

**FAYETTE COUNTY  
BOARD OF EDUCATION**

**Fayetteville, Georgia**



**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

**Fiscal Year ended June 30, 2018**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

*Fiscal Year ended June 30, 2018*



Prepared by  
Tom Gray,  
Assistant Superintendent of Business and Personnel Management  
and

Fayette County Board of Education Finance Department  
210 Stonewall Avenue West  
Fayetteville, Georgia 30214

# Fayette County Board of Education

## TABLE OF CONTENTS

	<b>Page</b>
Table of Contents	i
<b>INTRODUCTORY SECTION (Unaudited)</b>	
Letter of Transmittal	3
ASBO Certificate of Excellence	10
GFOA Certificate of Achievement	11
Organizational Chart	12
Listing of Principal Officials	14
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	17
Management's Discussion and Analysis (Unaudited)	21
Basic Financial Statements:	
System-wide Financial Statements	
Statement of Net Position	38
Statement of Activities	39
Fund Financial Statements	
Governmental Funds	
Balance Sheet	40
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	41
Statement of Revenues, Expenditures, and Changes in Fund Balances	42
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances With the System-wide Statement of Activities	43
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) – General Fund	44
Proprietary Funds	
Statement of Net Position	45
Statement of Revenues, Expenses, and Changes in Net Position	46
Statement of Cash Flows	47

**Fayette County Board of Education**

**TABLE OF CONTENTS - continued**

	<b>Page</b>
<b>FINANCIAL SECTION – continued</b>	
Fiduciary Funds	
Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	49
Notes to Financial Statements	51
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability – TRS	86
Schedule of Contributions – TRS	88
Notes to Required Supplementary Information – TRS	91
Schedule of Proportionate Share of the Net Pension Liability – PSERS	92
Notes to Required Supplementary Information – PSERS	95
Schedule of Proportionate Share of the Net OPEB Liability	96
Schedule of Contributions – OPEB	97
Notes to Required Supplementary Information – OPEB	98
Combining Statements and Schedules	
Non-Major Governmental Funds	
Combining Balance Sheet – Non-Major Governmental Funds	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	103
Combining Balance Sheet – Non-Major Special Revenue Funds	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds	108
Combining Balance Sheet – Non-Major Capital Projects Funds	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Capital Projects Funds	113
Schedules of Revenues and Expenditures – Budget and Actual	
School Nutrition Service – Special Revenue Fund	114
Title I – Special Revenue Fund	115
IDEA – Special Revenue Fund	116
Vocational Grants – Special Revenue Fund	117
Title II – Special Revenue Fund	118
Title III – Special Revenue Fund	119
JR ROTC – Special Revenue Fund	120
Lottery – Special Revenue Fund	121
Friends Mentoring Program – Special Revenue Fund	122
Other Grants – Special Revenue Fund	123
Community Education – Special Revenue Fund	124
After School Program – Special Revenue Fund	125
Donations – Special Revenue Fund	126
Auditorium Rentals – Special Revenue Fund	127

# Fayette County Board of Education

## TABLE OF CONTENTS - continued

	<b>Page</b>
<b>FINANCIAL SECTION – continued</b>	
Schedules of Revenues and Expenditures – Budget and Actual – continued	
Principal Accounts – Special Revenue Fund	128
Debt Service Fund	129
Statement of Changes in Assets and Liabilities – Agency Fund	131
Additional Financial Information	
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2008 Issue	134
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2012 Issue	135
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2012 Issue	136
Schedule of Expenditures by Object – Lottery Program	137
<b>STATISTICAL SECTION (unaudited)</b>	
Financial Trends:	
Net Position by Component	140
Changes in Net Position	142
Fund Balances of Governmental Funds	144
Changes in Fund Balances of Governmental Funds	146
Revenue Capacity:	
Assessed and Estimated Actual Value of Taxable Property	149
Direct and Overlapping Property Tax Rates	150
Property Tax Levies and Collections	152
Governmental Activities Tax Revenues by Source	154
Principal Taxpayers (Top Ten)	156
Debt Capacity:	
Ratios of Outstanding Debt by Type	157
Ratios of General Bonded Debt Outstanding	158
Direct and Overlapping Governmental Activities Debt	159
Legal Debt Margin Information	160
Operating Information:	
Operating Statistics	162
Teacher Salaries	163
School Building Information	164
System Employees	170
School Lunch and Breakfast Program	172
Demographic and Economic Information:	
Demographic and Economic Statistics	174
Major Employers	175



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# INTRODUCTORY SECTION





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# FAYETTE COUNTY BOARD OF EDUCATION

210 Stonewall Avenue West  
P.O. Box 879  
Fayetteville, Georgia 30214-0879  
Phone: 770-460-3535  
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**Board Members**  
Scott Hollowell, *Chair*  
Roy Rabold, *Vice Chair*  
Brian Anderson  
Barry Marchman, Ph.D.  
Leonard Presberg

Joseph C. Barrow, Jr., Ed.D.  
*Superintendent*

## *“Where Excellence Counts”*

January 25, 2019

### **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 Comprehensive Annual Financial Report (CAFR) of the Fayette County Board of Education (the School System) for the fiscal year ended June 30, 2018. The finance department 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, 2018. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) 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 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 2017-2018 school year. Projected enrollment for the 2018-2019 school year is 20,200 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 continues to see significant signs of growth in many areas of the economy. Fayette is seeing 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 strong as indicated by the growth in local sales tax collections. In 2018, the retail sales tax collections increased 10.5% over the prior year indicating strong retail activity.

As with most of Georgia and the nation as a whole, the job market of Fayette County has steadily improved over the last several years. According to the U. S. Department of Labor, Fayette County's unemployment rate (not seasonally adjusted) is 3.8% at June 2018. This rate is below the national average rate (seasonally adjusted) of 4.0% and slightly below the State of Georgia average rate (seasonally adjusted) of 4.1%. The county's labor force has increased to 59,131 compared to 57,842 the prior year or 2.23%. Average weekly wages for Fayette County at the end of 2018 were \$872 compared to \$1,109 for the country and \$1,027 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)

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 18.24% over the same time period resulting in a tax levy of \$98.9 million. The change in the exemption amounts is reflective of the aging population of the county.

Investment in the film production industry continues to be a driving force of growth for Fayette County. Pinewood Studios Group of London has developed a major studio complex with state-of-the-art sound stages, administration offices and buildings for set and effects development and film equipment vendors. The studio complex has 18 sound stages, workshop and production facilities, backlot natural areas, a media hub and full post production support.

The development of a film production school in conjunction with the studio is well under way. 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 economic impact is not expected to be felt immediately; 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. The hospital recently expanded capacity and services with a major construction project. The facility has increased to 221 beds and the hospital employees over 1,600 people. This hospital is nationally recognized for safety and has been ranked in the top 50 hospitals in the country for four 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.

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 continue to work together in the Fayette Visioning Initiative. This project is working to plan for the future in education, community, economy and place in Fayette County. Recently, 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".

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 QBE formula for education for the first time in 16 years. This increase from the State reflects the improved state of the economy in Georgia.

#### *Long-term Financial Planning*

Total fund balance of the general fund increased to approximately 12% of budgeted operating expenditures and represents just over one and two-thirds of one month's expenditures. This amount is a little higher than the prior year's 11% (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 was increased in part from expenditure savings for operating costs despite revenues being below budget. The Board and administration continue to set aside local funds for capital projects in the near future that could include classroom additions at specific locations and 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 in the county suggest 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 school year 2013-2014 and sold an elementary school building that had been under-utilized for specialized programs in 2015. The recent resurgence in the local economic activity suggests the School System will see an increase in enrollment and will need to utilize these previously closed facilities in the next few years.

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 would start after the current SPLOST has reached the referendum limit expected at the end of 2018. The anticipated revenues are \$145 million. The administration felt that it was important to start some of the facility addition and renovations in the project list early and therefore issued \$25,000,000 in bonds to jump start the projects. This approach has proved to be beneficial both in the timing of project completion and improving project cost.

#### *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*

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

The School System adopted in fiscal year 2015 a process developed by the Georgia School Boards Association (GSBA) and Georgia Leadership Institute for School Improvement (GLISI) to develop an updated strategic improvement plan for the school district. This comprehensive process engaged the community and all stakeholder groups to create universal ownership and support for district and school improvement. Highlights of the process include:

- a comprehensive community engagement component to allow stakeholders to have a voice in the strategic improvement planning process
- a diverse planning team that represented stakeholder groups to develop the plan
- a facilitated planning process that assisted the planning and action teams in analyzing the strengths, weaknesses, opportunities and threats of the school district and developing/defining the mission, vision, beliefs, goal areas and elements of the strategic improvement plan
- a facilitated process to work with experts within the district and community on developing initiatives and action steps to implement the plan

The completed plan initiated objectives for improvement in five goal areas:

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

The School System has set out to improve in these goal areas through several initiatives and projects. Technology has long been a focus of the School System and the School System continues to utilize technology to improve student engagement. This focus on technology in the classroom relates to multiple stages of focus:

- The first stage implemented 21<sup>st</sup> century classroom concepts by improving local area networks and connectivity in the classroom for students and teachers. Student computers were also increased and updated.
- The second stage was to implement a “bring your own technology” (BYOT) initiative to take advantage of the network improvements and engage students to explore and interact using technology. This initiative is being updated as well with one-to-one and one-to-web deployment of student devices to provide consistency of access across the student population.
- The third stage is that of advancing to the “connected classroom” concept where students and teachers are connected to each other and the learning environment through multiple devices and resources including interactive touchscreens, student mobile devices, and tablets/computers. The environment is enhanced through the use of flexible furniture that allows for teachers to change classroom settings and organization to encourage collaboration in large or small groups depending on the needs of the students or content of the lesson. These concepts are being carried out in all grade levels in media centers, commons areas, and some classrooms.

Another focus of improvement in the educational setting is the focus on STEM (science, technology, engineering, and math) and encouraging students in these areas. Several programs at all levels have been implemented to improve student learning but also to provide the resources needed to improve learning. For example, the School System renovated all science lab classrooms in two high schools by updating the design and layout to function in the current curriculum. New lab equipment and probe-ware was purchased to improve the resources for students and teachers.

Another area of focus is on the connection between creativity, the arts, and technology. The School System has created the Community for Creativity at one middle school with plans to expand in future years. The program connects students with industry professionals in creative art and technology fields including media arts, performing arts, and visual arts. Local professionals share their experience and expertise with students in real hands on projects to give students a glimpse in careers such as musician, filmmaker, radio broadcaster, sculptor, stage designer, and many others in the related industries.

The System is also continuing to expand its “Center of Innovation” facility opened in 2015 which focuses on career and technical education in conjunction with a local technical college. There, students can explore opportunities in the fields of emergency medical responder, patient care, allied health, sports medicine, film and culinary arts. In cooperation with local businesses, the School System is evaluating career pathways and industry workforce needs to explore program needs and new areas to provide curriculum for students.

### *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 comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual 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, 2017. This was the sixth year that the School System received this prestigious award. This award certifies that the comprehensive annual financial report substantially conforms to the principles and standards of financial reporting as 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 comprehensive annual 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, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

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

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE  
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, 2017**

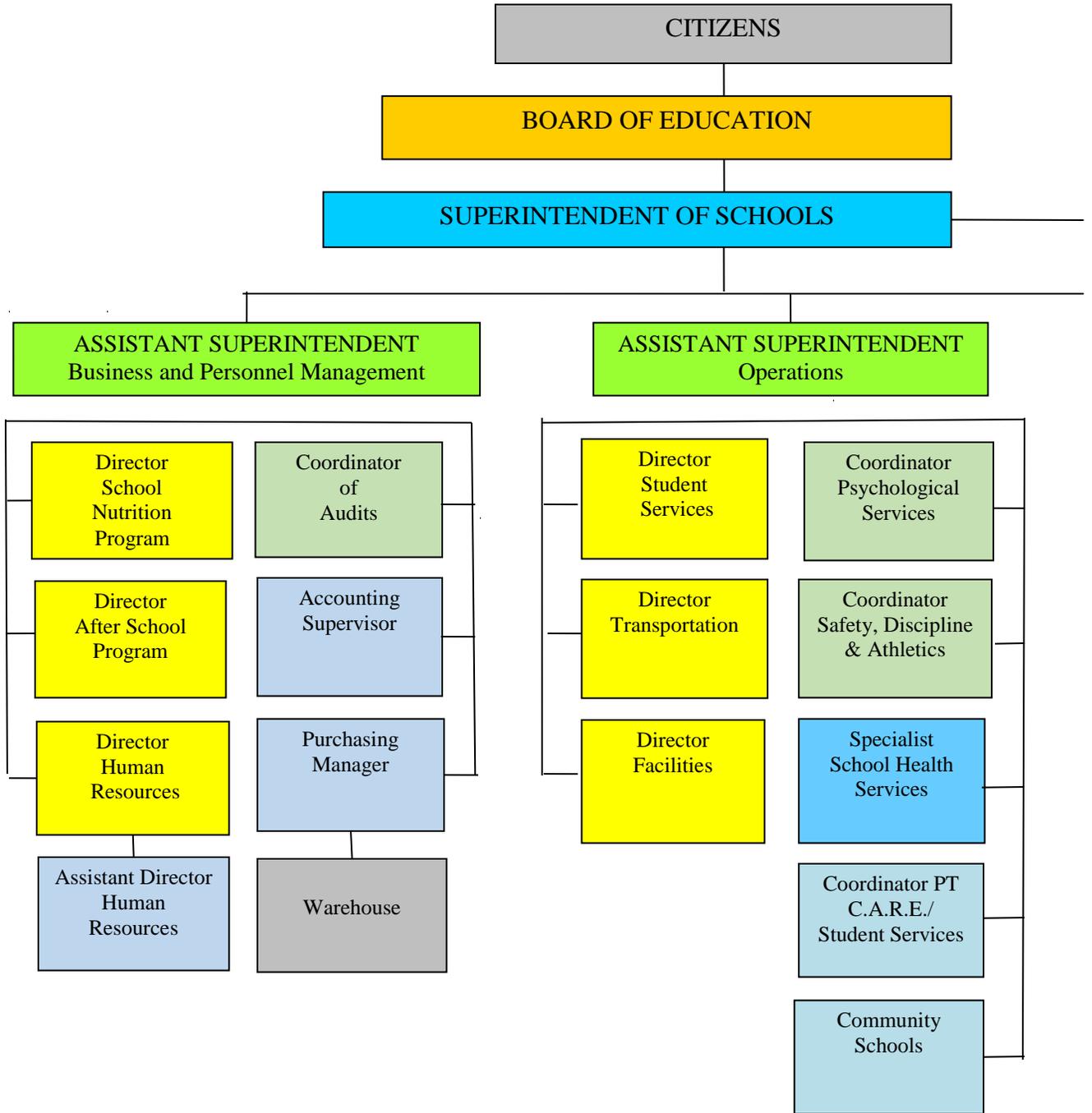
*Christopher P. Morill*

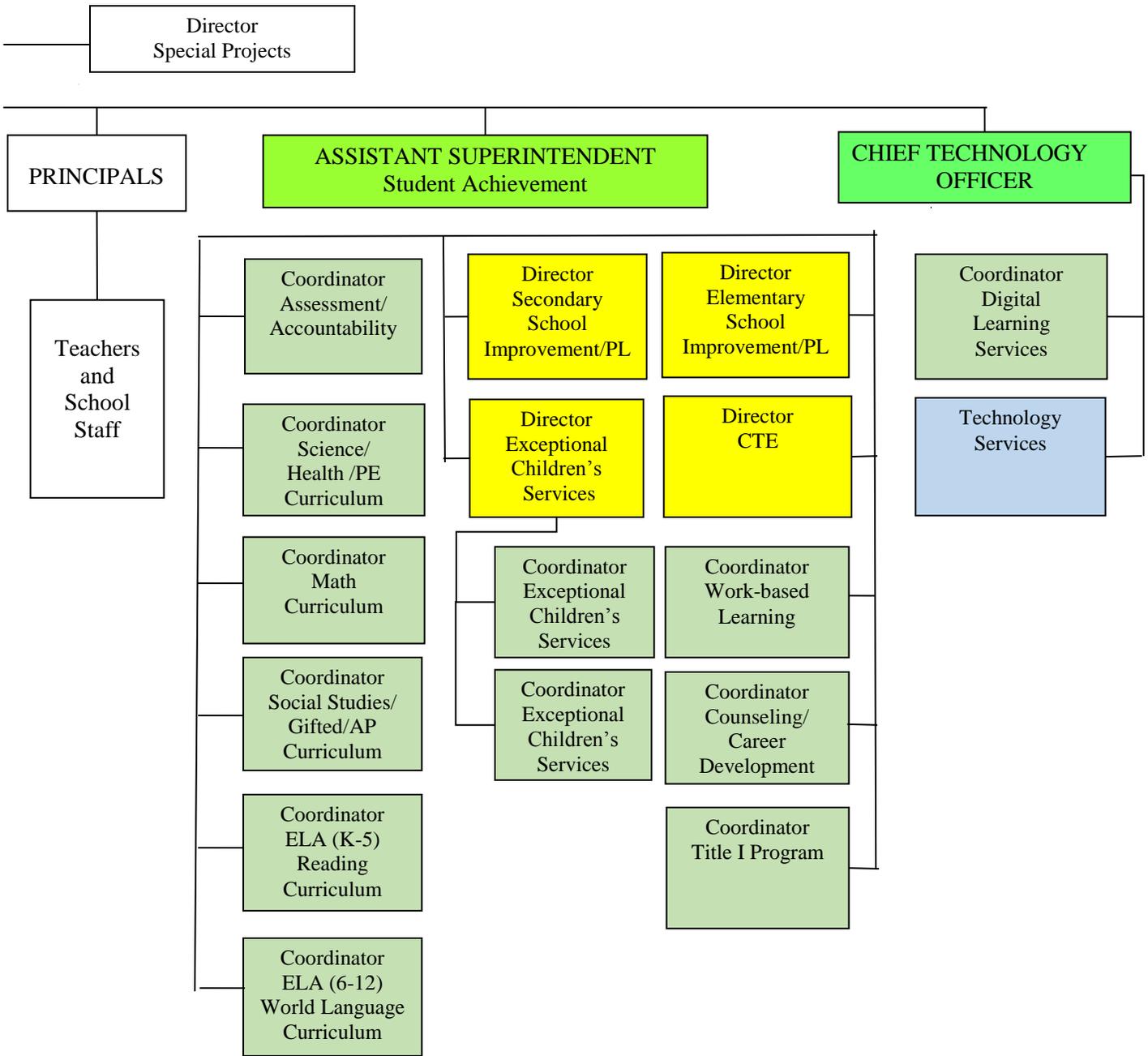
Executive Director/CEO

Fayette County Board of Education

ORGANIZATIONAL CHART

June 30, 2018





**Fayette County Board of Education**

**LISTING OF PRINCIPAL OFFICIALS**

**June 30, 2018**

**BOARD MEMBERS**

Mr. Barry Marchman, Chair, District 1

Mr. Scott Hollowell, Vice Chair, District 3

Ms. Diane Basham, District 2

Mr. Leonard Presberg, District 4

Mr. Brian Anderson, District 5

**SUPERINTENDENT'S CABINET**

Dr. Joseph C. Barrow, Jr., Superintendent

Mr. Michael Sanders Assistant Superintendent of Operations

Dr. Terry Oatts, Assistant Superintendent of Student Achievement

Mr. Tom Gray, Assistant Superintendent of Business and Personnel Management

Mr. Jim Farmer, Chief Technology Officer

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

Ms. Erin Roberson, Director of Human Resources

Ms. Rae Presley-King, Director of 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

Mr. Allen Leonard, High School Principal

Mr. Steve Greene, Middle School Principal

Ms. Tabatha Lawrence, Elementary School Principal

Ms. Heidi Pfannenstiel, Elementary School Principal

Ms. Melinda Berry-Dreisbach, Public Information Specialist

Sam Sweat, Special Projects

# FINANCIAL SECTION





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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, 2018, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

---

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School System as of June 30, 2018, 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 Fayette County Board of Education implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changed the accounting for the Fayette County Board of Education net other post-employment benefits (OPEB) liability and the related disclosures. Our opinions are not modified with respect to this matter.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 21 through 36) and the schedules of proportionate share of the net pension liabilities, the schedules of pension contributions, the schedule of proportionate share of the net OPEB liability, and the schedule of OPEB contributions, (on pages 86 through 98) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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*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 48-8-121, and are also not a required part of the basic financial statements.

