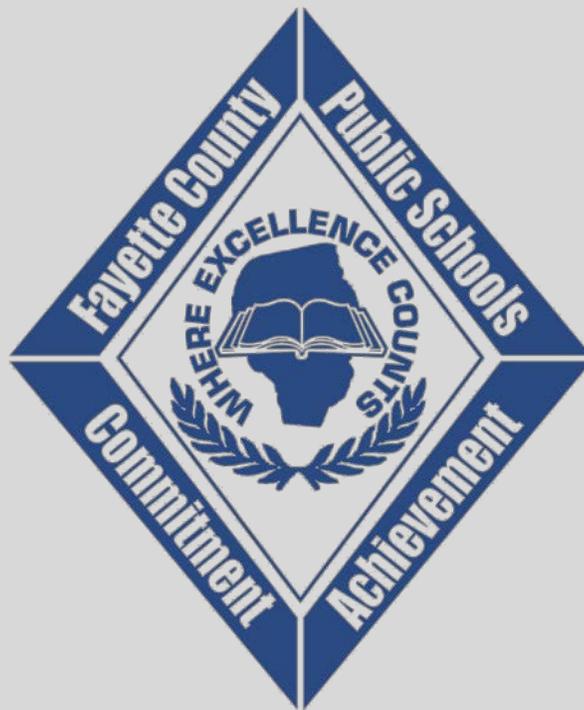


**FAYETTE COUNTY  
BOARD OF EDUCATION**

**Fayetteville, Georgia**



**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

**Fiscal Year ended June 30, 2015**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

*Fiscal Year ended June 30, 2015*



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

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**Fayette County Board of Education**

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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  
Fax: 770-460-8192

## Board Members

Marion Key, *Chair*  
Barry Marchman, Ph.D. *Vice Chair*  
Diane Basham  
Dan Colwell  
Leonard Presberg

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

## *“Where Excellence Counts”*

February 11, 2016

### **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, 2015. 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, are accurate in all material respects and are 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, 2015. 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 20,242 students enrolled in the School System in school year 2014-2015. Projected enrollment for the 2015-2016 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*

The national economy hit a significant downturn in the fall of 2008. Fayette County felt the same effects of the downturn the rest of the nation felt. For Fayette County, the economic effects have been seen primarily in real estate, residential construction and banking. The local economy has shown signs of recovery with increasing real estate values and an influx of specific industries.

As with most of Georgia and the nation as a whole, the job market of Fayette County has remained tight but 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 5.6% at June 2015. This rate is above the national average rate (seasonally adjusted) of 5.3% but significantly lower than the State of Georgia average rate (not seasonally adjusted) of 6.3%. The unemployment rate has improved locally, state-wide and nationally since December 2011. Fayette County's unemployment rate for December 2011 was 7.8%.

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. Recently, the property tax digest values have fallen over 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 2015 property tax digest showed significant recovery in residential property. The overall digest increased 7.9% from fiscal year 2015 to 2016. Looking forward, recent industry growth mentioned below gives indications of growth in the overall digest in the next several years.

In recent years, investment in the film production industry has been the focus of growth for Fayette County. Pinewood Studios Group of London has developed nine state-of-the-art sound stages, administration offices and buildings for set and effects development and film equipment vendors. Construction of the studios began in the late summer 2013 and operations began in January 2014. The studio continues with its plans to add additional sound stages and related facilities.

Future plans include the establishment of a film production school. The School System recently sold an under-utilized elementary school located adjacent to the studio property. This facility is expected to be part of the film educational element that industry investors hope to develop in conjunction with the new studios. 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.

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 will offer programs at the junior college level but also expand 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.

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 of Georgia has been funding a smaller percentage of the total cost of education over the last several years. School systems historically had been funded approximately 60% by the State. In 1996, the overall educational support for education in Georgia was funded 59.39% by the State. By 2010, the split between state and local was 49/51 and for 2015 the State is still funding about one-half or less of the total cost for education.

Most of the funding reductions have occurred due to years of "austerity reductions" (also called "amended formula adjustment") 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 2015, the Fayette County School System received approximately \$99.2 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.

As discussed above, recent economic news indicates that the state economy is improving. For fiscal year 2016, the State increased education funding by \$418.4 million or 4.1%. Most of this increase was targeted by the State to increase teacher pay, maintain student school calendar days, and reduce furlough days for employees.

### *Long-term Financial Planning*

Total fund balance of the general fund has remained near 15% of budgeted operating expenditures and represents just over one and three-quarters of one month's expenditures. Since fund balance was significantly increasing from a low of \$1.7 million in fiscal year 2008 as a result of conservative revenue estimates, significant salary reductions and deliberate cut backs in operational costs and changes in staffing requirements, the Board determined in late fiscal year 2011 to reinstate salary schedules to pre-2008 levels. Due to continued erosion of local tax revenues and state funding and the increases in cost related to the increased salary schedules and in employer matching costs for health insurance, fund balance was budgeted to close the gap between revenues and expenditures in fiscal year 2012 and again in fiscal year 2013. However, the School System took immediate action during the 2013 and 2014 fiscal years and implemented cost reduction strategies to avoid deficit spending. The strategies included five furlough days and personnel reductions through attrition and "right-sizing" the district by closing four schools, increasing class sizes and reducing staff to reflect the current enrollment levels in order to balance the budget at a sustainable level.

