62,732	62,732	62,732	62,732
625	525	525	525	525	525
511	494	526	523	509	509
94,655	94,655	94,655	94,655	94,655	94,655
800	800	800	800	800	800
721	682	648	657	589	618
94,655	94,655	94,655	94,655	94,655	94,655
800	800	800	800	800	800
700	741	712	598	497	512
59,580	59,580	59,580	59,580	59,580	59,580
-	-	-	-	450	450
-	-	-	-	337	344
135,649	135,649	135,649	135,649	135,649	135,649
-	-	-	-	1,125	1,125
-	-	-	-	696	720

**Fayette County Board of Education**  
**School Building Information- continued**  
**Last Ten Years**  
**(unaudited)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Middle continued</b>				
Bennett's Mill (2008)				
Square feet	158,653	158,653	158,653	158,653
Capacity	1,475	1,475	1,475	1,475
Enrollment	968	985	980	1,000
J. C. Booth (1979)				
Square feet	139,581	139,581	139,581	139,581
Capacity	1,175	1,175	1,175	1,175
Enrollment	1,151	1,190	1,194	1,205
Flat Rock (1989)				
Square feet	137,879	137,879	137,879	137,879
Capacity	1,012	1,012	1,012	1,012
Enrollment	847	805	803	791
Rising Starr (1996)				
Square feet	156,846	156,846	156,846	156,846
Capacity	1,175	1,175	1,175	1,175
Enrollment	957	986	966	906
Whitewater (1989)				
Square feet	137,879	137,879	137,879	137,879
Capacity	1,050	1,050	1,050	1,050
Enrollment	897	916	871	897
<b>High</b>				
Fayette County (1998)				
Square feet	293,238	293,238	293,238	293,238
Capacity	1,725	1,725	1,725	1,725
Enrollment	1,276	1,288	1,299	1,297
McIntosh (1981)				
Square feet	301,328	301,328	273,809	273,809
Capacity	1,900	1,900	1,625	1,625
Enrollment	1,692	1,658	1,674	1,654
Sandy Creek (1990)				
Square feet	248,280	248,280	248,280	248,280
Capacity	1,475	1,475	1,475	1,475
Enrollment	1,145	1,143	1,099	1,093
Starr's Mill (1998)				
Square feet	231,796	231,796	231,796	231,796
Capacity	1,650	1,650	1,650	1,650
Enrollment	1,320	1,357	1,376	1,382
Whitewater (2004)				
Square feet	279,822	279,822	279,822	279,822
Capacity	1,475	1,475	1,475	1,475
Enrollment	1,306	1,386	1,382	1,428

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
158,653	158,653	158,653	158,653	158,653	158,653
1,475	1,475	1,475	1,475	1,475	1,475
929	970	984	984	594	598
139,581	139,581	139,581	139,581	139,581	139,581
1,175	1,175	1,175	1,175	1,175	1,175
1,191	1,216	1,209	1,201	1,052	1,025
137,879	137,879	137,879	137,879	137,879	137,879
1,012	1,012	1,012	1,012	1,012	1,012
783	721	753	820	854	824
156,846	156,846	156,846	156,846	156,846	156,846
1,175	1,175	1,175	1,175	1,175	1,175
933	973	976	965	1,035	1,039
137,879	137,879	137,879	137,879	137,879	137,879
1,050	1,050	1,050	1,050	1,050	1,050
906	938	955	981	739	817
259,536	259,536	259,536	259,536	259,536	259,536
1,725	1,725	1,725	1,725	1,725	1,725
1,271	1,288	1,302	1,236	1,255	1,280
273,809	273,809	273,809	270,793	270,793	270,793
1,625	1,625	1,625	1,625	1,625	1,625
1,618	1,630	1,600	1,640	1,587	1,578
248,280	248,280	248,280	248,280	248,280	248,280
1,475	1,475	1,475	1,475	1,475	1,475
1,163	1,175	1,149	1,160	1,167	1,157
231,796	231,796	231,796	231,796	231,796	231,796
1,650	1,650	1,650	1,650	1,650	1,650
1,416	1,387	1,385	1,472	1,500	1,480
279,822	279,822	279,822	279,822	279,822	279,822
1,475	1,475	1,475	1,475	1,475	1,475
1,412	1,404	1,415	1,369	1,380	1,453

**Fayette County Board of Education  
System Employees  
Last Ten Fiscal Years  
(unaudited)**

<b>Position</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Administrators	107	106	107	104
Teachers	1,525	1,513	1,484	1,454
Media	24	24	24	24
Counselors	53	53	53	50
Clerical	135	130	128	134
Paraprofessionals	347	357	340	323
Custodians	132	132	131	131
Lunchroom	100	110	116	122
Other Areas*	<u>360</u>	<u>353</u>	<u>355</u>	<u>347</u>
 Total employees	 <u><u>2,783</u></u>	 <u><u>2,778</u></u>	 <u><u>2,738</u></u>	 <u><u>2,689</u></u>

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Source: School System records

Note: Employee data does not include substitute teachers and is based on fulltime equivalent employment.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
101	105	92	91	103	101
1,438	1,410	1,327	1,304	1,423	1,483
24	24	24	24	28	28
50	49	48	47	57	58
132	132	133	128	152	156
322	307	270	211	303	296
131	131	130	132	152	171
122	122	157	157	157	178
<u>363</u>	<u>327</u>	<u>386</u>	<u>395</u>	<u>419</u>	<u>432</u>
<u><u>2,683</u></u>	<u><u>2,607</u></u>	<u><u>2,567</u></u>	<u><u>2,489</u></u>	<u><u>2,794</u></u>	<u><u>2,903</u></u>