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 January 24, 2019 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 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 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.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
January 24, 2019



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

**June 30, 2018**

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, 2018. 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 liabilities and deferred inflows of resources of the School System exceeded its assets and deferred outflows of resources at the close of fiscal year 2018 by \$15,704,653 (deficit net position).
- The School System's total net position increased by \$13,644,940 after the beginning of the year net position was restated for new accounting rules related to other post-employment benefits other than pensions.
- At the end of fiscal 2018, the School System's governmental funds reported combined ending fund balances of \$72,903,669, an increase of \$10,222,951 in comparison with the prior year. Of this total, \$30,710,338 is available for spending at the School System's discretion (assigned and unassigned fund balance).
- At the end of fiscal 2018, unassigned fund balance for the General Fund was \$23,187,383 or 11.67% of total General Fund expenditures.
- Total bonded debt for the School System increased by \$19,795,000, resulting from a bond issuance of \$25,000,000 related to the most recent SPLOST resolution and scheduled debt service payments on bonds issued in 2013.

**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 38 and 39 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.

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

**June 30, 2018**

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 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-one 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, the Debt Service Fund, and the Capital Projects SPLOST II and SPLOST III Funds, each of which are considered to be a major fund. Data from the other seventeen 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 102-113 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.

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

**June 30, 2018**

Basic proprietary fund financial statements can be found on pages 45-47 of this report.

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 48-49 of this report.

Notes to the 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 51-84 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, 2018, the School System's assets and deferred outflows of resources were less than its liabilities and deferred inflows of resources by \$15,704,653.

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

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

	<u>2018</u>	<u>2017</u>
Current assets	\$ 112,778,544	\$ 100,338,154
Capital assets	<u>301,436,111</u>	<u>272,690,482</u>
Total assets	414,214,655	373,028,636
Deferred outflows of resources	53,524,153	59,175,855
Current liabilities	37,211,153	34,987,241
Noncurrent liabilities	<u>425,623,299</u>	<u>262,303,258</u>
Total liabilities	462,834,452	297,290,499
Deferred inflow of resources	20,609,009	7,299,356
Net position		
Net investment in capital assets	241,976,851	228,529,060
Restricted	38,634,281	31,851,204
Unrestricted	<u>(296,315,785)</u>	<u>(132,765,628)</u>
Total net position	<u>\$ (15,704,653)</u>	<u>\$ 127,614,636</u>

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

**June 30, 2018**

During the fiscal year, the School System adopted Governmental Accounting Standards Board Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This change significantly affected the statement of net position as compared to prior year. This change is similar to the change which occurred in fiscal year 2015 related to pensions. As a result of this new accounting pronouncement, the School System's statement of net position reports the amount of liabilities that represent benefits that employee have earned and that the School System has a present obligation to pay in the future. The net OPEB liability is the amount of the total OPEB liability (the promise of health benefits for work already performed) in excess of the OPEB plan's net position. As a part of this change, the School System restated its beginning of the year net position to reflect the amount that net position would have been if certain adjustments for this change in accounting were made on the first day of the fiscal year. Note N on pages 78-82 further details these adjustments. At the end of the year, the statement of net position now includes a net OPEB liability of \$158.03 million (long term liability), deferred outflows of resources of \$11.98 million and deferred inflows of resources of \$14.84 million related to OPEB which were not reflected in the 2017 amounts above.

The School System's current assets increased approximately \$12.44 million over the prior year. There was a \$10.84 million increase in balances held in bank deposits and investments resulting from the overall revenue inflows in excess of spending. Amounts receivable from other governments increased by \$1.47 million. The receivable balance is effected by timing of drawdown requests of state and federal grants (\$0.25 million decrease) and the change in QBE earnings for July and August teachers' salaries (\$1.72 million increase).

The School System's capital assets had a \$28.75 million net increase. Depreciation of \$14.51 million reduced the net book value of capital assets. The School System also disposed of assets which reduced the net book value by \$1.56 million. The School System expended \$44.82 million in capital outlay, primarily related to the educational Special Purpose Local Option Sales Tax (SPLOST) projects. All three SPLOST funds provide funding for textbooks and instructional materials, computers, technology upgrades, transportation, security, facility improvements, and general obligation debt reduction.

The School System's deferred outflows of resources decreased \$5.65 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 Systems portion of the entire plan and differences between the School System's contributions and its proportionate share of contributions (\$4.13 million), differences between expected and actual experience (\$7.26 million) and changes in actuarial assumptions (\$4.23 million). Furthermore, the TRS pension liability was measured as of June 30, 2017, 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 2018 were \$5.51 million higher than in 2017 due to higher salaries and a higher employer contribution rate. The inclusion of OPEB in the financial statements created a \$11.98 increase in deferred outflows of resources. 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.

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

**June 30, 2018**

Current liabilities of the School System increased \$2.22 million over the prior year. Accrued salaries and benefits decreased \$12.04 million as compared to the prior year, from a shift in the work year of staff who work fewer than 240 days per year from a September through August cycle to an August through July cycle. Annual changes in accounts payable (increase of \$12.77 million) are affected by the timing of payments at or near year end. Retainage payable on construction projects increased by \$1.19 million. This change is based on the timing of projects and the type of projects in progress at year end. Accrued interest related to the School System's general obligation bonds payable increased \$0.23 million due to additional debt incurred during the year.

Non-current liabilities (which include the current portion of those liabilities) had net increase of \$419.84 million. The most significant portion of this inclusion of the net OPEB liability of \$158.03 in the financial statements for 2018. The net pension liability decreased \$18.39 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 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 71. Bonds payable increased by a net \$23.16 million after a new \$25,000,000 bond issuance and scheduled payments on debt issued in 2013.

The deferred inflows of resources increased \$13.31 million. The inclusion of OPEB in the financial statements created \$14.84 million of deferred inflows not reported last year. The deferred inflows related to the TRS pension plan decreased by \$1.53 million. As previously noted, changes in actuarial assumptions affect the calculation of deferred outflows and deferred inflows of resources. Total deferred inflows of \$7.30 million relate to differences between expected and actual experience (\$0.73 million), differences between projected and actual earnings on pension plan investments (\$1.34 million), and changes in proportion and differences between the School System's contributions and proportionate share of contributions (\$3.70 million) and represent an acquisition of resources that applies to future periods and will be recognized as revenue in those future periods.

The School System's net investment in capital assets (net of outstanding related debt used to acquire those capital assets and accumulated depreciation) equals 1,541% of total net deficit 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 \$13.45 million from the prior year due to an increase in capital assets, net of depreciation and disposal, of \$28.75 million, an increase in bonds payable, net of amortization of discounts and premiums, of \$23.34 million, unspent bond proceeds of \$21.72, retainage and accounts payable on construction projects of \$13.22 million and amortization of the prior year's deferred loss on the refunding of general obligation bonds of \$0.44 million.

Total restricted net position increased \$6.78 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.

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

**June 30, 2018**

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, 2018, the School System reported a deficiency in its unrestricted net position of \$296.32 million. This deficiency is attributable to recording pension and OPEB liabilities and the related deferred outflows and inflows of revenues on the financial statements. If the adjustments related to pension obligations had not been recorded, the School System's unrestricted net position would be \$13.00 million. These pension obligations are expected to be funded over time through future employer contributions to the pension 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.

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

	<u>2018</u>	<u>2017</u>
Revenues:		
Program revenues		
Charges for services	\$ 6,021,205	\$ 6,340,775
Operating grants and contributions	113,434,586	108,175,326
Capital grants and contributions	5,322,847	5,281,541
General revenues		
Property taxes	105,841,173	97,124,554
Sales taxes	26,050,684	24,266,584
Other taxes	2,595,551	2,769,263
Interest and investment earnings	851,458	411,070
Gain on sale of assets	1,722,271	29,564
Other	289,004	317,816
Total revenues	<u>262,128,779</u>	<u>244,716,493</u>
Expenses:		
Instruction	163,610,768	153,170,007
Pupil services	13,114,016	12,928,329
Improvement of instructional services	5,290,805	5,391,077
Instructional staff training	616,771	-
Educational media services	3,633,729	3,643,719
Federal grants administration	348,877	207,276
General administration	1,445,888	1,367,169
School administration	14,401,931	14,197,794
Business administration	1,369,710	1,376,557
Maintenance and operation of facilities	15,148,633	14,347,021
Student transportation services	10,386,171	10,052,045
Central support services	6,324,444	5,734,947
Other support services	244,308	318,883
Community services	2,653,207	2,577,257
Food services	7,870,165	7,897,792
Interest expense	2,024,416	1,719,075
Total expenses	<u>248,483,839</u>	<u>234,928,948</u>
Change in net position	13,644,940	9,787,545
Net position, beginning of the year, restated	<u>(29,349,593)</u>	<u>117,827,091</u>
Net position, end of year	<u>\$ (15,704,653)</u>	<u>\$ 127,614,636</u>

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

**June 30, 2018**

Total revenues of the School System increased approximately \$17.42 million, driven primarily by the following items:

- Property tax increased by \$8.72 million over prior year as property values continued to rebound.
- Sales tax revenue increased by \$1.78 million as the economy improved and consumer spending increased.
- Operating grants and contributions increased by \$5.26 million. State funding increased by \$5.34 million, primarily related to state QBE funding as discussed in more detail as it relates to the General Fund below. Federal grants revenue and contributions from other sources dropped a combined \$0.09 million.
- Gain on sale of assets increased significantly, as the School System sold an administrative property at year end.

Total expenses increased by \$13.55 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 23. Fiscal year 2018, however, is the first year that the net OPEB liability has been reported on the system-wide financial statements. As a result, the 2018 statement of activities includes adjustments to OPEB expense that are not included in the 2017 numbers. During the current year, the adjustments to OPEB expense created a \$3.92 million increase in expenses. Other significant changes in expenses are as follows:

- Pension expense decreased \$1.21 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.
- Total salaries increased by approximately \$6.69 million, resulting from an increase of 18 positions throughout the system, a 2.0% pay raise for all staff and a step raise for staff who had earned it based on years of experience.
- The School System is required to pay an employer match towards health insurance. The School System experienced an increase of approximately \$1.19 million in health insurance cost due to the increase in staff and an increase in the employer rate for non-certificated staff. This increase is in addition to the OPEB expense adjustment for the year noted above.
- Textbook purchases funded through SPLOST proceeds increased \$1.54 for two new textbook adoptions.
- Depreciation of capital assets increased by \$1.78 million over prior year.

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

**June 30, 2018**

- Interest expense increased \$0.31 million, or 17.8% over prior year resulting from the issuance of additional debt during fiscal year 2018.

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

- Instruction costs had a net increase of \$10.44 million or 6.8%. Instruction cost is primarily personnel driven, meaning most costs within this category are for salary and benefits of teachers and paraprofessionals. Instruction increased approximately \$3.00 million for salaries and \$0.23 million for benefits (including pension and OPEB costs). Operating costs (non-payroll) increased \$7.21 million. The increase in operating cost was mostly due to an increase in instructional computer purchases over the prior year which were under the capitalization threshold (\$4.19 million), an increase in textbook purchases (\$1.54 million) and an increase in depreciation (\$1.67 million)
- Instructional staff training is a new reporting category for fiscal year 2018. Expenditures reported in this function would have been reported under “improvement of instructional services” in prior years.
- Federal grants administration increased by \$0.14 million, or 68.3 % due to a change in classification from general administration for the IDEA grant.
- Maintenance and operation of facilities increased by \$0.80 million, or 5.6%.
- Central support services increased \$0.59 million, or 10.3%. This increase resulted from a \$0.10 million increase in depreciation expense and an increase of \$0.40 million in technology infrastructure improvements that did not meet capitalization requirements.

**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, 2018, the School System's governmental funds reported combined ending fund balances of \$72,903,669, an increase of \$10,222,951 in comparison with the previous year. Approximately 31.8% (\$23,187,383) 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 57 and 58 of provides a definition of the various categories of fund balance. Note I on pages 67 and 68 provide additional detail. Total fund balances for the governmental funds are as follows:

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

**June 30, 2018**

**Fund Balances at June 30, 2018**

Nonspendable	\$ 363,298
Restricted	\$ 39,145,345
Committed	\$ 2,684,688
Assigned	\$ 7,522,955
Unassigned	\$ 23,187,383

The *General Fund* is the chief operating fund of the School System. Its fund balance increased \$3.88 million over the prior year. Overall, revenues for the General Fund increased approximately \$13.24 million compared to the prior year. This was a result of an increase of \$5.70 million in state funds and an increase of \$7.53 million in local funds.

- 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 increased by \$4.82 million. This increase was due to an increase number of full time equivalent (FTE) students (16 more), a 2% increase in the state base salary for teachers and an increase in the TRS funded rate from 14.27% to 16.81%. The School System earned \$0.70 million more in indirect costs. Other earnings categories, including media and staff development, increased \$0.15 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 2016 translated into an increase of local 5 mill share of \$0.95 million and a decrease in state funding by the same amount. The change in the amended formula adjustment, or austerity cut, was negligible. Categorical grants under QBE for transportation costs and nursing services increased slightly (\$0.02 million). Additionally, QBE earnings recorded on the modified accrual basis within the fund level financial statements includes adjustments for an amount receivable from the state at year end to pay teachers' salaries for July and August. The change in this receivable from 2017 to 2018 as compared to the change from 2016 to 2017 created an increase in revenue of \$1.10 million. In total, QBE earnings increased \$5.85 million over last year.
- Other state revenue related to grants and on-behalf payments dropped slightly by \$0.15 million
- Property taxes increased by \$7.35 million as the digest values increased by 10.65% showing economic recovery in the county. The digest increase was the result of increases in assessed values for real and personal property of 10.97% offset by exemptions increasing 12.47%.
- Ad valorem for automobiles was down \$0.47 million as the state continued to transition to a sales tax based auto tag registration system. This decrease was offset by an increase in title ad valorem tax of \$0.74 million. The net increase was \$0.27 million for automotive related tax revenue.
- Intangible and transfer taxes, both related to real estate transactions, were up \$0.15 million.
- Earnings on investments increased \$0.15 million.

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

**June 30, 2018**

- All other local revenue sources decreased \$0.09 million.

Expenditures for the General Fund increased \$8.30 million, or 4.37%, from 2017 and 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. The majority of the increase in expenditures in the General Fund is related to increases in salaries (\$3.75 million) and benefits (\$4.18 million) for the following items:

- an overall 2.0% pay raise and step increases,
- increases in the health insurance rates for non-certificated employees
- and TRS rates for all eligible employees from 14.27% to 16.81%
- the addition of 11.36 instruction related positions and 4.50 support staff positions at the school level, and
- the addition of 3.00 central office positions to support school instruction and operations.

Overall, non-payroll related operating costs increased by \$0.67 million.

Transfers from the General Fund decreased \$1.86 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 prior year, \$2.5 million was transferred to the SPLOST 1 Fund to provide additional resources for the construction of a new auditorium at one of the high schools.

The *Debt Service Fund* is used to accumulate resources in order to pay current and future principal and interest amounts on bonded debt. Tax revenues had an increase of \$0.55 million over 2017.

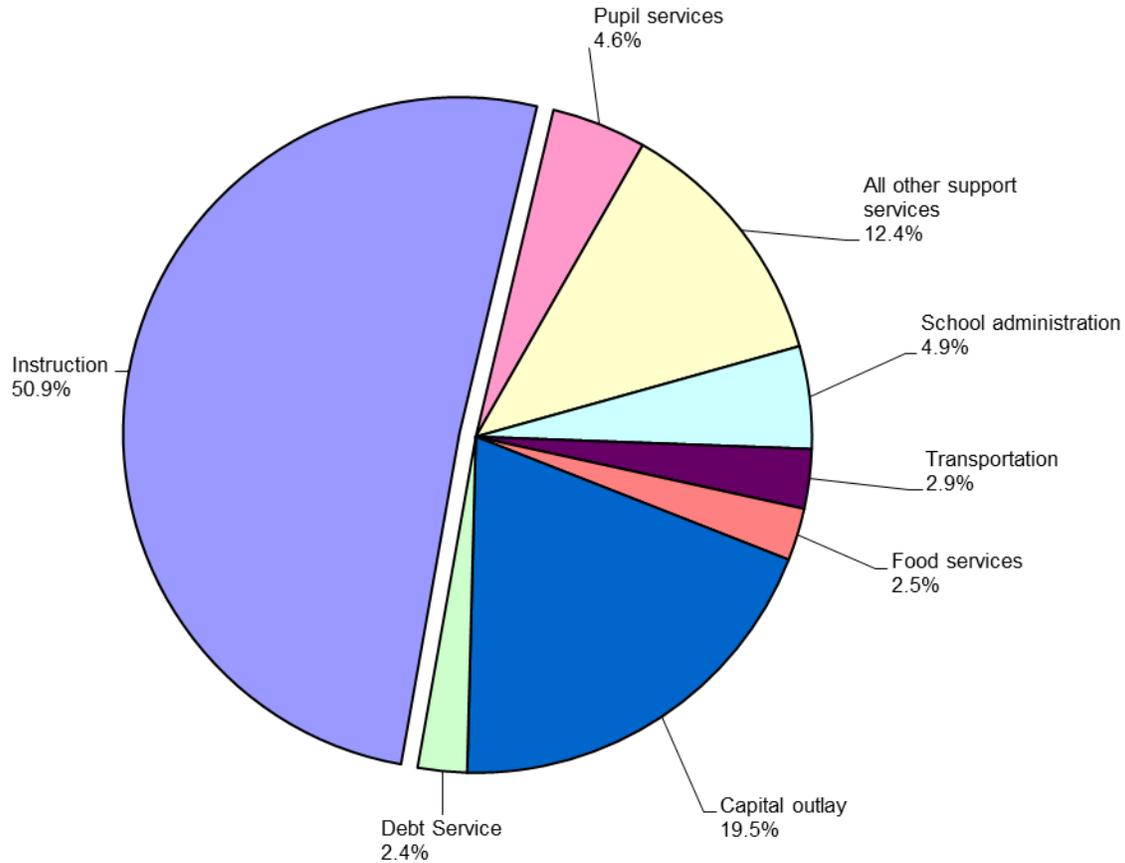
The *Capital Projects SPLOST II and SPLOST III Funds* are used to account for various projects funded through a one-cent local option sales tax for education as approved through voter referendum. During the year sales tax collections for fiscal year 2018 (recorded in SPLOST II Fund) was \$26.05 million. The SPLOST II Fund also had reimbursements from the state related to several capital projects of \$4.90 million. Approximately \$40.28 million was spent during the year from the SPLOST II Fund. An additional \$6.69 million was spent from bond proceeds recorded in the SPLOST III Fund. The bonds were issued to advance fund projects to be paid for from collections in the 2018 referendum (SPLOST III).