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. Based on recent population projections, the School System does not foresee the need to construct any schools in the near future. Furthermore, with declining enrollment projections, the School System has excess capacity and addressed that issue via the school closures mentioned above along with the sale of an under-utilized elementary school which has been used for specialized programs.

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 2011, the citizens of Fayette County voted to extend the first SPLOST for an additional five years. The new SPLOST will be 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.

#### *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 provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Nonprofit Organizations*, 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*

The mission of the Fayette County School System is to deliver effective instruction and set high expectations resulting in continued improvement in student achievement. In order to achieve this mission, the School System annually evaluates its strategic directions and the goals associated with those strategies. One of the School System's strategic directions has been to apply information technology in each school and the Central Office to improve the effectiveness and quality of instruction, as well as to increase the efficiency of administrative operations. Following this strategic direction, the School System began a "technology renewal" process in 2004. The School System has continued its commitment to technology improvements and renewal through both SPLOST referendums. Through this funding mechanism, the School System has been able to replace computers throughout all schools and administrative offices, provide 21<sup>st</sup> century class rooms in all schools, and improve local area networks and internet connectivity. As the learning environment changes for students, the School System is committed to providing resources for students to learn in a 21<sup>st</sup> century environment, full of technology possibilities. Several years ago, the School System embarked on a "BYOT" or "bring your own technology" initiative where students can use various personal electronic devices, from laptops to smart phones, to enhance learning. To further the educational experience for students, the School System began developing the "connected classroom" allowing for student interaction via the internet with other students and teachers. The School System has also begun the process of implementing a learning management platform to bring together digital learning resources and make them readily available to all students. For school year 2015-2016, the School System opened its "Center of Innovation" 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 and culinary arts.



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### *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, 2014. 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.

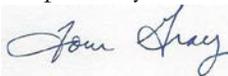
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements.

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, 2014. This was the fourth 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  
Assistant Superintendent of Business  
and Personnel Management



Laura Brock  
Coordinator of Audits and Purchasing

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## Fayette County Board of Education

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read "M. Pepera", written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

A handwritten signature in black ink, appearing to read "John D. Musso", written over a horizontal line.