**Fayette County Board of Education  
School Lunch and Breakfast Program  
Last Ten Fiscal Years  
(unaudited)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Lunch Meals Served				
Free	1,048,763	438,854	518,405	517,218
Reduced	2,334	104,358	123,609	111,098
Paid	11,962	617,928	785,270	723,689
Total	<u>1,063,059</u>	<u>1,161,140</u>	<u>1,427,284</u>	<u>1,352,005</u>
Daily Average	5,788	8,258	8,052	7,889
Student Price	\$2.75 - \$2.90	\$2.75 - \$2.90	\$2.75 - \$2.90	\$2.75 - \$2.90
Breakfast Meals Served				
Free	462,343	174,063	151,444	144,544
Reduced	552	24,847	26,594	22,247
Paid	1,119	51,174	57,169	47,849
Total	<u>464,014</u>	<u>250,084</u>	<u>235,207</u>	<u>214,640</u>
Daily Average	2,499	1,394	1,343	1,264
Student Price	\$1.60	\$1.60	\$1.60	\$1.60
Total Meals Served				
Free	1,511,106	612,917	669,849	661,762
Reduced	2,886	129,205	150,203	133,345
Paid	13,081	669,102	842,439	771,538
Total	<u>1,527,073</u>	<u>1,411,224</u>	<u>1,662,491</u>	<u>1,566,645</u>
Daily Average	8,287	9,652	9,395	9,153

Source: School System records

2017	2016	2015	2014	2013	2012
536,863	592,273	582,919	551,946	541,183	561,152
118,922	120,370	116,582	111,599	112,478	116,127
769,069	775,991	824,822	755,131	802,143	920,006
<u>1,424,854</u>	<u>1,488,634</u>	<u>1,524,323</u>	<u>1,418,676</u>	<u>1,455,804</u>	<u>1,597,285</u>
7,976	8,325	8,544	8,260	8,262	8,899
\$2.65 - \$2.75	\$2.55 - \$2.65	\$2.45 - \$2.55	\$2.35 - \$2.45	\$2.25 - \$2.35	\$2.15 - \$2.35
147,136	167,262	157,122	148,968	133,860	116,773
23,274	21,664	19,523	17,617	18,599	15,550
51,415	48,388	44,331	40,650	36,800	29,779
<u>221,825</u>	<u>237,314</u>	<u>220,976</u>	<u>207,235</u>	<u>189,259</u>	<u>162,102</u>
1,247	1,345	1,260	1,231	1,101	923
\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.35 - \$1.45
683,999	759,535	740,041	700,914	675,043	677,925
142,196	142,034	136,105	129,216	131,077	131,677
820,484	824,379	869,153	795,781	838,943	949,785
<u>1,646,679</u>	<u>1,725,948</u>	<u>1,745,299</u>	<u>1,625,911</u>	<u>1,645,063</u>	<u>1,759,387</u>
9,223	9,670	9,804	9,491	9,363	9,822

**Fayette County Board of Education  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Estimated Population <sup>(1)</sup></u>	<u>Personal Income (in \$1,000) <sup>(1)</sup></u>	<u>Per Capita Personal Income <sup>(1)</sup></u>	<u>School Enrollment</u>	<u>Unemployment Rate <sup>(2)</sup></u>
2021	NA	NA	NA	19,959	3.4%
2020	115,821	8,267,821	71,384	20,613	7.8%
2019	114,645	7,875,693	68,696	20,377	3.4%
2018	113,333	7,491,950	66,106	20,177	4.0%
2017	112,626	6,964,943	61,841	20,104	4.5%
2016	111,294	6,616,392	59,450	20,238	5.3%
2015	110,215	6,231,292	56,538	20,242	5.8%
2014	109,259	5,866,683	53,695	20,243	6.7%
2013	108,103	5,492,524	50,808	20,318	7.5%
2012	107,343	5,461,049	50,875	20,506	8.1%

Source <sup>(1)</sup> Bureau of Economic Analysis, U.S. Department of Commerce, Table CAINC 1, updated November 16, 2021, with new statistics for 2020 and revised statistics for years 2012-2019.

<sup>(2)</sup> Bureau of Labor Statistics, U.S. Department of Labor, for June of each year, updated with data extracted from BLS website on December 13, 2021.

NA Data not available.

**Fayette County Board of Education  
Major Employers  
June 30, 2021 and Nine Years Ago**

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of County Employment</u>
Fayette County Public Schools	2,700	1	4.86%			
Piedmont Fayette Hospital	2,000	2	3.60%	1,400	1	3.06%
Panasonic Automotive Systems	800	3	1.44%	300	5	0.66%
Fayette County	700	4	1.26%			
Cooper Lighting	650	5	1.17%	600	3	1.31%
Hoshizaki America Inc	500	6	0.90%	330	4	0.72%
Walmart SuperCenter	427	7	0.77%			
Walmart	400	8	0.72%			
Cornerstone Building Brands Inc.	250	9	0.45%			
Gerresheimer Peachtree City LP	250	10	0.45%			
NCR				1,200	2	2.62%
World Airways				255	6	0.56%
FAA Tracon				190	7	0.42%
TDK Components				130	8	0.28%
Cooper Wiring Device Headquarters				130	9	0.28%
SANY America				126	10	0.28%
Total	<u>8,677</u>		<u>15.62%</u>	<u>4,661</u>		<u>10.19%</u>

Source: Fayette County



*Where Excellence and Creativity Merge*

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