*Other governmental funds* consist of non-major special revenue funds and non-major capital projects funds. The aggregate fund balance of these funds decreased by approximately \$7.31 million compared to the prior year. Most of the decrease was in the capital project funds, resulting from the completion of athletic facility improvements at four high schools (turf fields) and the construction of a multipurpose building at a high school and an auditorium at another high school. In the special revenue funds, the School Nutrition Service had the largest decrease of fund balance of \$0.57 million.

Fayette County Board of Education  
Management's Discussion and Analysis

June 30, 2018

**2018 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, 2018, the proprietary fund has a net position of approximately \$0.85 million.

**General Fund Budgetary Highlights**

The School System's original budget was set based on preliminary state QBE allotments communicated by the State in May 2017. As in prior years, the State amended the QBE allotments during the year. Once the earnings sheets were finalized in March 2018, actual QBE earnings were approximately \$253,600 more than the initial budget. The net adjustments were primarily the result of adjustments in the calculation for the number of full time equivalent (FTE) students by program used in the calculation. The Board did not amend the budget for this adjustment.

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

**June 30, 2018**

The School System had a negative revenue budget variance of \$1.14 million. The increase in state revenue as noted above was offset by a shortage in local revenue of \$1.39 million. The Board set a millage rate lower than originally anticipated when the budget was established with the knowledge that the School System had sufficient fund balance to cover the deficit. As a result, property tax collections were \$2.33 million under budget. Both title ad valorem tax (TAVT) and automotive ad valorem came in slightly over budget by a combined \$0.52 million. Over time, the TAVT will replace the automotive ad valorem tax as the State transitions to an ad valorem tax initiated by the sale/purchase of a vehicle. Intangible taxes were under budget \$0.16 million while transfer and other taxes were over budget \$0.01 million. Interest earnings were \$0.38 million under budget. The variance in all other local revenue sources approximately \$0.28 million favorable.

Instruction makes up 66.7% of the general fund budget (including budgeted transfers). This functional area had a positive budget variance of \$1.49 million or 1.1%. The other functional area that had the most significant budget variance was improvement of instructional services, with a positive budget variance of \$0.86 million or 14.6%.

Budget variances in salaries and benefits have the most significant impact on the budgeted expenditures, as personnel costs make up 89.2% of the General Fund budget. Overall, personnel costs (salaries and benefits) were under budget by \$1.46 million. The overall variance for personnel was 0.76% of the personnel budget, resulting from vacancies during the year.

Expenditures overall were \$3.30 million under budget. Therefore, the net budget variance in non-payroll costs is a favorable variance of \$1.84 million. Specific notable budget variances are as follows:

- Purchased professional services, including legal fees, were \$0.59 million under budget.
- Insurance costs for the System were \$0.12 million less than expected.
- Expenditures for internet services were \$0.24 million less than expected.
- Grounds maintenance was \$0.17 million under budget.
- Travel, including board member travel, was \$0.13 million under budget.
- Supplies purchases were \$0.25 million less than budgeted.
- Computer software was \$0.12 million under budget.
- Purchases of books and periodicals, not including textbooks, was \$0.16 million under budget.
- Expendable equipment, including purchases of computers, was \$0.13 million over budget.
- Dues and fees was \$0.22 million under budget.

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

**June 30, 2018**

- Educational media services was over budget due to web-based subscription cost. For this function, this cost was \$0.21 million over budget. Across all functions, this cost category was \$0.41 million over budget.
- 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.

Shortly after the beginning of the year, the Board amended the budget to reclassify budgeted expenditures to different functions based on changes to the state chart of accounts and to align the budget with state reporting requirements.

**Capital Assets and Debt Administration**

*Capital assets* – The School System's balance of capital assets as of June 30, 2018 totals \$301,436,111, 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 \$28.76 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 fifteen (15) buses and retrofitted forty-four (44) buses with air conditioning.
- The School System continued with its “connected classroom” project which included additions to 1,223 classrooms throughout the district (35 classrooms in prior year) at the cost of \$10.71 million. Additional classrooms will be equipped in early 2019.
- Wiring and electrical upgrades were made to schools related to the “connected classroom” project.
- New equipment was purchased for the transportation facility opened in the 2016, including four bus lifts and a scissor lift, filter cleaners and security gates.
- Five vehicles were purchased for the facilities, transportation and warehouse departments.
- A multi-purpose building at a high school started in late 2017 was completed.
- Construction of a new gymnasium at an elementary school was completed during 2018.
- The construction of turf fields was completed at the final two high schools in 2018. Additionally, new d-rings were constructed at four of the new fields to accommodate track and field events.

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

**June 30, 2018**

- Science lab renovations that began in prior year at one of the high schools was completed during the year.
- The construction of ticket booths and concession stands at four of the high schools was completed.
- Technology services replaced and upgraded network equipment to improve the overall security of the network across the System.
- Other projects still in progress at year end include the construction of a multi-purpose building at one high schools, the construction of an auditorium at a high school, renovations at an elementary school, a middle school, two high schools and an administrative complex.

Additional information on the School System's capital assets can be found in Note G on page 46 of this report.

*Long-term debt* – As of June 30, 2018, the School System had total bonded debt of \$67,664,972 (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 \$491,495,247 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 65 and 66 of this report.

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

In preparing the fiscal year 2019 budget, School System administration had to consider several factors that would impact the 2019 revenues as compared to the previous year:

- School System enrollment has declined over several years but seems to be leveling off, which impacts earnings of State funding. The School System assumed a flat enrollment.
- For the first time in 16 years the state fully funded QBE earned revenues.
- The tax digest was expected to increase 5%. In fiscal year 2018, the Board reduced the maintenance and operations (M&O) millage rate to 19.50, the second consecutive M&O millage rate decrease after seven years with a millage at the maximum rate of 20.00. The millage rate was expected to be maintained at 19.50 for fiscal year 2019.

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

**June 30, 2018**

- The transition from motor vehicle ad valorem tax system to the title ad valorem tax (TAVT) format has still shown an increasing trend in revenue.

In developing the 2019 budget, the administration faced significant increases to the employer contributions for the Teachers' Retirement System (TRS) (\$5.4 million). However, based on the performance of 2018 and the prospects of continued improvements in the economy, the administration believes the School System can provide additional resources strategically in efforts to improve classroom instruction and student achievement. The entire county has shown continued business expansion related to the film industry, medical industry, and residential development.

The administration's main 2019 budget goals were to:

- 1.) maintain educational programs and enhance areas focused on college and career readiness,
- 2.) increase staffing in the classroom to impact instruction,
- 3.) continue support for the integration of instructional technology in the classroom, and
- 4.) increase school based resources to improve instructional effectiveness of classroom teachers.

The 2019 budget includes five additional positions at the high school level that will directly affect instruction. These positions included classroom teachers for advanced placement courses, career and technical education, counselors and special education. At the middle school level, the additional staffing included three teachers and one counselor to affect class size and the implementation of a creative arts program initiative. For the elementary school level, the district increase certified staff by 22 employees and classified staff by nine employees. Program improvements at this level focused on instructional coaches to improve teacher effectiveness, gifted student programs, and a world language initiative. These school based additions increased the budget by \$1.48 million.

In addition to instructional staff, the School System has budgeted for an increase in maintenance staff and has strengthened the technology operations to add a technology support in the schools, a network & systems engineer, and an information analyst to improve support for technology improvements and initiatives.

The overall payroll budget was increased \$8.4 million to account salary scale step increases, the required increase in the employer TRS contribution rate, and an increase in the employer portion of health insurance for classified employees.

The School System continues to develop and expand the Center of Innovation (COI) that focuses on career and technical education. 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, sports medicine, and culinary arts. These classes also provide students opportunities to earn college credit and industry certifications. Specifically, in 2019, film classes were added in a partnership with two state based agencies as part of a dual enrollment program.

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

**June 30, 2018**

To add an emphasis on technology and the arts a middle school program focused on creativity driven by students was implemented a one middle school. This program incorporates industry experts to help students use technology and creativity to enhance science, technology, engineering, art, and math (STEAM) courses.

During 2019, 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, bus equipment, maintenance equipment, flexible classroom furniture, 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.

Furthermore, in November 2017, the voters of Fayette County approved a third SPLOST referendum to continue the one-cent educational sales tax which is set to expire in March 2019 for an additional five years. This approval will allow system administration to plan large facility improvement projects for the next several years. The school system completed a \$25 million bond issue to be paid from the SPLOST revenues over the five years of collections. The bond proceeds will be used to accelerate certain construction and renovation projects in the project list.

Major capital projects in the planning phase or currently in progress include a multipurpose building for instruction and athletics, a performing arts facility at one high school, and renovations at two high schools, two middle schools and three elementary schools. In addition, the School System completed a sales agreement of the central office to the City of Fayetteville that will develop the property into a new city center and park. The School System will renovate existing property to consolidate central office functions into one location.

Overall the economic outlook for the county and local area is positive. The influx of the film industry continues to spur growth and economic activity that includes new residential and mixed-use projects. Many residential developments throughout the county indicate potential growth in student enrollment. The sales tax 5-year average growth has been nearly 3%. In fiscal year 2018 the sales tax increased 10.5%, showing strong retail growth for the near future. Another factor affecting the local economic growth is in the healthcare arena with expansion of the local hospital and auxiliary services in that industry.

**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.

## **Basic Financial Statements**

Fayette County Board of Education

STATEMENT OF NET POSITION

June 30, 2018

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 11,483,973
Investments	80,021,471
Due from other governments	16,255,116
Taxes receivable	4,642,736
Due from others	11,950
Prepaid items	8,217
Inventory	355,081
Capital assets, not being depreciated:	
Land	14,113,805
Construction in progress	38,229,356
Capital assets, net of accumulated depreciation:	
Buildings	208,888,670
Trucks and autos	10,990,759
Other equipment	29,213,521
Total assets	<u>414,214,655</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	38,288,107
OPEB	11,977,017
Deferred loss on refunding	3,259,029
Total deferred outflows of resources	<u>53,524,153</u>
<b>LIABILITIES</b>	
Accounts payable	20,218,611
Accrued interest	631,220
Salaries and benefits payable	14,152,662
Retainage payable	2,062,437
Unearned revenue	146,223
Noncurrent liabilities:	
Due within one year	5,785,665
Due in more than one year	
Accrued compensated absences	674,803
Claims payable	1,140,000
Bonds payable	65,823,687
Net pension liability	194,173,908
Net OPEB liability	158,025,236
Total liabilities	<u>462,834,452</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	5,768,134
OPEB	14,840,875
Total deferred inflows of resources	<u>20,609,009</u>
<b>NET POSITION</b>	
Net investment in capital assets	241,976,851
Restricted for:	
Capital projects	37,470,006
Grant purposes	1,164,275
Unrestricted	<u>(296,315,785)</u>
<b>TOTAL NET POSITION</b>	<u>\$ (15,704,653)</u>

The accompanying notes are an integral part of this statement.

**Fayette County Board of Education**

**STATEMENT OF ACTIVITIES**

**For the year ended June 30, 2018**

Functions/Program Activities	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Governmental Activities:					
Instruction	\$ 163,610,768	\$ 604,556	\$ 90,118,924	\$ -	\$ (72,887,288)
Support services					
Pupil services	13,114,016	-	2,000,957	-	(11,113,059)
Improvement of instructional services	5,290,805	-	456,617	-	(4,834,188)
Instructional staff training	616,771	-	355,100	-	(261,671)
Educational media services	3,633,729	-	2,283,248	-	(1,350,481)
Federal grants administration	348,877	-	345,363	-	(3,514)
General administration	1,445,888	-	2,601,843	-	1,155,955
School administration	14,401,931	-	4,584,827	-	(9,817,104)
Business administration	1,369,710	-	7,226	-	(1,362,484)
Maintenance and operation of facilities	15,148,633	-	5,007,317	5,008,117	(5,133,199)
Student transportation services	10,386,171	-	1,604,184	-	(8,781,987)
Central support services	6,324,444	-	387,660	314,730	(5,622,054)
Other support services	244,308	-	9,507	-	(234,801)
Community services	2,653,207	2,318,595	248,854	-	(85,758)
Food services	7,870,165	3,098,054	3,422,959	-	(1,349,152)
Interest expense	2,024,416	-	-	-	(2,024,416)
Total governmental activities	<u>\$ 248,483,839</u>	<u>\$ 6,021,205</u>	<u>\$ 113,434,586</u>	<u>\$ 5,322,847</u>	(123,705,201)
General revenues					
Taxes					
Property taxes, levied for general purposes 99,394,897					
Property taxes, levied for debt service 6,446,276					
Intangible taxes, general purposes 1,744,951					
Intangible taxes, debt service 120,006					
Transfer taxes, general purposes 664,870					
Transfer taxes, debt service 45,840					
Other taxes, general purposes 19,884					
Sales tax, capital outlay and debt service 26,050,684					
Interest and investment earnings 851,458					
Gain on sale of assets 1,722,271					
Other 289,004					
Total general revenues <u>137,350,141</u>					
Change in net position 13,644,940					
Net position - beginning of year, restated (29,349,593)					
Net position - end of year <u>\$ (15,704,653)</u>					

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2018

	Major Governmental Funds					Total Governmental Funds
	General	Debt Service Fund	Capital Projects SPLOST II Fund	Capital Projects SPLOST III Fund	Other Governmental Funds	
<b>ASSETS</b>						
Cash	\$ 2,611,539	\$ 234,520	\$ 14,336	\$ -	\$ 6,248,651	\$ 9,109,046
Investments	20,943,629	214,878	21,318,350	29,840,593	7,703,726	80,021,176
Due from other governments	15,459,866	-	-	-	795,250	16,255,116
Taxes receivable	2,463,999	138,055	2,040,682	-	-	4,642,736
Due from other funds	477,747	-	-	-	115,287	593,034
Due from others	11,374	-	-	-	576	11,950
Prepaid items	8,217	-	-	-	-	8,217
Inventory	126,033	-	-	-	229,048	355,081
<b>Total assets</b>	<b>\$ 42,102,404</b>	<b>\$ 587,453</b>	<b>\$ 23,373,368</b>	<b>\$ 29,840,593</b>	<b>\$ 15,092,538</b>	<b>\$ 110,996,356</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 3,252,505	\$ -	\$ 11,616,359	\$ 4,527,251	\$ 710,031	\$ 20,106,146
Salaries and benefits payable	13,327,524	-	-	-	825,138	14,152,662
Due to other funds	-	-	-	115,287	477,747	593,034
Retainage payable	-	-	1,124,517	555,269	382,651	2,062,437
Unearned revenue	82,203	-	-	-	64,020	146,223
<b>Total liabilities</b>	<b>16,662,232</b>	<b>-</b>	<b>12,740,876</b>	<b>5,197,807</b>	<b>2,459,587</b>	<b>37,060,502</b>
Deferred Inflows						
Unavailable property tax revenue	955,796	76,389	-	-	-	1,032,185
<b>Total deferred inflows</b>	<b>955,796</b>	<b>76,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,032,185</b>
Fund Balances:						
Nonspendable	134,250	-	-	-	229,048	363,298
Restricted	-	511,064	10,632,492	24,642,786	3,359,003	39,145,345
Committed	-	-	-	-	2,684,688	2,684,688
Assigned	1,162,743	-	-	-	6,360,212	7,522,955
Unassigned	23,187,383	-	-	-	-	23,187,383
<b>Total fund balances</b>	<b>24,484,376</b>	<b>511,064</b>	<b>10,632,492</b>	<b>24,642,786</b>	<b>12,632,951</b>	<b>72,903,669</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 42,102,404</b>	<b>\$ 587,453</b>	<b>\$ 23,373,368</b>	<b>\$ 29,840,593</b>	<b>\$ 15,092,538</b>	<b>\$ 110,996,356</b>

The accompanying notes 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, 2018**

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

Total fund balances - governmental funds	\$	72,903,669
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in governmental funds.		301,436,111
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.		1,032,185
Deferred losses on refunding of debt are reported in governmental activities and amortized over the life of the new debt.		3,259,029
Net pension liabilities represent benefits employees have earned upon retirement that are in excess of the pension plan's net position and are reported in governmental activities.		(194,173,908)
Certain items related to the calculation of the net pension liability create deferred outflows or deferred inflows of resources to be used in future periods.		
Deferred outflows of pension related items		38,288,107
Deferred inflows of pension related items		(5,768,134)
Net OPEB liability represents other postemployment benefits employees have earned upon retirement that are in excess of the OPEB plan's net position and are reported in governmental activities.		(158,025,236)
Certain items related to the calculation of the net OPEB liability create deferred outflows or deferred inflows of resources to be used in future periods.		
Deferred outflows of OPEB related items		11,977,017
Deferred inflows of OPEB related items		(14,840,875)
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.		847,757
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds payable		(67,664,972)
Accrued interest on bonds		(631,220)
Compensated absences payable		(795,468)
Net position of governmental activities	\$	<u>(15,704,653)</u>

The accompanying notes 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, 2018