John D. Musso, CAE, RSBA  
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

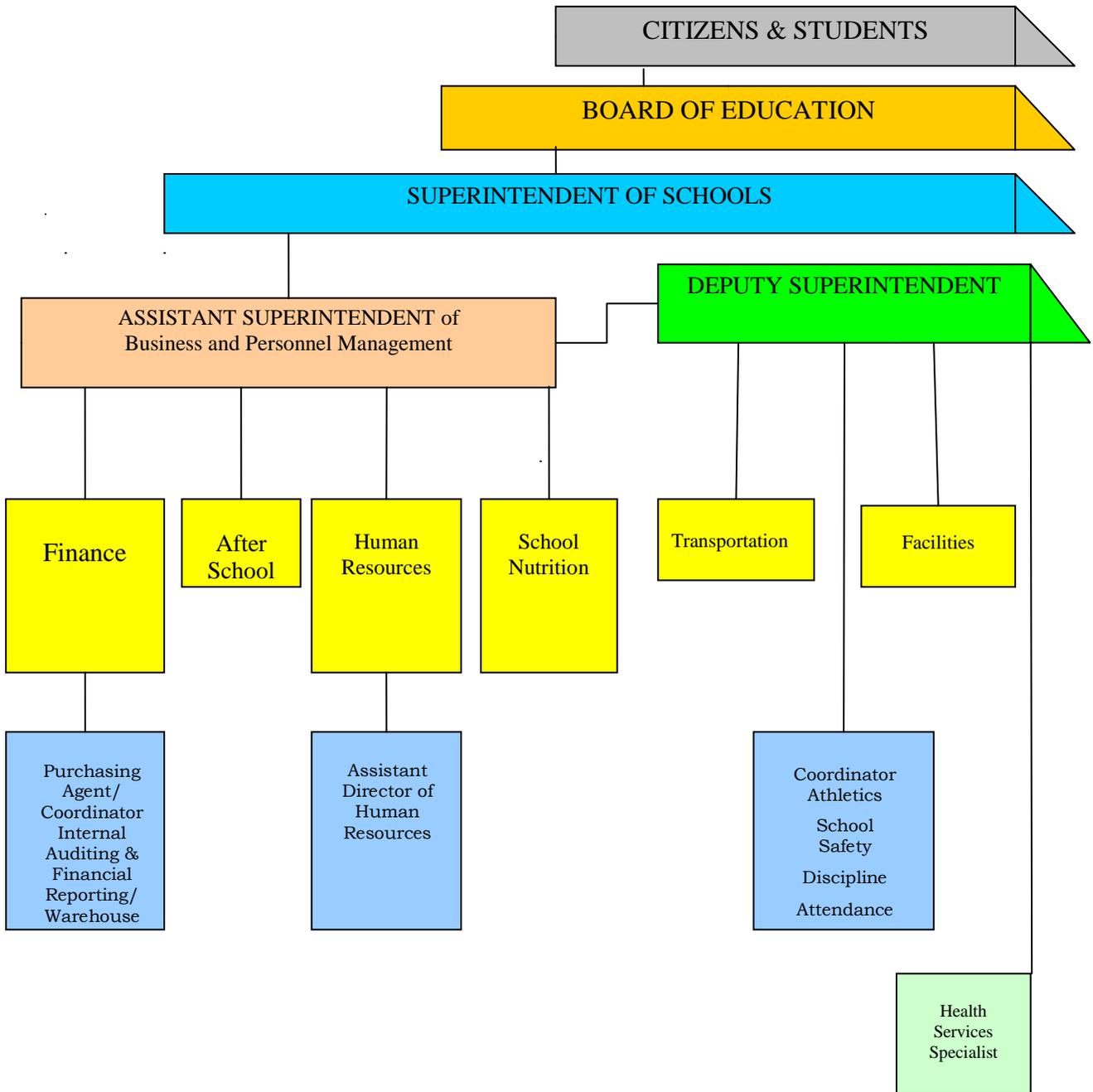
**June 30, 2014**

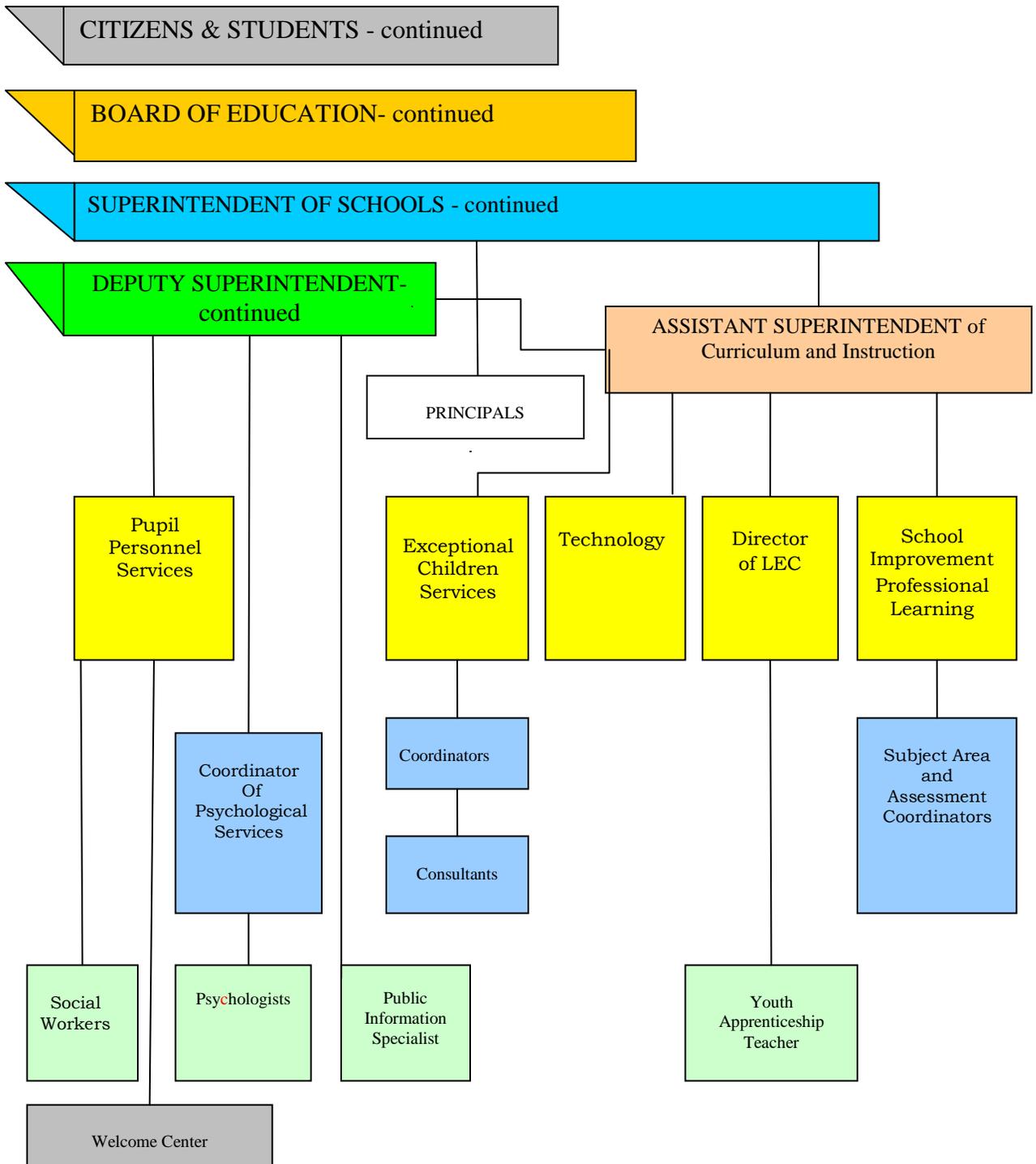
Executive Director/CEO

Fayette County Board of Education

ORGANIZATIONAL CHART

June 30, 2015





**Fayette County Board of Education**

**LISTING OF PRINCIPAL OFFICIALS**

**June 30, 2015**

**BOARD MEMBERS**

Ms. Marion Key, Chair, Post 3

Mr. Dan Colwell, Vice Chair, Post 2

Mr. Leonard Presberg, Chair Post 5

Dr. Barry Marchman, Post 1

Ms. Diane Basham, Post 4

**SUPERINTENDENT'S CABINET**

Dr. Joseph C. Barrow, Jr., Superintendent

Mr. Sam Sweat, Deputy Superintendent

Dr. Terry Oatts, Assistant Superintendent of Curriculum and Instruction

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

Ms. Sharon Lunceford, Director of Technology

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

Ms. Linda Beaubien, Director of Human Resources

Ms. Melinda Berry-Dreisbach, Public Information Specialist

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 CTAE

Mr. Mike Satterfield, Director of Facility Services

Ms. Audrey Toney, High School Principal

Ms. Connie Baldwin, Middle School Principal

Mr. Randy Hudson, Elementary School Principal

Dr. Kristin Berryman, Elementary School Principal

# FINANCIAL SECTION





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## INDEPENDENT AUDITOR'S REPORT

---

**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, 2015 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, 2015, 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 M, the School System implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the School System’s net pension 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) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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, the Quality Basic Education Program – Earnings and Expenditures by Program Schedule, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is 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, the Quality Basic Education Program – Earnings and Expenditures by Program Schedule and the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds (collectively “the supplementary information”) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2016, 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 School District’s internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
February 9, 2016



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

**June 30, 2015**

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, 2015. The intent of this discussion and analysis is to look at the School System's financial performance as a whole. Readers should also review the notes to the basic financial statements to enhance their understanding of the School System's financial performance.

**Financial Highlights**

- The assets and deferred outflows of resources of the School System exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2015 by \$92,657,027 (net position).
- The School System's total net position increased by \$26,778,602.
- At the end of fiscal 2015, the School System's governmental funds reported combined ending fund balances of \$74,596,690, a decrease of \$1,560,133 in comparison with the prior year. Of this total, \$27,440,142 is available for spending at the School System's discretion (assigned and unassigned fund balance).
- At the end of fiscal 2015, unassigned fund balance for the General Fund was \$26,378,632 or 15.76% of total General Fund expenditures.
- Total bonded debt for the School System decreased by \$8,585,520, a result of the scheduled debt service payments on bonds issued in 2005, 2007, 2009 and 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.

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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-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund, and the Capital Projects SPLOST I and SPLOST II Funds, each of which are considered to be a major fund. Data from the other eighteen 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 90-101 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.

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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 51-79 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, combining fund statements referred to earlier and schedules of the Special Purpose Local Option Sales Tax (SPLOST), lottery program and the Georgia Quality Basic Education (QBE) Program. 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, 2015, the School System's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92,657,027.

The following summarizes the components to the School System's net position at June 30, 2015 and 2014:

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

	<u>2015</u>	<u>2014</u>
Current assets	\$ 109,965,375	\$ 103,525,425
Capital assets	<u>238,985,461</u>	<u>228,936,486</u>
Total assets	348,950,836	332,461,911
Deferred outflows of resources	18,620,527	5,057,113
Current liabilities	32,575,522	26,306,185
Noncurrent liabilities	<u>187,153,602</u>	<u>68,371,796</u>
Total liabilities	219,729,124	94,677,981
Deferred inflow of resources	55,185,212	-
Net position		
Net investment in capital assets	186,432,779	168,187,655
Restricted	41,198,421	41,020,287
Unrestricted	<u>(134,974,173)</u>	<u>33,633,101</u>
Total net position	<u>\$ 92,657,027</u>	<u>\$ 242,841,043</u>

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During the fiscal year, the School System adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Reporting for Pensions*. This change significantly affected the statement of net position as compared to prior year. As a result, the School System's statement of net position reports the amount of liabilities that represent benefits that employees have earned and that the School System has a present obligation to pay in the future. The net pension liability is the amount of the total pension liability (the promise of benefits for work already performed) in excess of the pension 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 Q on page 79 further details these adjustments. At the end of the year, the statement of net position now includes a net pension liability of \$128.18 million (long term liability), and deferred outflows of resources of \$14.01 million and deferred inflows of resources of \$55.19 million related to pensions which are not reflected in the 2014 amounts above.

The School System's current assets increased approximately \$6.44 million over the prior year. Almost all of this increase was a net increase in balances held in bank deposits and investments of \$5.99 million resulting from the overall revenue inflows in excess of spending. Amounts receivable from other governments increased by \$0.43 million. The receivable balance is effected by timing of drawdown requests of state and federal grants (\$0.01 million increase), the change in QBE earnings for July and August teachers' salaries (\$0.23 million increase), and the award of state bond funds for buses and technology that were not available in 2014 (\$0.19 million increase).

The School System's capital assets had a \$10.05 million net increase. Depreciation of \$10.44 million reduced the net book value of capital assets. Also, the School System expended \$20.66 million in capital outlay, primarily related to the educational Special Purpose Local Option Sales Tax (SPLOST) approved in fiscal year 2009 and renewed in 2012. Both SPLOST funds provide funding for textbooks and instructional materials, computers, technology upgrades, transportation, security, facility improvements, and general obligation debt reduction.

The School System's deferred outflows of resources increased \$13.56 million. An increase of \$14.01 million relates to the inclusion of pensions on the financial statements. The TRS pension liability was measured as of June 30, 2014, 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. Deferred outflows of resources also include a deferred loss on refunding of bonds that occurred last year. That deferred loss decreased \$0.45 million as the loss is being amortized over the life of the refunding bonds.