	Major Governmental Funds					Total Governmental Funds
	General	Debt Service Fund	Capital Projects SPLOST II Fund	Capital Projects SPLOST III Fund	Other Governmental Funds	
<b>Revenues</b>						
State funds	\$ 101,432,745	\$ -	\$ 4,901,426	-	\$ 1,435,897	\$ 107,770,068
Federal funds	7,500	-	-	-	8,836,654	8,844,154
Local and other funds	103,004,477	6,616,657	26,357,057	59,686	7,687,782	143,725,659
Total revenues	<u>204,444,722</u>	<u>6,616,657</u>	<u>31,258,483</u>	<u>59,686</u>	<u>17,960,333</u>	<u>260,339,881</u>
<b>Expenditures</b>						
Current						
Instruction	134,421,872	-	3,687,455	-	5,559,928	143,669,255
Support services						
Pupil services	11,246,088	-	-	-	1,610,504	12,856,592
Improvement of instructional services	5,070,158	-	-	-	53,157	5,123,315
Instructional staff training	261,671	-	-	-	355,100	616,771
Educational media services	3,317,442	-	-	-	66,100	3,383,542
Federal grants administration	-	-	-	-	345,363	345,363
General administration	1,421,603	-	-	-	796	1,422,399
School administration	13,633,442	-	-	-	264,401	13,897,843
Business administration	1,402,529	-	-	-	-	1,402,529
Maintenance and operation of facilities	14,867,516	-	-	-	66,100	14,933,616
Student transportation services	7,953,002	-	-	-	106,461	8,059,463
Central support services	4,875,470	-	-	-	-	4,875,470
Other support services	215,362	-	-	-	3,349	218,711
Community service	-	-	-	-	2,608,831	2,608,831
Food services	66,842	-	-	-	7,042,130	7,108,972
Capital outlay	-	-	40,281,872	6,693,923	7,897,030	54,872,825
Debt Service						
Principal retirement	-	5,205,000	-	-	-	5,205,000
Interest and fees	-	1,212,955	-	254,382	-	1,467,337
Total expenditures	<u>198,752,997</u>	<u>6,417,955</u>	<u>43,969,327</u>	<u>6,948,305</u>	<u>25,979,250</u>	<u>282,067,834</u>
Excess (deficiency) of revenues over (under) expenditures	5,691,725	198,702	(12,710,844)	(6,888,619)	(8,018,917)	(21,727,953)
<b>Other financing sources (uses)</b>						
Sale of general capital assets	182,300	-	-	3,100,000	-	3,282,300
Issuance of bonds	-	-	-	25,000,000	-	25,000,000
Premium on issuance of bonds	-	-	-	3,668,604	-	3,668,604
Transfers in	-	-	1,520,022	-	1,995,134	3,515,156
Transfers out	(1,995,134)	-	-	(237,199)	(1,282,823)	(3,515,156)
Total other financing sources (uses)	<u>(1,812,834)</u>	<u>-</u>	<u>1,520,022</u>	<u>31,531,405</u>	<u>712,311</u>	<u>31,950,904</u>
Net change in fund balances	3,878,891	198,702	(11,190,822)	24,642,786	(7,306,606)	10,222,951
<b>Fund balances, beginning of year</b>	<u>20,605,485</u>	<u>312,362</u>	<u>21,823,314</u>	<u>-</u>	<u>19,939,557</u>	<u>62,680,718</u>
<b>Fund balances, end of year</b>	<u>\$ 24,484,376</u>	<u>\$ 511,064</u>	<u>\$ 10,632,492</u>	<u>\$ 24,642,786</u>	<u>\$ 12,632,951</u>	<u>\$ 72,903,669</u>

The accompanying notes 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, 2018**

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

Net change in fund balances - total governmental funds	\$ 10,222,951
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 (\$44,816,776) exceeds depreciation (\$14,511,118).	30,305,658
Governmental funds report proceeds from the sale of capital assets. In the statement of activities, proceeds are netted against the net depreciated value of those assets and a gain or loss is recorded.	(1,560,029)
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	5,205,000
Issuance of general obligation bonds	(25,000,000)
Reduction of premium on bond issuance	(3,668,604)
Amortization on bond discounts and premiums	119,889
Amortization on deferred loss on bond refunding	(449,521)
	(23,793,236)
Because some property 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 increased by this amount this year.	139,175
In the statement of activities, certain operating expenses - compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation leave taken exceeded the amounts earned by this amount.	20,343
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(227,447)
Pension expense reported in the statement of activities is based on actuarially determined net pension liabilities and related deferred outflows and deferred inflows of resources. Pension contributions are reported in the governmental funds as a use of current financial resources. Contributions exceeded actuarially determined amounts by this amount.	2,730,591
OPEB expense reported in the statement of activities is based on actuarially determined net OPEB liabilities and related deferred outflows and deferred inflows of resources. OPEB contributions are reported in the governmental funds as a use of current financial resources. Actuarially determined amounts exceeded contributions by this amount.	(3,924,865)
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.	(268,201)
Change in net position of governmental activities	\$ 13,644,940

The accompanying notes 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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budget basis)</u>	<u>Variance</u>
<b>Revenues</b>				
State funds	\$ 99,097,212	\$ 99,097,212	\$ 99,336,214	\$ 239,002
Federal funds	-	-	7,500	7,500
Local and other funds	<u>104,574,328</u>	<u>104,574,328</u>	<u>103,004,477</u>	<u>(1,569,851)</u>
Total revenues	<u>203,671,540</u>	<u>203,671,540</u>	<u>202,348,191</u>	<u>(1,323,349)</u>
<b>Expenditures</b>				
Current				
Instruction	135,819,964	135,913,346	134,421,872	1,491,474
Support services				
Pupil services	11,327,390	11,237,567	11,246,088	(8,521)
Improvement of instructional services	6,049,300	5,934,375	5,070,158	864,217
Instructional staff training	-	103,865	261,671	(157,806)
Educational media services	3,128,181	3,128,181	3,317,442	(189,261)
General administration	1,708,614	1,701,055	1,421,603	279,452
School administration	13,845,021	13,841,521	13,633,442	208,079
Business administration	1,397,822	1,397,822	1,393,600	4,222
Maintenance and operation of facilities	14,984,999	15,003,559	14,714,938	288,621
Student transportation services	8,234,171	8,234,171	7,831,802	402,369
Central support services	5,176,078	5,176,078	4,844,732	331,346
Other support services	-	-	211,694	(211,694)
Food services	-	-	3,633	(3,633)
Total expenditures	<u>201,671,540</u>	<u>201,671,540</u>	<u>198,372,675</u>	<u>3,298,865</u>
Excess of revenues over expenditures	2,000,000	2,000,000	3,975,516	1,975,516
<b>Other financing sources (uses)</b>				
Sale of general capital assets	-	-	182,300	182,300
Transfers out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,995,134)</u>	<u>4,866</u>
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,812,834)</u>	<u>187,166</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,162,682</u>	<u>\$ 2,162,682</u>

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2018

	<b>Governmental Activities-- Internal Service Workers' Compensation Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 2,374,927
Investments	295
Total assets	<u>2,375,222</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	112,465
Claims payable	<u>275,000</u>
Total current liabilities	<u>387,465</u>
Noncurrent Liabilities:	
Claims payable	<u>1,140,000</u>
Total noncurrent liabilities	<u>1,140,000</u>
Total liabilities	<u>1,527,465</u>
<b>NET POSITION</b>	
Unrestricted	<u>847,757</u>
Total net position	<u>\$ 847,757</u>

The accompanying notes 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, 2018

	<b>Governmental Activities-- Internal Service Workers' Compensation Fund</b>
<b>Operating revenues</b>	
Local and other funds	\$ 784,474
	784,474
<b>Operating expenses</b>	
Administration	373,718
Claims	678,961
	1,052,679
Total operating expenses	1,052,679
Operating loss	(268,205)
<b>Nonoperating revenues</b>	
Interest	4
	4
Change in net position	(268,201)
<b>Net position, beginning of year</b>	1,115,958
<b>Net position, end of year</b>	\$ 847,757

The accompanying notes are an integral part of this statement.

**Fayette County Board of Education  
Proprietary Funds**

**STATEMENT OF CASH FLOWS**

**For the year ended June 30, 2018**

	<b>Governmental Activities-- Internal Service Workers' Compensation Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from interfund services	\$ 784,474
Cash paid to suppliers	<u>(643,132)</u>
Net cash provided by operating activities	<u>141,342</u>
<b>Net increase in cash</b>	141,342
<b>Cash at beginning of year</b>	<u>2,233,585</u>
<b>Cash at end of year</b>	<u><u>\$ 2,374,927</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss	\$ (268,205)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Accounts payable	59,547
Claims payable	<u>350,000</u>
Net cash provided by operating activities	<u><u>\$ 141,342</u></u>

The accompanying notes are an integral part of this statement.

**Fayette County Board of Education  
Fiduciary Funds**

**STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2018**

	<b>David Phillips Memorial Private-Purpose Trust Fund</b>	<b><u>Agency Fund</u> Club and Class Funds</b>
<b>ASSETS</b>		
Cash	\$ -	\$ 1,806,722
Investments	9,666	-
Total assets	<u>9,666</u>	<u>1,806,722</u>
<b>LIABILITIES</b>		
Accounts payable	1000	-
Due to student groups	-	1,806,722
Total liabilities	<u>1,000</u>	<u>1,806,722</u>
<b>NET POSITION</b>		
Restricted for scholarships	<u>\$ 8,666</u>	<u>\$ -</u>

The accompanying notes 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, 2018

	<b>David Phillips Memorial Private-Purpose Trust Fund</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Interest	\$          126
Total additions	<u>          126</u>
 <b>DEDUCTIONS</b>	
Other support services	<u>          1,000</u>
Total deletions	<u>          1,000</u>
 Change in net position	(874)
 <b>NET POSITION, beginning of year</b>	 <u>          9,540</u>
 <b>NET POSITION, end of year</b>	 <u><u>          8,666</u></u>

The accompanying notes are an integral part of this statement.



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**Fayette County Board of Education**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

**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 FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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 *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 *Capital Projects – SPLOST II Fund* is used to account for various projects funded by an educational special purpose local option sales tax and approved by voter referendum in 2012.

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 *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* 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 FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

The *agency fund* accounts for student club and class accounts.

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 FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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. Such 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 FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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	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 FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

**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 FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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 FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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 FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

**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	\$ 3,878,891
Adjustments for:	
State QBE revenue	(1,716,209)
State paid employee benefit revenue	(380,322)
State paid employee benefit expenditures	380,322
Budget Basis Net Change in Fund Balances	\$ <u>2,162,682</u>

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**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, 2018, the School System had the following investments:

Investment Type	Maturities	Rating	Fair Value
Georgia Fund 1	10 day weighted average	AAAf	\$ 80,031,137

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 FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**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, 2018, 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, 2017, based on property values assessed as of January 1, 2017, and were considered past due if not paid on or before November 15, 2017, 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 2017 were levied at 19.50 mills for operations and 1.35 mills for school bonds.

Tax revenues, at the fund reporting level, amounted to \$101,694,088 for maintenance and operations and \$6,603,461 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 on the tax authorized under the 2008 referendum (SPLOST I) terminated on March 31, 2014. Collection of the tax authorized under the 2012 referendum (SPLOST II) will terminate once a total of \$107,000,000 has been collected or on March 31, 2019, whichever occurs first. Collection of the tax authorized under the 2017 referendum (SPLOST III) will begin 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 \$26,050,684 for the year ended June 30, 2018.

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE E – TAXES RECEIVABLE - continued**

At June 30, 2018, taxes receivable, at the fund reporting level, consisted of the following:

- \$1,032,185 (net of \$531,731 in allowances for doubtful accounts) in delinquent property taxes receivable was recognized as receivable and as deferred inflows,
- \$1,052,182 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,
- \$2,040,682 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,
- \$497,803 of intangible recording and real estate transfer taxes,
- and \$19,884 of railroad equipment taxes.

Approximately \$500,000 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, 2018, interfund receivables and payables consisted of the following:

<u>PAYABLE FUNDS</u>	RECEIVABLE FUNDS		
	General Fund	Regular Capital Projects	Total
SPLOST III	\$ -	\$ 115,287	\$ 115,287
Nonmajor Funds:			
School Nutrition Service	9,386	-	9,386
Title I	115,525	-	115,525
IDEA	297,294	-	297,294
Vocational Grants	19,616	-	19,616
Title II	32,704	-	32,704
Title III	3,222	-	3,222
	\$ 477,747	\$ 115,287	\$ 593,034

Interfund balances resulted from the time lag between receiving and recognizing certain revenues and meeting temporary cash flow requirements. The amount owed to the Regular Capital Projects fund from the SPLOST III relates to a budget amendment for transfer of fund balance to move funding for capital project to be paid for from SPLOST III proceeds.

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE G – CAPITAL ASSETS**

The following is a summary of capital asset activity for the fiscal year ending June 30, 2018:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassification</u>	<u>Ending Balance</u>
Capital assets, not being depreciated					
Land	\$ 14,665,111	\$ -	\$ (551,306)	\$ -	\$ 14,113,805
Construction in progress	17,043,391	29,762,217	-	(8,576,252)	38,229,356
Total capital assets, not being depreciated	<u>31,708,502</u>	<u>29,762,217</u>	<u>(551,306)</u>	<u>(8,576,252)</u>	<u>52,343,161</u>
Capital asset, being depreciated					
Buildings and improvements	354,920,274	962,517	(2,006,177)	8,576,252	362,452,866
Autos and trucks	22,819,716	1,783,631	(1,534,305)	-	23,069,042
Other equipment	47,081,315	12,308,411	(362,473)	-	59,027,253
Total capital assets, being depreciated	<u>424,821,305</u>	<u>15,054,559</u>	<u>(3,902,955)</u>	<u>8,576,252</u>	<u>444,549,161</u>
Less accumulated depreciation for:					
Buildings and improvements	(146,520,251)	(8,053,713)	1,009,768	-	(153,564,196)
Autos and trucks	(11,646,253)	(1,966,335)	1,534,305	-	(12,078,283)
Other equipment	(25,672,821)	(4,491,070)	350,159	-	(29,813,732)
Total accumulated depreciation	<u>(183,839,325)</u>	<u>(14,511,118)</u>	<u>2,894,232</u>	<u>-</u>	<u>(195,456,211)</u>
Total capital assets being depreciated, net	<u>240,981,980</u>	<u>543,441</u>	<u>(1,008,723)</u>	<u>8,576,252</u>	<u>249,092,950</u>
Governmental activities capital assets, net	\$ <u>272,690,482</u>	\$ <u>30,305,658</u>	\$ <u>(1,560,029)</u>	\$ <u>-</u>	\$ <u>301,436,111</u>

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

Instruction	\$ 10,020,804
Support services	
Pupil services	1,578
Improvement of instructional services	188,510
Educational media services	241,842
General administration	20,936
School administration	461,151
Maintenance and operations of facilities	91,446
Student transportation services	2,135,730
Central support services	706,611
Community service	12,071
Food services	630,439
Total depreciation	\$ <u>14,511,118</u>

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2018

**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. 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.

As of June 30, 2018, all of the Series 2007 and Series 2005 bonds which were defeased had been called and paid.

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, 2018:

Series	Coupon Rate	Maturities	Balance
2013	2.53%	2014 to 2026	\$ 42,664,972
2018	5.25%	2021 to 2025	\$ 25,000,000

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

	Principal	Interest	Total
2019	\$ 5,390,000	\$ 2,224,215	\$ 7,614,215
2020	5,590,000	2,255,557	7,845,557
2021	7,385,000	2,072,130	9,457,130
2022	8,305,000	1,823,394	10,128,394
2023	12,905,000	1,435,349	14,340,349
2024-2026	28,089,972	1,310,541	29,400,513
Total	\$ 67,664,972	\$ 11,121,186	\$ 78,786,158

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H – LONG-TERM DEBT – continued

**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>
General obligation bonds	\$ 47,869,972	\$ 25,000,000	\$ (5,205,000)	\$ 67,664,972	\$ 5,390,000
Plus premium on issuance of bonds	-	3,668,604	(119,889)	3,548,715	-
Total bonds payable	<u>47,869,972</u>	<u>28,668,604</u>	<u>(5,324,889)</u>	<u>71,213,687</u>	<u>5,390,000</u>
Claims payable	1,065,000	1,028,961	(678,961)	1,415,000	275,000
Accrued compensated absences payable	815,811	1,118,329	(1,138,672)	795,468	120,665
Net pension liability	212,552,475	23,802,704	(42,181,271)	194,173,908	-
Net OPEB liability	<u>162,828,701</u>	<u>13,094,226</u>	<u>(17,897,691)</u>	<u>158,025,236</u>	<u>-</u>
	<u>\$ 425,131,959</u>	<u>\$ 67,712,824</u>	<u>\$ (67,221,484)</u>	<u>\$ 425,623,299</u>	<u>\$ 5,785,665</u>

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

NOTE I - FUND BALANCES

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

General Fund:	
Prepaid items	\$ 8,217
Inventory	126,033
Nonmajor Special Revenue Funds:	
School Nutrition Service Fund inventory	<u>229,048</u>
Total Nonspendable Fund Balance	<u>\$ 363,298</u>

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE I - FUND BALANCES – continued**

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

Debt Service Fund: used to account for tax proceeds and debt service payments on general obligation debt	\$ 511,064
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	10,632,492
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	24,642,786
Nonmajor Special Revenue Funds:	
School Nutrition Services Fund – used to account for activity of the school lunch program	1,138,323
Friends Mentoring Program Fund– used to account for proceeds of grant from Department of Human Resources	21,198
Other Grants Fund– used to account for various grant awards	4,754
Nonmajor Capital Projects Funds:	
SPLOST I Fund - used to account for sales tax proceeds collected under the 2008 SPLOST referendum and the cost of capital projects financed with those SPLOST proceeds	<u>2,194,728</u>
Total Restricted Fund Balance	<u>\$ 39,145,345</u>

**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	\$ 340,716
After School Program Fund – used to account for the activities of after school programs	969,545
Donations Fund – used to account for resources provided by donations	86,158
Auditorium Rentals Fund – used to account for resources generated by auditorium facility rentals	110,514
Principals’ Fund – used to account for resources generated by schools for various school activities and needs	<u>1,177,755</u>
Total Committed Fund Balance	<u>\$ 2,684,688</u>

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE I - FUND BALANCES – continued**

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

General Fund: to account for a portion of the year end fund balance which is appropriated in the subsequent year’s budget	\$ 1,162,743
Nonmajor Capital Project Funds:	
Regular Capital Project Fund – to account for amounts intended to be spent on capital outlay	<u>6,360,212</u>
Total Assigned Fund Balance	\$ <u><u>7,522,955</u></u>

**NOTE J – INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2018 consisted of the following amounts:

	<u>TRANSFERS OUT</u>			
	<u>Major Funds</u>		<u>Non-major Fund</u>	
	<u>General Fund</u>	<u>SPLOST III</u>	<u>Regular Capital Projects</u>	<u>Total</u>
<u>TRANSFERS IN</u>				
SPLOST II	\$ -	\$ 237,199	\$ 1,282,823	\$ 1,520,022
Nonmajor Funds:				
Regular Capital Projects	1,590,000	-	-	1,590,000
JR ROTC	227,322	-	-	227,322
Lottery	<u>177,812</u>	-	-	<u>177,812</u>
	\$ <u><u>1,995,134</u></u>	\$ <u><u>237,199</u></u>	\$ <u><u>1,282,823</u></u>	\$ <u><u>3,515,156</u></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 FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**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 \$1,000 of auto physical damage loss, the first \$2,500 of 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 FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**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>
2018	\$ 1,065,000	\$ 678,961	\$ 328,961	\$ 1,415,000
2017	\$ 1,065,000	\$ 718,990	\$ 718,990	\$ 1,065,000

**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>
2018	\$ -	\$ 2,619	\$ 2,619	\$ -
2017	\$ -	\$ 9,818	\$ 9,818	\$ -

**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)	\$ 61,703
Office of Treasury and Fiscal Services	
Paid to the Public School Employees' Retirement System (PSERS)	318,619
	<u>\$ 380,322</u>

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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 2018.

The School System’s contractually required contribution rate for the year ended June 30, 2018 was 16.81% of annual School System payroll.

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>
2018	100%	\$ 22,635,757
2017	100%	\$ 17,126,504
2016	100%	\$ 16,124,883

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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/formspubs](http://www.ers.ga.gov/formspubs).