Current liabilities of the School System increased \$6.27 million over the prior year. Accrued salaries and benefits increased \$0.84 million as compared to the prior year, resulting from an overall increase in the TRS matching rate from 12.28% to 13.15% and an overall increase in salaries. Annual changes in accounts payable (increase of \$5.34 million) are affected by the timing of payments at or near year end and the increased volume of projects funded by SPLOST. The increased volume of those projects is also reflected in the increase in retainage payable of \$0.71 million. Accrued interest related to the School System's general obligation bonds payable decreased \$0.63 million as payments were made during the year.

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Non-current liabilities (which include the current portion of those liabilities) increased \$118.78 million. The most significant portion of this change relates to the pension liability now reflected on the School System's financial statements (\$128.18 million). The effect of the pension liability is offset slightly by the reduction in bonds payable of \$8.65 million and a net reduction in accrued compensated absences of \$0.75 million created by a policy change in the amount of vacation time payable to an employee upon termination of employment.

During 2015, the School System recorded deferred inflows of resources related to the TRS pension plan. Actuarial assumptions are made in determining the total pension liability of the plan. As those assumptions change, changes in the liability calculation are recorded as either deferred outflows or deferred inflows of resources. The deferred inflows of resources are created by differences between projected and actual earnings on pension plan investments (\$10.50 million), and changes in the School Systems portion of the entire plan and differences between the School System's contributions and its proportionate share of contributions (\$44.69 million). The deferred inflow of \$55.19 million represents 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 201.2% of total net position. The School System uses these capital assets to provide services to students, and consequently, these assets are not available for future spending. Although the School System's net investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities. The investment in capital assets increased by \$18.24 million from the prior year due to an increase in capital assets, net of depreciation, of \$10.05 million, a decrease in bonds payable, net of amortization of discounts and premiums, of \$8.65 million and amortization of the prior year's deferred loss on the refunding of general obligation bonds of \$0.45 million.

Total restricted net position increased \$0.18 million over the prior year. Net position is restricted when limitations are imposed on its use through constitutional provisions or enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted net position indicates the amount of liquid assets the School System has to meet the existing obligations to its creditors. For the year ended June 30, 2015, the School System reported a deficiency in its unrestricted net position of \$134.97 million. This deficiency is attributable to recording pension obligations on the financial statements. If the adjustments related to pension obligations had not been recorded, the School System's net position would be \$34.38 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.

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

	<u>2015</u>	<u>2014</u>
Revenues:		
Program revenues		
Charges for services	\$ 5,994,273	\$ 6,196,548
Operating grants and contributions	98,522,267	96,557,210
Capital grants and contributions	4,805,599	132,000
General revenues		
Property taxes	87,023,400	84,458,044
Sales taxes	21,094,300	20,241,186
Other taxes	2,068,521	1,731,527
Interest and investment earnings	125,298	85,588
Other	485,388	420,342
Total revenues	<u>220,119,046</u>	<u>209,822,445</u>
Expenses:		
Instruction	126,035,931	123,283,652
Pupil services	8,982,470	8,940,118
Improvement of instructional services	4,233,092	3,919,268
Educational media services	3,031,063	3,078,138
General administration	1,664,955	1,778,299
School administration	11,092,787	11,570,184
Business administration	865,120	872,724
Maintenance and operation of facilities	13,133,822	12,683,045
Student transportation services	8,620,521	8,820,745
Central support services	3,658,754	2,830,478
Other support services	225,350	491,443
Community services	2,292,410	2,137,412
Food services	7,090,152	7,495,355
Loss on sale of capital assets	171,594	-
Interest expense	2,242,423	3,154,736
Total expenses	<u>193,340,444</u>	<u>191,055,597</u>
Excess before extraordinary items	26,778,602	18,766,848
Extraordinary item	-	(6,050,097)
Change in net position	26,778,602	12,716,751
Net position, beginning of the year, as restated	65,878,425	230,124,292
Net position, end of year	<u>\$ 92,657,027</u>	<u>\$ 242,841,043</u>

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Total revenues of the School System increased approximately \$10.30 million, driven primarily by the following items:

- Property tax increased by \$2.57 million over prior year as property values began to rebound.
- Operating grants and contributions increased by \$2.52 million. The School System experienced an overall increase in federal grants of \$0.79 million, primarily related to the School Nutrition program and the IDEA grant. State funding increased by \$1.97 million, primarily related to state QBE funding as discussed in more detail as it relates to the General Fund below.
- The School System experienced an increase in revenue from capital grants and contributions in 2015 of \$4.67 million. The School System obtained a federal grant to replace certain school buses in an effort to mitigate diesel emissions and improve air quality. The School System received the same grant in fiscal year 2013. Additionally, the School System received state funding for various capital outlay projects during the year.

Total expenses increased by \$2.28 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. Fiscal year 2015, however, is the first year that pension liability has been reported on the system-wide financial statements. As a result, the 2015 statement of activities includes adjustments to pension expense. These same adjustments were not reported in the 2014 numbers. During the current year, the adjustments to pension expense created an overall decrease in expenses of \$7.94 million. Since these adjustments were not included in the prior year, the expense variance between the two years is the same as the adjustments 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 43.

Other significant changes in expenses are as follows:

- The year saw a pay increase of 1.5% for all employees, step increases to certain classified employees, and restructuring of pay scales at the beginning of the year, followed by an additional 1% pay increase at mid-year, costing approximately \$4.10 million.
- The School System provided for additional staffing of paraprofessionals throughout the System at a cost of approximately \$0.98 million.
- Teachers' retirement (TRS) cost increased by approximately \$1.39 million due to an increase in salaries and an increase in the required employer contribution rate from 12.28% to 13.15% of eligible salaries.
- The number of days of earned vacation that an employee can be paid for upon termination of employment was reduced from 30 days to 15 days. As a result, compensated absences expense decreased approximately \$0.73 million.
- School level expenditures increased approximately \$0.40 million as more money was allocated to each school in the annual budget.

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- Bus fuel cost the system approximately \$0.38 million less than in the prior year due to declining fuel prices.
- Electricity and natural gas costs had a net increase of \$0.26 million. Fluctuations in these costs are primarily affected by changes in weather patterns.
- Interest expense decreased \$0.91 million, or 28.9%, as debt balances were paid down and the School System began to realize the benefit of the 2013 bond refunding.
- Total costs of capital project funds that were not capitalized as capital assets in the system-wide financial statements were \$2.64 million higher in 2015 than in 2014. Many of the assets purchased under the SPLOST have a cost below the School System's capitalization threshold of \$5,000. These items include, but are not limited to computers, Chromebooks, tablets and textbooks. Depreciation of capital assets increased by \$0.47 million over prior year.

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

- Instruction costs had a net increase of \$2.75 million or 2.4%. Instruction cost is primarily personnel driven, meaning most costs within this category are for salary and benefits of teachers and paraprofessionals. Instruction increased approximately \$5.57 million for salaries and benefits. Additionally, there was an increase of \$2.59 million in textbooks and instructional equipment purchases through SPLOST which fell below individual capitalization thresholds, primarily computers, tablets and Chromebooks. These increases were offset by \$6.11 million decrease related to the pension expense adjustment as previously discussed.
- School improvement increased by \$0.31 million. The increase was attributable to increases in salaries and benefits of approximately \$0.34 million, increases for conference registrations, books and periodicals and other operational needs of approximately \$0.10 million, partially offset by a \$0.16 million decrease related to the pension expense adjustment.
- School administration decreased by \$0.48 million. Most of this change resulted from a \$0.29 million decrease in vacation expense, an increase in depreciation expense of \$0.24 million and a \$0.58 million decrease related to the pension expense adjustment.
- Maintenance and operations increased by \$0.45 million or 3.6%. This increase was affected most significantly by a \$0.23 million in salaries and benefits, a \$0.26 million increase in electricity and natural gas costs, a \$0.10 million increase in grounds maintenance cost, a \$0.18 million decrease in vacation expense and a \$0.11 million decrease related to the pension expense adjustment.
- Central support services increased \$0.83 million, or 29.3%. This increase is primarily a result of spending \$0.70 million more for software in the current year. The School System planned for several significant initiatives for 2015: a learning management system, a new finance/purchasing/payroll/human resources system and a transportation routing and timekeeping system.

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The School System experienced a \$6.05 million loss on extraordinary items in the prior year, resulting from the surplus and sale of an underutilized elementary school facility. The loss was determined by the difference in the amount recorded in the statement of net position for the depreciated cost of the property and the amount received upon sale.

**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, 2015, the School System's governmental funds reported combined ending fund balances of \$74,596,690, a decrease of \$1,560,133 in comparison with the previous year. Approximately 35.4% (\$26,378,632) 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 page 57 of provides a definition of the various categories of fund balance. Note I on pages 66 and 67 provide additional detail. Total fund balances for the governmental funds are as follows:

<b>Fund Balances at June 30, 2015</b>	
Nonspendable	\$ 198,358
Restricted	\$ 42,088,724
Committed	\$ 4,869,466
Assigned	\$ 1,061,510
Unassigned	\$ 26,378,632

The *General Fund* is the chief operating fund of the School System. Its fund balance increased \$3.83 million over the prior year. Overall, revenues for the General Fund increased approximately \$4.71 million compared to the prior year. This was a result of an increase of \$1.57 million in state funds and an increase of \$3.14 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 decreased by \$3.48 million. The decrease was caused by having 81 fewer full time equivalent (FTE) students and the mix of FTEs (students) within each program classification. The School System earned \$0.30 million less in indirect costs. Other earnings categories, including media and staff development, had a total decrease of \$0.23 million. Furthermore, Fayette County's tax digest began declining in fiscal year 2011. That decline is reflected in the calculation for the System's local 5 mill share portion of the formula. The decrease in the tax base translated into a reduction of local 5 mill share of \$1.02 million and

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an increase in state funding by the same amount. The amended formula adjustment, or austerity cut, decreased by \$4.56 million, meaning more revenue. Categorical grants under QBE for transportation costs and nursing services remained the same. 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 2014 to 2015 is a \$0.23 million increase in revenue. In total, QBE earnings increased \$1.79 million over last year.

- Other state revenue related to grants and on-behalf payments decreased \$0.08 million.
- Property taxes increased by \$3.01 million as the digest value began to increase by 0.94% and the collection rate on current year billings improved from 96.4% to 97.9%
- Ad valorem for automobiles was down \$1.28 million as the state continued to transition to a tax based auto tag registration system. This decrease was offset by an increase in title ad valorem tax of \$1.33 million. The net decrease was \$0.25 million for automotive related tax revenue.
- Intangible and transfer taxes, both related to real estate transactions, were up \$0.33 million.
- All other local revenue sources remained relatively flat with a \$0.06 million increase.