**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 \$14.75, 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 FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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, 2017, 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 provided to the School System by the State of Georgia for certain public school support personnel. The amount recognized by the School System as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School System were as follows:

School System’s proportionate share of the net pension liability	\$ 194,173,908
State of Georgia’s proportionate share of the net pension liability associated with the System	\$ <u>1,777,871</u>
Total	\$ <u>195,951,779</u>

The TRS net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017 was determined using standard roll-forward techniques. The School System’s proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2017.

At June 30, 2017, the School System’s TRS proportion is 1.044771%, which was an increase of 0.014519% from its proportion measured as of June 30, 2016.

At June 30, 2018, the School System did not have a PSERS liability for a proportionate share of the net pension liability because of a special funding situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State’s proportionate share of the net pension liability associated with the School System is \$1,666,389.

The PSERS net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2016 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, 2017.

For the year ended June 30, 2018, the School System recognized pension expense of \$19,905,166 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 and revenue of (\$28,072) for TRS and of \$335,842 for PSERS for support provided by the State of Georgia for certain support personnel.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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, 2018, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 7,263,300	\$ 732,792
Changes in assumptions	4,256,533	-
Net difference between projected and actual earnings on pension plan investments	-	1,336,241
Changes in proportion and differences between School System contributions and proportionate share of contributions	4,132,517	3,699,101
School System contributions subsequent to the measurement date	<u>22,635,757</u>	<u>-</u>
Total	<u>\$ 38,288,107</u>	<u>\$ 5,768,134</u>

School System contributions subsequent to the measurement date of June 30, 2017 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, 2019. 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
2019	\$ (2,631,413)
2020	10,304,312
2021	6,381,824
2022	(4,337,170)
2023	166,663
Thereafter	-

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

**Teachers Retirement System:**

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

Post-retirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries’ projection scale BB (set forward on year for males) for service requirements and dependent beneficiaries. The RP-2000 Disabled Mortality table with future mortality improvement projected to 2025 with Society of Actuaries’ projection scale BB (set forward two years for males and four years for females) was used for the death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

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

The long-term expected rate of return on 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 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 %	(0.50) %
Domestic large stocks	39.80	9.00
Domestic mid stocks	3.70	12.00
Domestic small stocks	1.50	13.50
International developed market stocks	19.40	8.00
International emerging market stocks	5.60	12.00
Total	100.00 %	

\*Rates shown are net of the 2.75% assumed rate of inflation.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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	7.50%, net of pension plan investment expense, including inflation

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, 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on 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 %	(0.50) %
Domestic large stocks	37.20	9.00
Domestic mid stocks	3.40	12.00
Domestic small stocks	1.40	13.50
International developed market stocks	17.80	8.00
International emerging market stocks	5.20	12.00
Alternative	5.00	10.50
Total	100.00 %	

\*Rates shown are net of the 2.75% assumed rate of inflation.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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 rate used to measure the total TRS and PSERS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer 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 7.50%, 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 (8.50%) and 1-percentage-point lower (6.50%) than the current rate:

	1% Decrease (6.5%)	Current Discount rate (7.5%)	1% Increase (8.5%)
System’s proportionate share of the net pension liability	\$318,662,165	\$194,173,908	\$91,623,564

**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, 2018, there were 867 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, 2018, the School System’s contribution to the Plan was approximately \$77,000.

## Fayette County Board of Education

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

#### 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 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. The School OPEB Fund is included in the State of Georgia Comprehensive Annual Financial Report which is publicly available and can be obtained at <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

**Benefits 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 \$5,850,975 for the year ended June 30, 2018. 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, 2018, the School System reported a liability of \$158,025,236 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2016. An expected total OPEB liability as of June 30, 2017 was determined using standard roll-forward techniques. The School System's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2017. At June 30, 2017, the School System's proportion was 1.124738%, which was an increase of 0.026050% from its proportion measured as of June 30, 2016.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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, 2018, the School System recognized OPEB expense of \$ 9,775,840. At June 30, 2018, 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
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	12,033,219
Net difference between projected and actual earnings on OPEB plan investments	46,220	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	6,079,822	2,807,656
School System contributions subsequent to the measurement date	<u>5,850,975</u>	-
Total	<u>\$ 11,977,017</u>	<u>\$ 14,840,875</u>

School System contributions subsequent to the measurement date of June 30, 2017 for \$5,850,975 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2019	\$ (1,564,174)
2020	(1,564,174)
2021	(1,564,174)
2022	(1,564,174)
2023	(1,575,729)
2024	(882,408)
Thereafter	-

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2018

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

Inflation	2.75%
Salary increases	
ERS	3.25 – 7.00%, including inflation
JRS	4.50%, including inflation
LRS	None
TRS	3.25 – 9.00%, including inflation
PSERS	N/A
Long-term expected rate of return	3.88%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.75%
Medicare Eligible	5.75%
Ultimate trend rate	
Pre-Medicare Eligible	5.00%
Medicare Eligible	5.00%
Year of Ultimate Trend	2022

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 ERS, JRS and LRS members: The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for both males and females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB and set back seven years for males and set forward three years for females is used for the period after disability retirement.
- For TRS members: The RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward one year for males) is used for death after service retirement and beneficiaries. The RP-2000 Disability Mortality Table projected to 2025 with projection scale BB (set forward two years for males and four years for females) is used for death after disability retirement.
- For PSERS members: The RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 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.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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

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

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

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

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Local Government Investment Pool	100.00 %	3.88 %

**Discount rate.** The discount rate has changed since the prior measurement date from 3.07% to 3.58%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.58% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.56% per the Bond Buyers Index). The projection of cash flows used to determine the discount rate assumed that 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 2115. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2029. Therefore, the calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

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 3.58%, as well as what the School System’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point higher (4.58%) and 1-percentage-point lower (2.58%) than the current rate:

	1% Decrease <u>(2.58%)</u>	Current Discount rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
System’s proportionate share of the net OPEB liability	\$187,626,661	\$158,025,236	\$134,663,716

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
System’s proportionate share of the net OPEB liability	\$130,984,918	\$158,025,236	\$193,231,690

NOTE O – NON-MONETARY TRANSACTIONS

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$449,000 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.

## Fayette County Board of Education

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

#### 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, 2018, Fayette County abated property taxes due to the School System that were levied on September 15, 2017 and due on November 15, 2017 totaling approximately \$1,283,000. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10 percent of the total amount abated:

- An 80 percent property tax abatement to a film studio. The abatement amounted to approximately \$814,000.
- A 60 percent property tax abatement to a chemical processing company. The abatement amounted to approximately \$260,000.

#### 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 \$23,955,000 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.

##### 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.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE R – NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2018, the School System adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as well as Statement No. 85, *Omnibus 2017*. The provisions of these statements establish accounting and financial reporting standards for postemployment benefits other than pensions (OPEB) that are provided to the employees of state and local governmental employers through plans that are administered through trusts. Implementation of these statements required the School System to record a liability for its proportionate share of the net OPEB liability of the School OPEB Fund. The following adjustment to net position of governmental activities was required to record the net OPEB liability as of July 1, 2017:

Net Position, Governmental Activities, as previously reported	\$	127,614,636
Deferred outflows, contributions subsequent to the measurement date		5,864,472
Proportionate share of net OPEB liability		<u>(162,828,701)</u>
Net Position, Governmental Activities, as restated	\$	<u><u>(29,349,593)</u></u>

## **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>2018</u>	<u>2017</u>
System's proportion of the net pension liability	1.044771%	1.030252%
System's proportionate share of the net pension liability	\$ 194,173,908	\$ 212,552,475
State of Georgia's proportionate share of the net pension liability associated with the School System	<u>1,777,871</u>	<u>3,443,539</u>
Total	<u>\$ 195,951,779</u>	<u>\$ 215,996,014</u>
School System's covered payroll	\$ 120,017,546	\$ 112,998,480
School System's proportionate share of the net pension liability as a percentage of its covered payroll	161.79%	188.10%
Plan fiduciary net position as a percentage of the total pension liability	79.33%	76.06%

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

<u>2016</u>	<u>2015</u>
1.009596%	1.014565%
\$ 153,700,966	\$ 128,176,906
<u>2,502,827</u>	<u>1,956,073</u>
<u>\$ 156,203,793</u>	<u>\$ 130,132,979</u>
\$ 106,562,244	\$ 106,658,720
144.24%	120.17%
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

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 22,635,757	\$ 17,126,504
Contributions in relation to the contractually required contribution	\$ 22,635,757	\$ 17,126,504
Contribution deficiency (excess)	\$ -	\$ -
School System's covered payroll	\$ 134,656,496	\$ 120,017,546
Contributions as a percentage of covered payroll	16.81%	14.27%

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

<u>2016</u>	<u>2015</u>
\$ 16,124,883	\$ 14,012,935
\$ 16,124,883	\$ 14,012,935
\$ -	\$ -
\$ 112,998,480	\$ 106,562,244
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, 2018

**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).

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>2018</u>	<u>2017</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>1,666,389</u>	<u>2,151,946</u>
Total	<u>\$ 1,666,389</u>	<u>\$ 2,151,946</u>
School System's covered payroll	\$ 6,495,827	\$ 6,227,365
School System's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.69%	81.00%

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

<u>2016</u>	<u>2015</u>
0.00%	0.00%
\$ -	\$ -
<u>1,414,807</u>	<u>1,282,001</u>
<u>\$ 1,414,807</u>	<u>\$ 1,282,001</u>
\$ 6,096,868	\$ 5,984,514
N/A	N/A
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, 2018**

**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).

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>2018</u>
System's proportion of the net OPEB liability	1.124738%
System's proportionate share of the net OPEB liability	\$ 158,025,236
School System's covered-employee payroll *	\$ 96,065,102
School System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	164%
Plan fiduciary net position as a percentage of the total OPEB liability	1.61%

\* 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.*

Fayette County Board of Education

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

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 5,850,975	\$ 5,864,472
Contributions in relation to the contractually required contribution	\$ 5,850,975	\$ 5,864,472
Contribution deficiency (excess)	\$ -	\$ -
School System's covered-employee payroll *	\$ 101,246,120	\$ 96,065,102
Contributions as a percentage of covered payroll	5.78%	6.10%

\* 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.*

**Fayette County Board of Education**

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

**For the Year Ended June 30, 2018**

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

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

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

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

## **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.

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.

Donations Fund 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 FUND

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:

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

SPLOST I Fund – This fund accounts for various projects funded by an educational special purpose local option sales tax approved by voter referendum in 2008.

Fayette County Board of Education

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2018

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash	\$ 4,430,238	\$ 1,818,413	\$ 6,248,651
Investments	4,847	7,698,879	7,703,726
Due from other governments	795,250	-	795,250
Due from other funds	-	115,287	115,287
Due from others	576	-	576
Inventory	229,048	-	229,048
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>\$ 5,459,959</u>	<u>\$ 9,632,579</u>	<u>\$ 15,092,538</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 15,043	\$ 694,988	\$ 710,031
Retainage payable	-	382,651	382,651
Unearned revenue	64,020	-	64,020
Salaries payable	825,138	-	825,138
Due to other funds	477,747	-	477,747
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	1,381,948	1,077,639	2,459,587
 <b>Fund balances</b>			
Nonspendable	229,048	-	229,048
Restricted	1,164,275	2,194,728	3,359,003
Committed	2,684,688	-	2,684,688
Assigned	-	6,360,212	6,360,212
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	4,078,011	8,554,940	12,632,951
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities and fund balances</b>	<u>\$ 5,459,959</u>	<u>\$ 9,632,579</u>	<u>\$ 15,092,538</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, 2018

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Funds
<b>Revenues</b>			
State funds	\$ 1,435,897	\$ -	\$ 1,435,897
Federal funds	8,836,654	-	8,836,654
Local and other funds	<u>6,848,205</u>	<u>839,577</u>	<u>7,687,782</u>
Total revenues	<u>17,120,756</u>	<u>839,577</u>	<u>17,960,333</u>
<b>Expenditures</b>			
Current			
Instruction	5,559,928	-	5,559,928
Support services			
Pupil services	1,610,504	-	1,610,504
Improvement of instructional services	53,157	-	53,157
Instructional staff training	355,100	-	355,100
Educational media services	66,100	-	66,100
Federal grants administration	345,363	-	345,363
General administration	796	-	796
School administration	264,401	-	264,401
Maintenance and operation of facilities	66,100	-	66,100
Student transportation services	106,461	-	106,461
Other support services	3,349	-	3,349
Community service	2,608,831	-	2,608,831
Food services	7,042,130	-	7,042,130
Capital outlay	<u>-</u>	<u>7,897,030</u>	<u>7,897,030</u>
Total expenditures	<u>18,082,220</u>	<u>7,897,030</u>	<u>25,979,250</u>
Deficiency of revenues under expenditures	(961,464)	(7,057,453)	(8,018,917)
<b>Other financing sources (uses)</b>			
Transfers in	405,134	1,590,000	1,995,134
Transfers out	<u>-</u>	<u>(1,282,823)</u>	<u>(1,282,823)</u>
Total other financing sources (uses)	<u>405,134</u>	<u>307,177</u>	<u>712,311</u>
Net change in fund balances	(556,330)	(6,750,276)	(7,306,606)
<b>Fund balances, beginning of year</b>	<u>4,634,341</u>	<u>15,305,216</u>	<u>19,939,557</u>
<b>Fund balances, end of year</b>	<u>\$ 4,078,011</u>	<u>\$ 8,554,940</u>	<u>\$ 12,632,951</u>

Fayette County Board of Education

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
Special Revenue Funds

June 30, 2018

	School Nutrition Service	Title I	IDEA	Vocational Grants
<b>ASSETS</b>				
Cash	\$ 1,469,044	\$ -	\$ -	\$ -
Investments	-	-	-	-
Due from other governments	-	156,720	549,379	19,616
Due from others	-	-	-	-
Inventory	229,048	-	-	-
<b>Total assets</b>	<u>\$ 1,698,092</u>	<u>\$ 156,720</u>	<u>\$ 549,379</u>	<u>\$ 19,616</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 334	\$ 4,785	\$ 6,024	\$ -
Unearned revenue	64,020	-	-	-
Salaries payable	256,981	36,410	246,061	-
Due to other funds	9,386	115,525	297,294	19,616
Total liabilities	<u>330,721</u>	<u>156,720</u>	<u>549,379</u>	<u>19,616</u>
<b>Fund balances</b>				
Nonspendable	229,048	-	-	-
Restricted	1,138,323	-	-	-
Committed	-	-	-	-
Total fund balances	<u>1,367,371</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,698,092</u>	<u>\$ 156,720</u>	<u>\$ 549,379</u>	<u>\$ 19,616</u>

Title II	Title III	JR ROTC	Lottery
\$ -	\$ -	\$ 26,628	\$ 122,006
-	-	-	-
53,520	10,871	5,144	-
-	-	-	-
-	-	-	-
<u>53,520</u>	<u>10,871</u>	<u>31,772</u>	<u>122,006</u>

\$ 1,179	\$ -	\$ -	\$ -
-	-	-	-
19,637	7,649	31,772	122,006
<u>32,704</u>	<u>3,222</u>	<u>-</u>	<u>-</u>
<u>53,520</u>	<u>10,871</u>	<u>31,772</u>	<u>122,006</u>

-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>53,520</u>	<u>10,871</u>	<u>31,772</u>	<u>122,006</u>

**continued**

Fayette County Board of Education

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

June 30, 2018

	Friends Mentoring Program	Other Grants	Community Education	After School Program
<b>ASSETS</b>				
Cash	\$ 21,198	\$ 4,754	\$ 342,733	\$ 1,073,591
Investments	-	-	-	-
Due from other governments	-	-	-	-
Due from others	-	-	-	576
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 21,198</u>	<u>\$ 4,754</u>	<u>\$ 342,733</u>	<u>\$ 1,074,167</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 2,017	\$ -
Unearned revenue	-	-	-	-
Salaries payable	-	-	-	104,622
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,017</u>	<u>104,622</u>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	21,198	4,754	-	-
Committed	-	-	340,716	969,545
Total fund balances	<u>21,198</u>	<u>4,754</u>	<u>340,716</u>	<u>969,545</u>
<b>Total liabilities and fund balances</b>	<u>\$ 21,198</u>	<u>\$ 4,754</u>	<u>\$ 342,733</u>	<u>\$ 1,074,167</u>

Donation Funds	Auditorium Rentals	Principals' Fund	Total
\$ 82,015	\$ 110,514	\$ 1,177,755	\$ 4,430,238
4,847	-	-	4,847
-	-	-	795,250
-	-	-	576
-	-	-	229,048
<u>\$ 86,862</u>	<u>\$ 110,514</u>	<u>\$ 1,177,755</u>	<u>\$ 5,459,959</u>
\$ 704	\$ -	\$ -	\$ 15,043
-	-	-	64,020
-	-	-	825,138
-	-	-	477,747
<u>704</u>	<u>-</u>	<u>-</u>	<u>1,381,948</u>
-	-	-	229,048
-	-	-	1,164,275
<u>86,158</u>	<u>110,514</u>	<u>1,177,755</u>	<u>2,684,688</u>
<u>86,158</u>	<u>110,514</u>	<u>1,177,755</u>	<u>4,078,011</u>
<u>\$ 86,862</u>	<u>\$ 110,514</u>	<u>\$ 1,177,755</u>	<u>\$ 5,459,959</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, 2018**

	School Nutrition Service	Title I	IDEA	Vocational Grants
<b>Revenues</b>				
State funds	\$ 178,530	\$ -	\$ -	\$ -
Federal funds	3,193,278	1,413,059	3,565,611	114,400
Local and other funds	3,098,054	-	-	-
Total revenues	6,469,862	1,413,059	3,565,611	114,400
<b>Expenditures</b>				
Current				
Instruction	-	861,144	2,083,599	114,400
Support services				
Pupil services	-	287,038	1,298,567	-
Improvement of instructional services	-	5,024	-	-
Instructional staff training	-	29,750	28,701	-
Educational media services	-	-	-	-
Federal grants administration	-	201,299	143,914	-
General administration	-	-	796	-
School administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	28,804	10,034	-
Other support services	-	-	-	-
Community service	-	-	-	-
Food services	7,042,130	-	-	-
Total expenditures	7,042,130	1,413,059	3,565,611	114,400
Excess (deficiency) of revenues over (under) expenditures	(572,268)	-	-	-
<b>Other financing sources</b>				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(572,268)	-	-	-
<b>Fund balances, beginning of year</b>	1,939,639	-	-	-
<b>Fund balances, end of year</b>	\$ 1,367,371	\$ -	\$ -	\$ -

<u>Title II</u>	<u>Title III</u>	<u>JR ROTC</u>	<u>Lottery</u>
\$ -	\$ -	\$ -	\$ 1,257,367
290,824	111,283	148,199	-
-	-	-	-
<u>290,824</u>	<u>111,283</u>	<u>148,199</u>	<u>1,257,367</u>
-	29,082	375,521	1,435,179
-	24,899	-	-
-	46,456	-	-
290,674	5,975	-	-
-	-	-	-
150	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	1,522	-	-
-	3,349	-	-
-	-	-	-
-	-	-	-
<u>290,824</u>	<u>111,283</u>	<u>375,521</u>	<u>1,435,179</u>
-	-	(227,322)	(177,812)
-	-	<u>227,322</u>	<u>177,812</u>
-	-	<u>227,322</u>	<u>177,812</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, 2018