Expenditures for the General Fund increased \$9.40 million or 5.95% from 2014 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 expense adjustment at the system-wide level as previously discussed. This adjustment is not reflected in the General Fund. The majority of the increase in expenditures in the General Fund is related to increases in salaries for an overall 1.5% pay raise and step increases and increased health care costs. Overall, non-payroll related operating costs increased \$1.79 million. That increase is primarily related to \$0.83 million for additional software costs (mainly conversion to new financial software and a learning management system), \$0.14 million for textbooks, other books and periodicals, \$0.12 million for legal fees and \$0.17 in grounds maintenance costs. Principal and interest payments made from the General Fund for certificates of participation decreased \$0.50 million, as the final payments were made in fiscal year 2014.

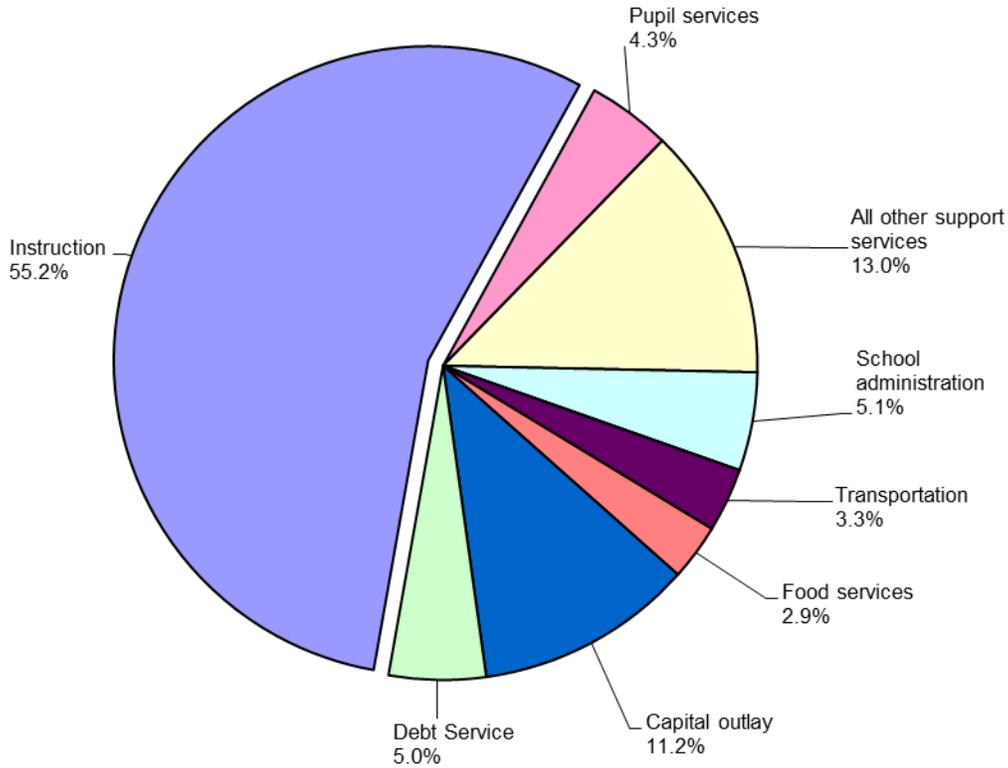
The *Debt Service Fund* is used to accumulate resources in order to pay current and future principal and interest amounts on bonded debt. Tax revenues had a modest increase of approximately \$0.14 million over 2014, a result of an increase in the net school bond digest of 0.75%. During the year, \$2.50 million of SPLOST proceeds were spent on debt service.

The *Capital Projects SPLOST I and SPLOST II 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 and interest earned for fiscal year 2015 was \$21.16 million. Approximately \$29.07 million was spent during the year, including a \$2.50 million transfer to debt service to pay existing bonded debt. The remaining balance has been set aside to continue the projects as specified in the two SPLOST referendums.

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**2015 Total Expenditures - All Governmental Funds**



*Other governmental funds* consist of non-major special revenue funds and non-major capital project funds. The aggregate fund balance of these funds decreased by approximately \$1.46 million compared to the prior year. Most of the decrease was in the capital project funds, with a decrease of \$2.04 million related to the transfer of balances accumulated in the Bond 2007 fund to the SPLOST I to partially fund projects whose expenditures were accounted for in that fund. In the special revenue funds, the School Nutrition Service and After School Program funds had the largest increases with a \$0.32 million and \$0.21 million increase, respectively. The Principals' Fund had the only decrease with a \$0.05 million decrease.

*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, 2015, the proprietary fund has a net position of approximately \$1.53.

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**General Fund Budgetary Highlights**

The School System's original budget was set based on preliminary state QBE allotments communicated by the State in May 2014. As in prior years, the State amended the QBE allotments during the year. Once the earnings sheets were finalized in March 2015, actual QBE earnings were approximately \$178,000 less 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 used in the calculation. The Board did not amend the budget for this adjustment.

The School System had a positive revenue budget variance of \$3.09 million. This variance was due to better than anticipated local revenues. Property tax collections were \$1.90 million over budget. While title ad valorem tax (TAVT) came in slightly under budget by \$0.05 million, automotive tax came in \$0.34 million higher than budget. Over time, the TAVT will replace the automotive tax as discussed below. Other revenues accounted for \$0.90 million in budget variance related to increases in, transfer taxes and miscellaneous revenues.