	Friends Mentoring Program	Other Grants	Community Education	After School Program
<b>Revenues</b>				
State funds	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Local and other funds	3,190	2,168	324,600	1,961,120
Total revenues	<u>3,190</u>	<u>2,168</u>	<u>324,600</u>	<u>1,961,120</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	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	-	-	-
Other support services	-	-	-	-
Community service	2,489	1,578	440,413	1,899,021
Food services	-	-	-	-
Total expenditures	<u>2,489</u>	<u>1,578</u>	<u>440,413</u>	<u>1,899,021</u>
Excess (deficiency) of revenues over (under) expenditures	701	590	(115,813)	62,099
<b>Other financing sources</b>				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	701	590	(115,813)	62,099
<b>Fund balances, beginning of year</b>	<u>20,497</u>	<u>4,164</u>	<u>456,529</u>	<u>907,446</u>
<b>Fund balances, end of year</b>	<u>\$ 21,198</u>	<u>\$ 4,754</u>	<u>\$ 340,716</u>	<u>\$ 969,545</u>

Donation Funds	Auditorium Rentals	Principals' Fund	Total
\$ -	\$ -	\$ -	\$ 1,435,897
-	-	-	8,836,654
<u>38,537</u>	<u>32,875</u>	<u>1,387,661</u>	<u>6,848,205</u>
<u>38,537</u>	<u>32,875</u>	<u>1,387,661</u>	<u>17,120,756</u>
-	-	661,003	5,559,928
-	-	-	1,610,504
1,677	-	-	53,157
-	-	-	355,100
-	-	66,100	66,100
-	-	-	345,363
-	-	-	796
-	-	264,401	264,401
-	-	66,100	66,100
-	-	66,101	106,461
-	-	-	3,349
38,471	28,558	198,301	2,608,831
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,042,130</u>
<u>40,148</u>	<u>28,558</u>	<u>1,322,006</u>	<u>18,082,220</u>
(1,611)	4,317	65,655	(961,464)
<u>-</u>	<u>-</u>	<u>-</u>	<u>405,134</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>405,134</u>
(1,611)	4,317	65,655	(556,330)
<u>87,769</u>	<u>106,197</u>	<u>1,112,100</u>	<u>4,634,341</u>
<u>\$ 86,158</u>	<u>\$ 110,514</u>	<u>\$ 1,177,755</u>	<u>\$ 4,078,011</u>

Fayette County Board of Education

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
Capital Project Funds

June 30, 2018

	<u>Regular</u>	<u>SPLOST I</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 1,677,512	\$ 140,901	\$ 1,818,413
Investments	4,567,413	3,131,466	7,698,879
Due from other funds	<u>115,287</u>	<u>-</u>	<u>115,287</u>
<b>Total assets</b>	<u>\$ 6,360,212</u>	<u>\$ 3,272,367</u>	<u>\$ 9,632,579</u>
 <b>FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 694,988	\$ 694,988
Retainage payable	<u>-</u>	<u>382,651</u>	<u>382,651</u>
Total liabilities	<u>-</u>	<u>1,077,639</u>	<u>1,077,639</u>
 <b>Fund balances</b>			
Restricted	-	2,194,728	2,194,728
Assigned	<u>6,360,212</u>	<u>-</u>	<u>6,360,212</u>
Total fund balances	<u>6,360,212</u>	<u>2,194,728</u>	<u>8,554,940</u>
<b>Total fund balances</b>	<u>\$ 6,360,212</u>	<u>\$ 3,272,367</u>	<u>\$ 9,632,579</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, 2018

	<u>Regular</u>	<u>SPLOST I</u>	<u>Total</u>
<b>Revenues</b>			
Local and other funds	\$ 480,834	\$ 358,743	\$ 839,577
Total revenues	<u>480,834</u>	<u>358,743</u>	<u>839,577</u>
<b>Expenditures</b>			
Capital outlay	<u>1,532,074</u>	<u>6,364,956</u>	<u>7,897,030</u>
Total expenditures	<u>1,532,074</u>	<u>6,364,956</u>	<u>7,897,030</u>
Deficiency of revenues under expenditures	(1,051,240)	(6,006,213)	(7,057,453)
<b>Other financing sources (uses)</b>			
Transfers in	1,590,000	-	1,590,000
Transfers out	<u>(1,282,823)</u>	<u>-</u>	<u>(1,282,823)</u>
Total other financing sources (uses)	<u>307,177</u>	<u>-</u>	<u>307,177</u>
Net change in fund balances	(744,063)	(6,006,213)	(6,750,276)
<b>Fund balances, beginning of year</b>	<u>7,104,275</u>	<u>8,200,941</u>	<u>15,305,216</u>
<b>Fund balances, end of year</b>	<u>\$ 6,360,212</u>	<u>\$ 2,194,728</u>	<u>\$ 8,554,940</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
State funds	\$ 185,000	\$ 185,000	\$ 178,530	\$ (6,470)
Federal funds	3,598,000	3,598,000	3,193,278	(404,722)
Local and other funds	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,098,054</u>	<u>98,054</u>
Total revenues	<u>6,783,000</u>	<u>6,783,000</u>	<u>6,469,862</u>	<u>(313,138)</u>
<b>Expenditures</b>				
Current				
Food services	<u>6,783,000</u>	<u>6,783,000</u>	<u>7,042,130</u>	<u>(259,130)</u>
Total expenditures	<u>6,783,000</u>	<u>6,783,000</u>	<u>7,042,130</u>	<u>(259,130)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (572,268)</u>	<u>\$ (572,268)</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, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Federal funds	\$ 1,653,246	\$ 1,590,531	\$ 1,413,059	\$ (177,472)
Total revenues	1,653,246	1,590,531	1,413,059	(177,472)
<b>Expenditures</b>				
Current				
Instruction	1,034,269	1,010,041	861,144	148,897
Support services				
Pupil services	335,210	291,163	287,038	4,125
Improvement of instructional services	35,614	8,441	5,024	3,417
Instructional staff training	-	30,292	29,750	542
Federal grant administration	185,439	218,605	201,299	17,306
Student transportation services	62,714	31,989	28,804	3,185
Total expenditures	1,653,246	1,590,531	1,413,059	177,472
<b>Net change in fund balances</b>	\$ -	\$ -	\$ -	\$ -

**Fayette County Board of Education**

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

**For the year ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 3,966,486	\$ 4,175,402	\$ 3,565,611	\$ (609,791)
Total revenues	<u>3,966,486</u>	<u>4,175,402</u>	<u>3,565,611</u>	<u>(609,791)</u>
<b>Expenditures</b>				
Current				
Instruction	2,459,307	2,417,346	2,083,599	333,747
Support services				
Pupil services	1,368,978	1,510,368	1,298,567	211,801
Instructional staff training	-	76,000	28,701	47,299
Federal grant administration	116,700	150,688	143,914	6,774
General administration	2,800	2,700	796	1,904
Student transportation services	18,701	18,300	10,034	8,266
Total expenditures	<u>3,966,486</u>	<u>4,175,402</u>	<u>3,565,611</u>	<u>609,791</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 112,741	\$ 114,400	\$ 114,400	\$ -
Total revenues	<u>112,741</u>	<u>114,400</u>	<u>114,400</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Instruction	107,041	114,400	114,400	-
Support services				
Improvement of instructional services	<u>5,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>112,741</u>	<u>114,400</u>	<u>114,400</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, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Federal funds	\$ 325,252	\$ 339,690	\$ 290,824	\$ (48,866)
Total revenues	325,252	339,690	290,824	(48,866)
<b>Expenditures</b>				
Current				
Instruction	8,000	-	-	-
Support services				
Improvement of instructional services	316,752	-	-	-
Instructional staff training	-	339,390	290,674	
Federal grant administration	500	300	150	150
Total expenditures	325,252	339,690	290,824	48,866
<b>Net change in fund balances</b>	\$ -	\$ -	\$ -	\$ -

Fayette County Board of Education

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

For the year ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 134,029	\$ 110,584	\$ 111,283	\$ 699
Total revenues	<u>134,029</u>	<u>110,584</u>	<u>111,283</u>	<u>699</u>
<b>Expenditures</b>				
Current				
Instruction	47,828	31,046	29,082	1,964
Support services				
Pupil services	34,583	29,885	24,899	4,986
Improvement of instructional services	45,600	36,595	46,456	(9,861)
Instructional staff training	-	6,000	5,975	25
Student transportation services	570	1,500	1,522	(22)
Other support services	<u>5,448</u>	<u>5,558</u>	<u>3,349</u>	<u>2,209</u>
Total expenditures	<u>134,029</u>	<u>110,584</u>	<u>111,283</u>	<u>(699)</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, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Federal funds	\$ 132,000	\$ 132,000	\$ 148,199	\$ 16,199
Total revenues	132,000	132,000	148,199	16,199
<b>Expenditures</b>				
Current				
Instruction	345,034	345,034	375,521	(30,487)
Total expenditures	345,034	345,034	375,521	(30,487)
Deficiency of revenues under expenditures	(213,034)	(213,034)	(227,322)	(14,288)
<b>Other financing sources</b>				
Transfers in	213,034	213,034	227,322	14,288
Total other financing sources	213,034	213,034	227,322	14,288
<b>Net change in fund balances</b>	\$ -	\$ -	\$ -	\$ -

Fayette County Board of Education

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

For the year ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
State funds	\$ 1,200,000	\$ 1,200,000	\$ 1,257,367	\$ 57,367
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,257,367</u>	<u>57,367</u>
<b>Expenditures</b>				
Current				
Instruction	<u>1,423,744</u>	<u>1,423,744</u>	<u>1,435,179</u>	<u>(11,435)</u>
Total expenditures	<u>1,423,744</u>	<u>1,423,744</u>	<u>1,435,179</u>	<u>(11,435)</u>
Deficiency of revenues under expenditures	(223,744)	(223,744)	(177,812)	45,932
<b>Other financing sources</b>				
Transfers in	<u>223,744</u>	<u>223,744</u>	<u>177,812</u>	<u>(45,932)</u>
Total other financing sources	<u>223,744</u>	<u>223,744</u>	<u>177,812</u>	<u>(45,932)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 3,190</u>	<u>\$ 2,190</u>
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>3,190</u>	<u>2,190</u>
<b>Expenditures</b>				
Current				
Community service	<u>5,000</u>	<u>5,000</u>	<u>2,489</u>	<u>2,511</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,489</u>	<u>2,511</u>
<b>Net change in fund balances</b>	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>	<u>\$ 701</u>	<u>\$ 4,701</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 2,168</u>	<u>\$ 1,168</u>
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>2,168</u>	<u>1,168</u>
<b>Expenditures</b>				
Current				
Community service	<u>1,000</u>	<u>1,000</u>	<u>1,578</u>	<u>(578)</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,578</u>	<u>(578)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 590</u>	<u>\$ 590</u>

Fayette County Board of Education

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

For the year ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 324,600</u>	<u>\$ (25,400)</u>
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>324,600</u>	<u>(25,400)</u>
<b>Expenditures</b>				
Current				
Community service	<u>369,580</u>	<u>369,580</u>	<u>440,413</u>	<u>(70,833)</u>
Total expenditures	<u>369,580</u>	<u>369,580</u>	<u>440,413</u>	<u>(70,833)</u>
<b>Net change in fund balances</b>	<u>\$ (19,580)</u>	<u>\$ (19,580)</u>	<u>\$ (115,813)</u>	<u>\$ (96,233)</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	<u>\$ 2,106,479</u>	<u>\$ 2,106,479</u>	<u>\$ 1,961,120</u>	<u>\$ (145,359)</u>
Total revenues	<u>2,106,479</u>	<u>2,106,479</u>	<u>1,961,120</u>	<u>(145,359)</u>
<b>Expenditures</b>				
Current				
Community service	<u>2,064,140</u>	<u>2,064,140</u>	<u>1,899,021</u>	<u>165,119</u>
Total expenditures	<u>2,064,140</u>	<u>2,064,140</u>	<u>1,899,021</u>	<u>165,119</u>
<b>Net change in fund balances</b>	<u>\$ 42,339</u>	<u>\$ 42,339</u>	<u>\$ 62,099</u>	<u>\$ 19,760</u>

**Fayette County Board of Education**

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

For the year ended June 30, 2018

	<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	\$ 38,537	\$ (11,463)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>38,537</u>	<u>(11,463)</u>
<b>Expenditures</b>				
Current				
Improvement of instructional services	-	-	1,677	(1,677)
Community service	<u>50,000</u>	<u>50,000</u>	<u>38,471</u>	<u>11,529</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>40,148</u>	<u>9,852</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,611)</u>	<u>\$ (1,611)</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, 2018

	<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	\$ 32,875	\$ (12,125)
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>32,875</u>	<u>(12,125)</u>
<b>Expenditures</b>				
Current				
Community service	<u>45,000</u>	<u>45,000</u>	<u>28,558</u>	<u>16,442</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>28,558</u>	<u>16,442</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,317</u>	<u>\$ 4,317</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, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Local and other funds	\$ 1,600,000	\$ 1,600,000	\$ 1,387,661	\$ (212,339)
Total revenues	1,600,000	1,600,000	1,387,661	(212,339)
<b>Expenditures</b>				
Current				
Instruction	800,000	800,000	661,003	138,997
Support services				
Educational media services	80,000	80,000	66,100	13,900
School administration	320,000	320,000	264,401	55,599
Maintenance and operation of facilities	80,000	80,000	66,100	13,900
Student transportation services	80,000	80,000	66,101	13,899
Community service	240,000	240,000	198,301	41,699
Total expenditures	1,600,000	1,600,000	1,322,006	277,994
<b>Net change in fund balances</b>	\$ -	\$ -	\$ 65,655	\$ 65,655

**Fayette County Board of Education**

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

For the year ended June 30, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Local and other funds	\$ 6,321,111	\$ 6,321,111	\$ 6,616,657	\$ 295,546
Total revenues	6,321,111	6,321,111	6,616,657	295,546
<b>Expenditures</b>				
Debt services				
Principal retirement	5,205,000	5,205,000	5,205,000	-
Interest and fees	1,216,111	1,216,111	1,212,955	3,156
Total expenditures	6,421,111	6,421,111	6,417,955	3,156
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(100,000)	198,702	298,702
<b>Other financing sources</b>				
Transfers in	100,000	100,000	-	(100,000)
Total other financing sources	100,000	100,000	-	(100,000)
<b>Net change in fund balances</b>	\$ -	\$ -	\$ 198,702	\$ 198,702

## **Fayette County Board of Education**

### **AGENCY FUNDS**

Agency funds are used to accumulate assets held by the School System in a trustee capacity.

Club and Class Funds – To account for monies collected at the schools in connection with student athletic, class and club activities.

Fayette County Board of Education

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND

For the year ended June 30, 2018

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b>ASSETS</b>				
Cash	\$ 1,797,185	\$ 4,763,248	\$ 4,753,711	\$ 1,806,722
<b>LIABILITIES</b>				
Due to student groups	\$ 1,797,185	\$ 4,763,248	\$ 4,753,711	\$ 1,806,722



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## **ADDITIONAL FINANCIAL INFORMATION**

**FAYETTE COUNTY BOARD OF EDUCATION**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE  
FOR THE YEAR ENDED JUNE 30, 2018**

<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 bonded debt (Series 1999, 2001 and 2005)	\$ 38,000,000	\$ 25,461,911	\$ 25,461,911	\$ -
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	17,000,000	34,000,000	23,633,685	5,708,757
Acquisition of miscellaneous new equipment, fixtures and furnishings the school system, including technology infrastructure, equipment and software, safety and security equipment	47,500,000	46,000,000	45,326,085	656,199
Acquisition of textbooks	2,500,000	6,111,906	6,111,906	-
Acquisition of school buses and transportation and maintenance equipment	<u>10,000,000</u>	<u>11,797,132</u>	<u>11,797,132</u>	<u>-</u>
	<u>\$ 115,000,000</u>	<u>\$ 123,370,949</u>	<u>\$ 112,330,719</u>	<u>\$ 6,364,956</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 non-cash revenue related to capital lease agreements, state and federal grants, and transfers from other funds.

**FAYETTE COUNTY BOARD OF EDUCATION**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2012 ISSUE  
FOR THE YEAR ENDED JUNE 30, 2018**

<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 bonded debt	\$ 10,000,000	\$ 2,500,000	\$ -	\$ -
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	35,000,000	65,000,000	46,966,229	16,034,374
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	37,000,000	1,221,436	22,400,750
Acquisition of textbooks and instructional materials	10,000,000	10,000,000	2,455,467	3,687,455
Acquisition of school buses and transportation and maintenance equipment	<u>10,000,000</u>	<u>10,000,000</u>	<u>4,414,699</u>	<u>1,846,748</u>
	<u>\$ 107,000,000</u>	<u>\$ 124,500,000</u>	<u>\$ 55,057,831</u>	<u>\$ 43,969,327</u>

**FAYETTE COUNTY BOARD OF EDUCATION**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 ISSUE  
FOR THE YEAR ENDED JUNE 30, 2018**

<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 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	74,000,000	-	6,693,923
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	-	-
Acquisition of textbooks and instructional materials	8,000,000	8,000,000	-	-
Acquisition of school buses and transportation and maintenance equipment	<u>8,000,000</u>	<u>8,000,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 145,000,000</u>	<u>\$ 145,000,000</u>	<u>\$ -</u>	<u>\$ 6,693,923</u>

**FAYETTE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES BY OBJECT**  
**LOTTERY PROGRAM**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Expenditures**

Operating costs	
Salaries	\$ 1,023,631
Employee benefits	399,663
Supplies and materials	11,289
Supplies and materials related to technology	106
Books and periodicals	335
Expendable computer equipment	<u>155</u>
 Total expenditures	 <u><u>\$ 1,435,179</u></u>



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# 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>	140
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>	149
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>	157
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>	162
Demographic and Economic Information <i>Theses schedules offer demographic and economic indications to help the reader understand the environment within which the School System’s financial activities take place.</i>	174



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

	Fiscal Year			
	<u>2018 (a)</u>	<u>2017</u>	<u>2016</u>	<u>2015 (b)</u>
Governmental Activities				
Net investment in capital assets	\$ 241,976,851	\$ 228,529,060	\$ 207,779,562	\$ 186,432,779
Restricted	38,634,281	31,851,204	32,124,998	41,198,421
Unrestricted	<u>(296,315,785)</u>	<u>(132,765,628)</u>	<u>(122,077,469)</u>	<u>(134,974,173)</u>
Total governmental activities net position	<u>\$ (15,704,653)</u>	<u>\$ 127,614,636</u>	<u>\$ 117,827,091</u>	<u>\$ 92,657,027</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 168,187,655	\$ 178,523,433	\$ 175,064,622	\$ 172,653,135	\$ 169,508,268	\$ 158,499,410
41,020,287	37,659,348	31,257,451	26,335,635	8,971,932	11,911,480
<u>33,633,101</u>	<u>13,941,511</u>	<u>13,339,704</u>	<u>20,608,820</u>	<u>28,213,735</u>	<u>1,620,066</u>
<u>\$ 242,841,043</u>	<u>\$ 230,124,292</u>	<u>\$ 219,661,777</u>	<u>\$ 219,597,590</u>	<u>\$ 206,693,935</u>	<u>\$ 172,030,956</u>

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

Expenses	Fiscal Year			
	2018	2017	2016	2015
<b>Governmental Activities</b>				
Instruction	\$ 163,610,768	\$ 153,170,007	\$ 133,734,324	\$ 126,035,930
Support Services				
Pupil services	13,114,016	12,928,329	9,528,601	8,982,470
Improvement of instructional services	5,290,805	5,391,077	4,887,298	4,233,092
Instructional staff training	616,771	-	-	-
Educational media services	3,633,729	3,643,719	3,717,116	3,031,063
Federal administration	348,877	207,276	194,211	-
General administration	1,445,888	1,367,169	1,609,711	1,664,955
School administration	14,401,931	14,197,794	12,895,687	11,092,787
Business administration	1,369,710	1,376,557	986,533	865,120
Maintenance and operation of facilities	15,148,633	14,347,021	13,786,812	13,133,822
Student transportation services	10,386,171	10,052,045	9,112,882	8,620,521
Central support services	6,324,444	5,734,947	4,489,646	3,658,754
Other support services	244,308	318,883	434,780	225,350
Community services	2,653,207	2,577,257	2,352,200	2,292,410
Food services	7,870,165	7,897,792	7,386,296	7,090,152
Interest expense	2,024,416	1,719,075	1,920,806	2,242,423
Total governmental activities expenses	<u>\$ 248,483,839</u>	<u>\$ 234,928,948</u>	<u>\$ 207,036,903</u>	<u>\$ 193,340,443</u>
<b>Program Revenues</b>				
Charges for services				
Instruction	\$ 604,556	\$ 648,477	\$ 398,758	\$ 390,482
Support services	2,318,595	2,507,129	2,518,716	2,399,442
Food services	3,098,054	3,185,169	3,122,497	3,204,349
Operating grants and contributions	113,434,586	108,175,326	103,718,783	98,522,267
Capital grants and contributions	5,322,847	5,281,541	4,141,350	4,805,599
Total governmental activities program revenues	<u>\$ 124,778,638</u>	<u>\$ 119,797,642</u>	<u>\$ 113,900,104</u>	<u>\$ 109,322,139</u>
<b>NET EXPENSE</b>	<u>\$ (123,705,201)</u>	<u>\$ (115,131,306)</u>	<u>\$ (93,136,799)</u>	<u>\$ (84,018,304)</u>
<b>General Revenues</b>				
Governmental Activities				
Taxes:				
Property taxes	\$ 105,841,173	\$ 97,124,554	\$ 92,982,798	\$ 87,023,400
Intangible taxes	1,864,957	2,025,242	1,819,958	1,533,959
Transfer taxes	710,710	709,199	711,559	518,915
Other taxes	19,884	34,822	16,965	15,647
State reimbursement of homestead exemption, general purpose	-	-	-	-
Sales tax, capital outlay and debt service	26,050,684	24,266,584	22,010,037	21,094,300
Interest and investment earnings	851,458	411,070	265,945	125,297
Gain on sale of assets	1,722,271	29,564	-	-
Other	289,004	317,816	499,601	485,388
Extraordinary items	-	-	-	-
Total governmental activities general revenues	<u>\$ 137,350,141</u>	<u>\$ 124,918,851</u>	<u>\$ 118,306,863</u>	<u>\$ 110,796,906</u>
<b>Change in Net Position</b>	<u>\$ 13,644,940</u>	<u>\$ 9,787,545</u>	<u>\$ 25,170,064</u>	<u>\$ 26,778,602</u>

	2014	2013	2012	2011	2010	2009
\$	123,283,652	\$ 126,989,501	\$ 138,166,002	\$ 140,677,264	\$ 138,121,383	\$ 146,934,039
	8,940,118	9,446,688	9,361,037	9,331,883	5,132,093	5,139,847
	3,919,268	4,059,005	4,396,525	4,229,846	4,331,092	4,495,310
	-	-	-	-	-	-
	3,078,138	3,435,491	3,714,750	3,757,201	3,620,838	4,122,924
	-	-	-	-	-	-
	1,778,299	1,676,637	1,328,258	1,192,086	1,162,135	1,180,835
	11,570,184	12,982,540	13,925,349	13,192,469	12,788,338	13,521,964
	872,724	1,067,217	937,222	1,139,105	1,078,060	969,569
	12,683,045	13,854,947	16,157,767	16,161,495	14,884,267	15,880,952
	8,820,745	8,687,580	9,031,403	8,073,549	7,710,847	8,273,658
	2,830,478	2,700,778	3,402,613	4,140,542	4,434,557	4,517,985
	491,443	276,311	303,373	290,337	282,244	326,650
	2,137,412	2,311,865	2,385,232	2,194,891	2,401,650	2,978,945
	7,495,355	7,534,165	8,078,108	7,925,808	7,709,527	8,568,176
	3,154,736	3,466,114	3,898,053	4,557,031	5,022,769	5,694,228
\$	<u>191,055,597</u>	<u>\$ 198,488,839</u>	<u>\$ 215,085,692</u>	<u>\$ 216,863,507</u>	<u>\$ 208,679,800</u>	<u>\$ 222,605,082</u>
\$	391,846	\$ 365,145	\$ 455,409	\$ 335,649	\$ 392,228	\$ 314,311
	2,238,940	2,141,197	2,220,197	2,181,465	2,330,335	2,572,638
	3,565,762	3,624,379	3,911,898	3,943,587	4,120,152	4,476,338
	96,557,210	94,197,669	91,800,116	102,475,842	99,837,085	100,129,904
	132,000	1,270,878	228,659	1,213,372	398,221	3,614,327
\$	<u>102,885,758</u>	<u>\$ 101,599,268</u>	<u>\$ 98,616,279</u>	<u>\$ 110,149,915</u>	<u>\$ 107,078,021</u>	<u>\$ 111,107,518</u>
\$	(88,169,839)	\$ (96,889,571)	\$ (116,469,413)	\$ (106,713,592)	\$ (101,601,779)	\$ (111,497,564)
\$	84,458,044	\$ 84,722,620	\$ 94,275,592	\$ 99,163,635	\$ 115,268,389	\$ 115,084,744
	1,288,192	1,813,025	1,392,564	1,331,459	1,273,783	1,623,315
	427,724	346,278	288,711	266,814	265,509	340,522
	15,611	-	-	-	-	-
	-	-	-	-	-	3,768,591
	20,241,186	19,968,392	20,009,700	18,259,865	18,802,125	4,488,524
	85,588	93,786	78,268	108,504	121,947	470,896
	-	-	-	-	-	-
	420,342	671,912	488,765	486,970	533,005	867,644
	(6,050,097)	-	-	-	-	-
\$	<u>100,886,590</u>	<u>\$ 107,616,013</u>	<u>\$ 116,533,600</u>	<u>\$ 119,617,247</u>	<u>\$ 136,264,758</u>	<u>\$ 126,644,236</u>
\$	<u>12,716,751</u>	<u>\$ 10,726,442</u>	<u>\$ 64,187</u>	<u>\$ 12,903,655</u>	<u>\$ 34,662,979</u>	<u>\$ 15,146,672</u>

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

	Fiscal Year			
	2018	2017	2016	2015
General Fund				
Nonspendable	\$ 134,250	\$ 224,118	\$ 140,206	\$ 4,788
Committed	-	-	-	989,886
Assigned	1,162,743	-	-	-
Unassigned	23,187,383	20,381,367	23,171,077	26,378,632
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ 24,484,376</u>	<u>\$ 20,605,485</u>	<u>\$ 23,311,283</u>	<u>\$ 27,373,306</u>
All other governmental funds				
Nonspendable	\$ 229,048	\$ 137,351	\$ 381,893	\$ 193,570
Restricted	39,145,345	32,163,566	32,473,696	42,088,724
Committed	2,684,688	2,670,041	2,446,594	3,879,580
Assigned	6,360,212	7,104,275	10,637,994	1,061,510
Reserved	-	-	-	-
Unreserved, reported in:				
Special projects funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 48,419,293</u>	<u>\$ 42,075,233</u>	<u>\$ 45,940,177</u>	<u>\$ 47,223,384</u>

Note: Includes all governmental fund types.

A Reflects implementation of GASB Statement No. 54

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (A)</u>	<u>2010</u>	<u>2009</u>
\$ 4,788	\$ 4,788	\$ 30,575	\$ 38,475	\$ -	\$ -
791,710	580,481	399,052	230,102	-	-
-	-	14,197,281	16,435,948	-	-
22,751,211	14,505,398	2,190,268	9,632,929	-	-
-	-	-	-	-	-
-	-	-	-	17,288,019	4,509,616
<u>\$ 23,547,709</u>	<u>\$ 15,090,667</u>	<u>\$ 16,817,176</u>	<u>\$ 26,337,454</u>	<u>\$ 17,288,019</u>	<u>\$ 4,509,616</u>
\$ 180,376	\$ 192,252	\$ 491,954	\$ 259,836	\$ -	\$ -
47,746,430	41,646,462	35,325,484	30,318,985	-	-
3,620,207	3,223,019	2,630,664	2,442,754	-	-
1,062,101	1,106,021	1,523,608	1,625,873	-	-
-	-	-	-	3,453,437	2,635,889
-	-	-	-	4,117,102	3,099,256
-	-	-	-	21,596,282	14,433,786
<u>\$ 52,609,114</u>	<u>\$ 46,167,754</u>	<u>\$ 39,971,710</u>	<u>\$ 34,647,448</u>	<u>\$ 29,166,821</u>	<u>\$ 20,168,931</u>

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

	Fiscal Year			
	2018	2017	2016	2015
<b>Revenues</b>				
State funds	\$ 107,770,068	\$ 101,955,190	\$ 97,281,667	\$ 90,599,947
Federal funds	8,844,154	8,883,979	9,333,571	11,102,101
Local and other funds	143,907,959	134,024,331	125,892,498	119,121,400
Total revenues	<u>260,522,181</u>	<u>244,863,500</u>	<u>232,507,736</u>	<u>220,823,448</u>
<b>Expenditures</b>				
Current				
Instruction	143,669,255	136,608,003	128,658,329	122,793,512
Support services				
Pupil services	12,856,592	12,318,614	9,974,713	9,541,931
Improvement of instructional services	5,123,315	5,118,563	4,844,095	4,296,463
Instructional staff training	616,771	-	-	-
Educational media services	3,383,542	3,174,174	2,907,278	2,997,463
Federal grants administration	345,363	199,122	194,211	-
General administration	1,422,399	1,313,145	1,650,868	1,702,605
School administration	13,897,843	13,318,954	12,661,688	11,260,039
Business administration	1,402,529	1,341,217	1,036,771	956,902
Maintenance and operation of facilities	14,933,616	14,267,062	13,726,106	13,150,553
Student transportation services	8,059,463	7,857,490	7,298,564	7,306,948
Central support services	4,875,470	4,788,118	4,001,455	3,316,811
Other support services	218,711	316,797	438,951	229,642
Community service	2,608,831	2,543,418	2,433,128	2,359,127
Food services	7,108,972	7,181,540	6,740,655	6,427,196
Capital outlay	54,872,825	34,823,453	34,966,996	24,978,776
Debt Service				
Principal retirement	5,205,000	4,995,000	4,189,955	8,585,520
Interest and fees	1,467,337	1,363,572	2,129,203	2,480,093
Bond issuance cost	-	-	-	-
Total expenditures	<u>282,067,834</u>	<u>251,528,242</u>	<u>237,852,966</u>	<u>222,383,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,545,653)</u>	<u>(6,664,742)</u>	<u>(5,345,230)</u>	<u>(1,560,133)</u>
<b>Other financing sources (uses)</b>				
Sale of assets	3,282,300	94,000	-	-
Premium (discount) on issuance of bonds	3,668,604	-	-	-
Capital lease	-	-	-	-
Issuance of bonds/ refunding bonds	25,000,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>31,950,904</u>	<u>94,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	10,405,251 <sup>1</sup>	(6,570,742)	(5,345,230)	(1,560,133)
Debt service as a percentage of noncapital expenditures	2.8%	2.9%	3.0%	5.5%

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

	2014	2013	2012	2011	2010	2009
\$	85,914,380	\$ 84,529,941	\$ 80,886,999	\$ 86,636,341	\$ 77,735,483	\$ 91,168,857
	8,535,870	8,743,298	8,884,415	14,515,896	20,439,527	9,745,900
	115,419,650	116,232,262	125,728,896	130,272,481	144,926,435	135,324,244
	<u>209,869,900</u>	<u>209,505,501</u>	<u>215,500,310</u>	<u>231,424,718</u>	<u>243,101,445</u>	<u>236,239,001</u>
	115,453,676	119,740,956	129,513,425	126,536,594	129,413,149	138,027,216
	8,941,466	9,450,764	9,378,670	9,305,224	5,133,136	5,139,291
	3,740,483	3,969,031	4,220,893	4,132,770	4,303,987	4,430,882
	-	-	-	-	-	-
	2,870,088	3,219,739	3,497,711	3,540,744	3,406,581	3,910,192
	1,707,173	1,646,537	1,299,766	1,155,654	1,162,559	1,167,459
	10,909,670	12,555,692	13,384,943	12,772,049	12,502,590	13,316,070
	861,971	1,070,562	944,784	1,112,059	1,064,214	941,630
	12,393,833	12,356,626	13,733,068	13,790,653	13,920,860	14,723,060
	7,441,448	7,495,887	7,886,610	7,153,794	7,078,540	7,301,975
	2,570,756	2,374,312	2,614,046	3,181,093	3,605,247	3,668,489
	491,443	276,311	303,373	297,832	282,244	326,650
	2,137,436	2,299,935	2,376,826	2,177,702	2,387,429	2,979,114
	6,707,814	6,658,939	7,207,059	7,030,245	6,810,308	7,328,239
	6,318,135	7,758,864	9,151,831	12,914,799	8,612,189	13,591,204
	9,206,900	9,815,716	9,496,943	11,062,504	18,766,832	18,068,590
	3,264,945	4,346,095	4,686,378	4,042,368	3,009,514	4,391,888
	323,414	-	-	-	81,061	-
	<u>195,340,651</u>	<u>205,035,966</u>	<u>219,696,326</u>	<u>220,206,084</u>	<u>221,540,440</u>	<u>239,311,949</u>
	14,529,249	4,469,535	(4,196,016)	11,218,634	21,561,005	(3,072,948)
	5,170,000	-	-	-	-	-
	-	-	-	-	1,118,947	-
	-	-	-	3,311,428	127,103	2,286,689
	53,240,000	-	-	-	24,800,000	-
	(58,040,847)	-	-	-	(25,830,762)	-
	<u>369,153</u>	<u>-</u>	<u>-</u>	<u>3,311,428</u>	<u>215,288</u>	<u>2,286,689</u>
	14,898,402	4,469,535	(4,196,016)	14,530,062	21,776,293	(786,259)
	6.5%	7.1%	6.6%	6.9%	10.1%	9.8%



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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				
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%
2011	4,889,256	320,137	73,325	704,898	4,577,820	20.000	13,206,795	40%
2010	5,278,389	397,857	71,407	727,311	5,020,342	20.000	14,369,133	40%
2009	5,245,804	390,440	67,292	670,759	5,032,777	19.750	14,258,840	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				
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%
2011	4,889,256	320,137	73,325	660,854	4,621,864	1.650	13,206,795	40%
2010	5,278,389	397,857	71,407	682,653	5,065,000	3.420	14,369,133	40%
2009	5,514,344	390,440	67,292	625,965	5,346,111	4.170	14,930,190	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
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
2011	20.000	1.650	21.650	7.391	5.400	1.991	0.548
2010	20.000	3.420	23.420	7.391	5.400	1.991	0.548
2009	19.750	4.170	23.920	7.391	5.400	1.991	0.548

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	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
-	3.240	2.889	0.789	6.384	0.399	0.250
-	2.988	2.889	0.730	5.134	0.399	0.250
-	2.988	2.889	0.730	5.120	0.411	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
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%
2011	89,949,880	7,493,511	97,443,391	95,253,547	97.8%
2010	95,475,793	16,479,111	111,954,904	107,530,037	96.0%
2009	99,164,240	21,124,335	120,288,575	116,809,520	97.1%

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
\$ 414,097	\$ 91,871,709	98.7%
732,453	88,414,773	98.3%
728,340	83,748,637	99.2%
1,010,824	83,770,516	100.0%
1,102,109	83,981,638	100.0%
2,721,530	94,335,545	99.9%
2,083,773	97,337,320	99.9%
4,315,278	111,845,315	99.9%
3,332,988	120,142,508	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	State Reimbursement of Homestead Exemption
2018	\$ 97,054,882	\$ 8,786,290	\$ 1,864,957	\$ 710,710	\$ -
2017	88,579,167	8,545,387	2,025,242	709,199	-
2016	84,025,850	8,956,949	1,819,958	711,558	-
2015	77,946,865	9,076,535	1,533,959	518,915	-
2014	75,056,047	9,401,997	1,288,192	427,724	-
2013	76,450,608	8,272,012	1,813,025	346,278	-
2012	86,806,456	7,469,136	1,392,564	273,132	-
2011	91,741,352	7,422,283	1,331,459	266,814	-
2010	107,637,996	7,630,393	1,273,783	265,509	-
2009	107,123,149	7,961,595	1,623,315	340,522	3,768,591

Special Purpose Local Option Sales Tax	Other Taxes	Total
\$ 26,050,684	\$ 19,884	\$ 134,487,407
24,266,584	34,822	124,160,401
22,010,037	16,965	117,541,317
21,094,300	15,647	110,186,221
20,241,186	15,611	106,430,757
19,968,392	-	106,850,315
20,009,700	15,579	115,966,567
18,259,865	-	119,021,773
18,802,125	-	135,609,806
4,488,524	-	125,305,696

**Fayette County Board of Education  
Principal Taxpayers (Top Ten)  
June 30, 2018 and Nine Years Ago**

<u>Taxpayer</u>	FY 2018 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	FY 2009 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wencor LLC	\$ 29,508,890	1	0.50%			
Walmart Stores Inc.	25,955,688	2	0.44%			
Georgia Power Company	17,473,187	3	0.30%			
Brent Scarbrough & Co. Inc.	17,219,844	4	0.29%			
Coweta Fayette EMC	15,837,637	5	0.27%	19,571,691	4	0.37%
Sany America Inc. & Leasehold	15,607,552	6	0.26%			
Hoshizaka America	14,814,989	7	0.25%	12,184,630	6	0.23%
Cooper Lighting LLC	13,292,007	8	0.22%			
Sany America Inc.	13,027,088	9	0.22%			
Atlanta Gas Light Co.	12,798,057	10	0.22%	12,069,339	7	0.23%
NCR Corporation				30,332,134	1	0.58%
DDRTC Fayette Pavilion III & IV				25,452,400	2	0.49%
DDRTC Fayette Pavilion I & II				20,559,600	3	0.39%
BellSouth				14,284,425	5	0.27%
Summit Properties Partnerships				9,865,200	8	0.19%
Alcan Packaging				9,778,886	9	0.19%
CP Venture Five -APC LLC				8,863,560	10	0.17%
Other Taxpayers	<u>5,736,697,542</u>		<u>97.03%</u>	<u>5,082,842,135</u>		<u>96.89%</u>
	<u>\$ 5,912,232,481</u>		<u>100.00%</u>	<u>\$ 5,245,804,000</u>		<u>100.00%</u>

Source: Fayette County Tax Commissioner

Note: Amounts for FY 2018 relate to tax year 2017.

**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			
2018	\$ 71,213,678	\$ -	\$ -	\$ 71,213,678	NA	NA
2017	47,869,972	-	-	47,869,972	0.71%	425.33
2016	52,908,467	-	-	52,908,467	0.82%	475.59
2015	57,160,274	-	-	57,160,274	0.93%	518.29
2014	65,805,944	-	-	65,805,944	11.26%	601.96
2013	66,463,730	455,000	763,755	67,682,485	1.25%	625.94
2012	74,031,558	890,000	2,860,622	77,782,180	1.46%	724.23
2011	81,352,277	1,300,000	4,910,785	87,563,062	1.70%	816.73
2010	90,578,648	1,690,000	3,329,429	95,598,077	1.99%	893.94
2009	106,793,640	2,065,000	4,649,158	113,507,798	2.41%	1,075.97

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 174.

(3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 174.

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)
2018	\$ 71,213,678	\$ -	\$ 71,213,678	0.48%	NA
2017	47,869,972	-	47,869,972	0.36%	425.33
2016	52,908,467	-	52,908,467	0.42%	475.59
2015	57,160,274	-	57,160,274	0.49%	518.29
2014	65,805,944	-	65,805,944	0.57%	601.96
2013	66,463,730	-	66,463,730	0.58%	614.67
2012	74,031,558	-	74,031,558	0.58%	689.31
2011	81,352,277	-	81,352,277	0.62%	758.80
2010	88,670,800	-	88,670,800	0.62%	829.16
2009	105,720,800	-	105,720,800	0.74%	1,002.16

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 Value and the Estimated Actual Value of Taxable Property on page 149 for property tax data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 174.

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, 2018**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Peachtree City	\$ 4,679,089	100%	\$ 4,679,089
Fayette County	30,703,208	100%	<u>30,703,208</u>
Total Overlapping Debt			35,382,297
Fayette County Board of Education, direct debt			<u>71,213,678</u>
Total Direct and Overlapping Debt			<u><u>\$ 106,595,975</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 2018**

Assessed value 2017 tax digest	\$ 4,914,952,470
Limit of bonded indebtedness, 10% of net assessed taxable property value	491,495,247
Amount of debt applicable to the debt limit General obligation bonds, net of original issuance discounts and premiums	<u>71,213,678</u>
Legal Debt Margin	<u>\$ 420,281,569</u>

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt limit	\$ 491,495,247	\$ 444,504,926	\$ 424,974,542
Total debt applicable to limit	<u>71,213,678</u>	<u>47,869,972</u>	<u>52,908,467</u>
Legal debt margin	<u>\$ 420,281,569</u>	<u>\$ 396,634,954</u>	<u>\$ 372,066,075</u>
 Total debt applicable as a percentage of debt limit	 14.5%	 10.8%	 12.4%

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 397,191,396	\$ 394,231,773	\$ 395,375,655	\$ 440,050,269	\$ 462,186,375	\$ 506,500,006	\$ 534,611,072
<u>57,160,274</u>	<u>65,805,944</u>	<u>66,918,730</u>	<u>74,921,558</u>	<u>82,652,277</u>	<u>92,268,648</u>	<u>108,858,640</u>
<u>\$ 340,031,122</u>	<u>\$ 328,425,829</u>	<u>\$ 328,456,925</u>	<u>\$ 365,128,711</u>	<u>\$ 379,534,098</u>	<u>\$ 414,231,358</u>	<u>\$ 426,825,272</u>
14.4%	16.7%	16.9%	17.0%	17.9%	18.2%	20.4%

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

<u>Fiscal Year</u>	<u>General Fund Expenditures</u>	<u>Student Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>
<b>2018</b>	\$ 198,752,997	20,177	\$ 9,850.47	4.1%	1,440	13.96
<b>2017</b>	190,150,915	20,104	9,458.36	7.3%	1,438	14.07
<b>2016</b>	178,395,251	20,238	8,814.87	6.6%	1,410	14.36
<b>2015</b>	167,402,295	20,242	8,270.05	6.0%	1,327	15.25
<b>2014</b>	158,003,155	20,243	7,805.32	-5.4%	1,304	15.58
<b>2013</b>	167,709,003	20,318	8,254.21	-5.6%	1,423	14.41
<b>2012</b>	179,379,327	20,506	8,747.65	5.7%	1,483	14.24
<b>2011</b>	174,862,115	21,120	8,279.46	3.3%	1,483	14.62
<b>2010</b>	173,796,697	21,683	8,015.34	-5.3%	1,493	14.77
<b>2009</b>	186,618,421	22,047	8,464.57	-5.7%	1,570	14.08

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>
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
2011	34,723	80,383	33,424
2010	33,161	76,766	33,424
2009	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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Elementary</b>				
Braelinn (1989)				
Square feet *	73,986	73,986	73,986	73,986
Capacity	675	675	675	675
Enrollment	552	529	547	549
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	568	530	548	583
Crabapple Lane (2004)				
Square feet	94,179	94,816	94,816	94,816
Capacity	800	800	800	800
Enrollment	621	619	652	637
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	466	482	465	483
Huddleston (1979)				
Square feet	79,694	79,694	79,694	79,694
Capacity	625	625	625	625
Enrollment	601	627	627	634
Inman (2009)				
Square feet	86,172	86,172	86,172	86,172
Capacity	663	663	663	663
Enrollment	648	652	626	585

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

\* square footage numbers in prior years updated

**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.

2014	2013	2012	2011	2010	2009
73,986	73,986	73,986	73,986	73,986	73,986
675	675	675	675	675	675
542	443	471	493	544	568
60,413	60,413	60,413	60,413	60,413	60,413
-	525	525	525	525	525
-	243	298	307	313	315
73,146	73,146	73,146	73,146	73,146	73,146
675	675	675	675	675	675
531	557	576	634	664	701
94,816	94,816	94,816	94,816	94,816	94,816
800	800	800	800	800	800
637	536	508	535	554	565
67,482	67,482	67,482	67,482	67,482	67,482
-	550	550	550	550	550
-	395	389	421	455	469
73,176	73,176	73,176	73,176	73,176	73,176
575	575	575	575	575	575
590	370	365	394	404	417
79,694	79,694	79,694	79,694	79,694	79,694
625	625	625	625	625	625
645	590	562	565	590	633
86,172	86,172	86,172	86,172	86,172	86,172
663	663	663	663	663	663
512	467	490	507	546	539

continued

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Elementary - continued</b>				
Kedron (1995)				
Square feet	87,734	87,734	87,734	87,734
Capacity	725	725	725	725
Enrollment	627	597	593	573
Cleveland (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	450	487	502	545
S. H. Minter (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	742	726	743	765
North Fayette (1980)				
Square feet *	78,174	78,174	75,785	75,785
Capacity	750	750	750	750
Enrollment	625	618	628	597
Oak Grove (1986)				
Square feet	71,040	71,040	71,040	71,040
Capacity	725	725	725	725
Enrollment	534	501	464	464
Peachtree City (1968)				
Square feet *	80,945	80,945	62,732	62,732
Capacity	625	625	525	525
Enrollment	486	511	494	526
Peoples (1998)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	725	721	682	648
Spring Hill (1996)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	718	700	741	712
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	-	-	-	-

\* square footage numbers in prior year (2017) updated

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
87,734	87,734	87,734	87,734	87,734	87,734
725	725	725	725	725	725
582	518	560	586	597	592
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
538	547	523	542	556	556
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
772	599	593	593	613	648
75,785	75,785	75,785	75,785	75,785	75,785
750	750	750	750	750	750
574	478	478	458	478	492
71,040	71,040	71,040	71,040	71,040	71,040
725	725	725	725	725	725
497	556	521	514	516	485
62,732	62,732	62,732	62,732	62,732	62,732
525	525	525	525	525	525
523	509	509	490	467	446
94,655	94,655	94,655	94,655	94,655	94,655
800	800	800	800	800	800
657	589	618	669	699	751
94,655	94,655	94,655	94,655	94,655	94,655
800	800	800	800	800	800
598	497	512	518	542	556
59,580	59,580	59,580	59,580	59,580	59,580
-	450	450	450	450	450
-	337	344	346	338	329
135,649	135,649	135,649	135,649	135,649	135,649
-	1,125	1,125	1,125	1,125	1,125
-	696	720	751	791	820

continued

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</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	1,000	929	970	984
J. C. Booth (1979)				
Square feet	139,581	139,581	139,581	139,581
Capacity	1,175	1,175	1,175	1,175
Enrollment	1,205	1,191	1,216	1,209
Flat Rock (1989)				
Square feet *	137,879	137,879	137,879	137,879
Capacity	1,012	1,012	1,012	1,012
Enrollment	791	783	721	753
Rising Starr (1996)				
Square feet *	156,846	156,846	156,846	156,846
Capacity	1,175	1,175	1,175	1,175
Enrollment	906	933	973	976
Whitewater (1989)				
Square feet	137,879	137,879	137,879	137,879
Capacity	1,050	1,050	1,050	1,050
Enrollment	897	906	938	955
<b>High</b>				
Fayette County (1998*)				
Square feet	293,238	259,536	259,536	259,536
Capacity	1,725	1,725	1,725	1,725
Enrollment	1,297	1,271	1,288	1,302
McIntosh (1981)				
Square feet	273,809	273,809	273,809	273,809
Capacity	1,625	1,625	1,625	1,625
Enrollment	1,654	1,618	1,630	1,600
Sandy Creek (1990)				
Square feet	248,280	248,280	248,280	248,280
Capacity	1,475	1,475	1,475	1,475
Enrollment	1,093	1,163	1,175	1,149
Starr's Mill (1998)				
Square feet *	231,796	231,796	231,796	231,796
Capacity	1,650	1,650	1,650	1,650
Enrollment	1,382	1,416	1,387	1,385
Whitewater (2004)				
Square feet	279,822	279,822	279,822	279,822
Capacity	1,475	1,475	1,475	1,475
Enrollment	1,428	1,412	1,404	1,415

\* square footage numbers in prior years updated

2014	2013	2012	2011	2010	2009
158,653	158,653	158,653	158,653	158,653	158,653
1,475	1,475	1,475	1,475	1,175	1,175
984	594	598	607	625	569
139,581	139,581	139,581	139,581	139,581	139,581
1,175	1,175	1,175	1,175	1,175	1,175
1,201	1,052	1,025	1,021	1,018	988
137,879	137,879	137,879	137,879	137,879	137,879
1,012	1,012	1,012	1,012	1,012	1,012
820	854	824	839	826	840
156,846	156,846	156,846	156,846	156,846	156,846
1,175	1,175	1,175	1,175	1,175	1,175
965	1,035	1,039	1,039	1,103	1,077
137,879	137,879	137,879	137,879	137,879	137,879
1,050	1,050	1,050	1,050	1,050	1,050
981	739	817	818	855	907
259,536	259,536	259,536	259,536	259,536	259,536
1,725	1,725	1,725	1,725	1,725	1,725
1,236	1,255	1,280	1,360	1,431	1,451
270,793	270,793	270,793	270,793	270,793	270,793
1,625	1,625	1,625	1,625	1,625	1,625
1,640	1,587	1,578	1,636	1,621	1,600
248,280	248,280	248,280	248,280	248,280	248,280
1,475	1,475	1,475	1,475	1,475	1,475
1,160	1,167	1,157	1,178	1,240	1,278
231,796	231,796	231,796	231,796	231,796	231,796
1,650	1,650	1,650	1,650	1,650	1,650
1,472	1,500	1,480	1,555	1,508	1,621
279,822	279,822	279,822	279,822	279,822	279,822
1,475	1,475	1,475	1,475	1,475	1,475
1,369	1,380	1,453	1,533	1,623	1,679

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

<b>Position</b>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Administrators	104	101	105	92	91
Teachers	1,440	1,438	1,410	1,327	1,304
Media	24	24	24	24	24
Counselors	50	50	49	48	47
Clerical	134	132	132	133	128
Paraprofessionals	323	322	307	270	211
Custodians	131	131	131	130	132
Lunchroom	122	122	122	157	157
Other Areas*	<u>347</u>	<u>363</u>	<u>327</u>	<u>386</u>	<u>395</u>
 Total employees	 <u><u>2,675</u></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>

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Source: School System records

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
103	101	100	100	102
1,423	1,483	1,483	1,493	1,570
28	28	28	28	36
57	58	58	58	61
152	156	157	160	162
303	296	320	320	350
152	171	171	177	178
157	178	178	174	174
<u>419</u>	<u>432</u>	<u>420</u>	<u>428</u>	<u>456</u>
<u><u>2,794</u></u>	<u><u>2,903</u></u>	<u><u>2,915</u></u>	<u><u>2,938</u></u>	<u><u>3,088</u></u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Lunch Meals Served				
Free	517,218	536,863	592,273	582,919
Reduced	111,098	118,922	120,370	116,582
Paid	<u>723,689</u>	<u>769,069</u>	<u>775,991</u>	<u>824,822</u>
Total	<u><u>1,352,005</u></u>	<u><u>1,424,854</u></u>	<u><u>1,488,634</u></u>	<u><u>1,524,323</u></u>
Daily Average	7,889	7,976	8,325	8,544
Student Price	\$2.75 - \$2.90	\$2.65 - \$2.75	\$2.55 - \$2.65	\$2.45 - \$2.55
Breakfast Meals Served				
Free	144,544	147,136	167,262	157,122
Reduced	22,247	23,274	21,664	19,523
Paid	<u>47,849</u>	<u>51,415</u>	<u>48,388</u>	<u>44,331</u>
Total	<u><u>214,640</u></u>	<u><u>221,825</u></u>	<u><u>237,314</u></u>	<u><u>220,976</u></u>
Daily Average	1,264	1,247	1,345	1,260
Student Price	\$1.60	\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.45 - \$1.50
Total Meals Served				
Free	661,762	683,999	759,535	740,041
Reduced	133,345	142,196	142,034	136,105
Paid	<u>771,538</u>	<u>820,484</u>	<u>824,379</u>	<u>869,153</u>
Total	<u><u>1,566,645</u></u>	<u><u>1,646,679</u></u>	<u><u>1,725,948</u></u>	<u><u>1,745,299</u></u>
Daily Average	9,153	9,223	9,670	9,804

Source: School System records

2014	2013	2012	2011	2010	2009
551,946	541,183	561,152	544,183	487,840	417,595
111,599	112,478	116,127	102,357	126,018	125,967
<u>755,131</u>	<u>802,143</u>	<u>920,006</u>	<u>975,988</u>	<u>1,063,608</u>	<u>1,214,298</u>
<u><u>1,418,676</u></u>	<u><u>1,455,804</u></u>	<u><u>1,597,285</u></u>	<u><u>1,622,528</u></u>	<u><u>1,677,466</u></u>	<u><u>1,757,860</u></u>
8,260	8,262	8,899	9,150	9,449	9,861
\$2.35 - \$2.45	\$2.25 - \$2.35	\$2.15 - \$2.35	\$2.10 - \$2.25	\$2.05 - \$2.15	\$2.00 - \$2.10
148,968	133,860	116,773	112,236	101,422	80,954
17,617	18,599	15,550	14,370	17,014	14,437
<u>40,650</u>	<u>36,800</u>	<u>29,779</u>	<u>33,602</u>	<u>27,857</u>	<u>29,936</u>
<u><u>207,235</u></u>	<u><u>189,259</u></u>	<u><u>162,102</u></u>	<u><u>160,208</u></u>	<u><u>146,293</u></u>	<u><u>125,327</u></u>
1,231	1,101	923	932	853	688
\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.35 - \$1.45	\$1.35 - \$1.45	\$1.35 - \$1.45	\$1.35 - \$1.45
700,914	675,043	677,925	656,419	589,262	498,549
129,216	131,077	131,677	116,727	143,032	140,404
<u>795,781</u>	<u>838,943</u>	<u>949,785</u>	<u>1,009,590</u>	<u>1,091,465</u>	<u>1,244,234</u>
<u><u>1,625,911</u></u>	<u><u>1,645,063</u></u>	<u><u>1,759,387</u></u>	<u><u>1,782,736</u></u>	<u><u>1,823,759</u></u>	<u><u>1,883,187</u></u>
9,491	9,363	9,822	10,082	10,302	10,549

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

Fiscal Year	Estimated Population <sup>(1)</sup>	Personal Income (in \$1,000) <sup>(1)</sup>	Per Capita Personal Income <sup>(1)</sup>	School Enrollment	Unemployment Rate <sup>(2)</sup>
2018	NA	NA	NA	20,177	3.8%
2017	112,549	6,785,085	60,286	20,104	4.4%
2016	111,248	6,481,049	58,258	20,238	5.2%
2015	110,286	6,119,809	55,490	20,242	5.7%
2014	109,320	5,843,322	52,912	20,243	6.6%
2013	108,129	5,401,352	49,953	20,318	7.5%
2012	107,400	5,344,288	49,761	20,506	8.2%
2011	107,212	5,136,953	47,914	21,120	8.6%
2010	106,940	4,797,912	44,865	21,683	8.3%
2009	105,493	4,714,508	44,690	22,047	9.1%

Source <sup>(1)</sup> Bureau of Economic Analysis, U.S. Department of Commerce, Table CAINC 1, updated November 15, 2018, with new statistics for 2017 and revised statistics for years 2009-2016.

<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 November 27, 2018.

NA Data not available.

**Fayette County Board of Education  
Major Employers  
June 30, 2018 and Nine Years Ago**

<u>Employer</u>	<u>2018</u>			<u>2009</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>
Piedmont Fayette Hospital	1,700	1	3.10%	930	2	1.77%
Panasonic Automotive Systems	1,000	2	1.82%	1,200	1	2.28%
Eaton Lighting Solutions	700	3	1.28%			
Walmart SuperCenter	427	4	0.78%			
Walmart, Fayetteville	400	5	0.73%			
Hoshizaki America Inc	400	5	0.73%	425	5	0.81%
Ply Gem Industries Inc.	250	7	0.46%			
Concordia Nursing & Rehab Center	210	8	0.38%			
Gerresheimer Peachtree City LP	208	9	0.38%			
Publix	200	10	0.38%			
Cooper Lighting				650	3	1.23%
NCR Corp. Center of Excellence				550	4	1.04%
Global Aero Logistics				275	6	0.52%
TDK Components				210	7	0.40%
APAC -Georgia				200	8	0.38%
FAA Tracon				190	9	0.36%
Alenco, Inc				181	10	0.34%
Total	<u>5,495</u>		<u>10.04%</u>	<u>4,811</u>		<u>9.13%</u>

Source: Fayette County



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