The State instituted a new method for vehicle taxes that began in March 2013. The State began phasing in a one-time tax based calculation on auto tag registration to be paid when vehicles change ownership. Vehicles will stay on the old ad valorem tax system that assesses the tax each year based on 40% of the value of the vehicle times the millage rate. Starting in March 2013, any sale or change in ownership of a vehicle generated the new one time title ad valorem tax (TAVT) based on the vehicles fair market value times 6%. This change has increased the overall ad valorem tax for vehicles as this methodology captures taxes on "casual sales" or sales between individuals and not through a retail location. It is unclear if this increase in revenue will be maintained going forward. However, included in the language of the new law are provisions to maintain the overall tax collections for vehicles at or above the amounts collected state-wide in 2012 through future rate adjustments.

While instruction accounts for 68% of the general fund budget, the budget variance was only \$0.41 million or 0.36%. The transportation function accounted for the largest dollar value of fluctuation with \$.92 million. Other large variances were seen in school administration (\$0.44 million) and central support services (\$0.75 million).

Budget variances in salaries and benefits have the most significant impact on the budgeted expenditures, as personnel cost makes up 89.7% of the General Fund budget. Overall, personnel costs were lower than the budget by \$1.11 million. Salaries were \$0.24 million below budget and benefits were \$1.05 million below budget. The large variance in benefits resulted from an anticipated increase in the health insurance rate for classified personnel that the state did not pass on to local school districts.

Expenditures overall were \$3.20 million under budget. Therefore the net budget variance in non-payroll costs is a favorable variance of \$1.74 million. Specific notable budget variances are as follows:

- Bus fuel prices have proven to be very inconsistent over the last several years. Administration budgets conservatively knowing that regardless of the cost of fuel, the School System must purchase fuel at the market price. Actual cost was approximately \$0.52 million lower than budget and below the prior year cost.

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- Electricity and natural gas costs were approximately \$0.08 million under budget.
- The School System had several large software initiatives planned in the 2015 budget, a learning management system, finance/purchasing/payroll/human resources system and a transportation routing/timekeeping system. Primarily due to the timing of these initiatives, software costs were \$0.47 million under budget.
- Insurance costs for the System were \$0.25 million less than expected. Administration decided to add cyber-risk coverage to the System's insurance policies. Without a firm estimate of those potential costs, the insurance budget was increased by \$0.11 million. Actual costs, even with the additional coverage, were less than anticipated and less than the prior year.
- The School System saved \$0.10 million budgeted for interest on tax anticipation notes. As the result of continued efforts to reduce costs below budgeted amounts, the School System did not have to have short-term borrowings to meet cash flow needs.
- Contracted service cost was approximately \$0.40 million under budget. This variance was primarily caused by budgeted legal fees not being required during the fiscal year.
- Expenditures recorded in other support services are primarily related to salaries funded by a source other than the School System such as 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 are not budgeted also.

Administration also anticipated transferring \$0.41 million to other funds to make up the difference between actual cost and revenues received from other sources, primarily state and federal grants. Actual transfers were \$0.11 million less than anticipated.

**Capital Assets and Debt Administration**

*Capital assets* – The School System's balance of capital assets as of June 30, 2015 totals \$238,985,461, 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 \$10.05 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 47 buses totaling approximately \$3.82 million, funded with SPLOST proceeds, a federal grant, and State bond funds.
- Major renovations to one of the high schools were completed during the year.
- Construction of a new transportation facility got underway.
- Roofing and HVAC replacement projects at three elementary schools and two middle schools were in progress and nearing completion at year end.

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- Construction of a new home-side stadium press box and scoreboard was started in late 2015 at one of the high schools.
- Another high school received new visitor-side bleachers in its stadium.
- Construction of two middle school fieldhouses was started during the year.
- Six elementary schools received new gym floors.
- A new golf cart path and parking lot was constructed for the high school and middle school at the South Complex.
- Upgrades were made to the School System's computer network, including areas for wireless access.
- Technology upgrades related to direct instruction included video conferencing and CTAE labs.

Additional information on the School System's capital assets can be found in Note G on page 63 of this report.

*Long-term debt* – As of June 30, 2015, the School System had total bonded debt of \$57,054,927 from three separate bond issuances. This bonded debt is payable from an ad valorem tax on all taxable property within the School District, without limit as to rate or amount.

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 \$397,191,396 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 64 and 65 of this report.

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

In preparing the fiscal year 2016 budget, School System administration had to consider several factors that would impact the 2016 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.
- The tax digest was expected to increase significantly at about 8.0%. Additionally, the maintenance and operations millage rate was already at the 20.00 mill maximum.

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

**June 30, 2015**

- The local economy showed signs of improvement with some new industry moving into the area and an increase in residential building. Also, several multi-use developments are in the planning stages or have been presented to local officials for approval. The County has become a major player in the film industry, attracting state and outside resources.
- The State of Georgia did propose to increase funding for education state-wide. The proposal adjusted the funding mechanism in a manner that gives school systems flexibility in the use of the increased funding. For Fayette County this should increase state funding by \$3.5 million.

In developing the 2016 budget, the administration faced potential increases in health insurance costs for classified employees, increase to the employer contributions for the Teachers' Retirement System (TRS), and potential changes in state revenues. However, indications of an improving economy lead the administration to believe that the School System can provide additional resources strategically in efforts to improve classroom instruction and student achievement.

The administration's main 2016 budget goals were to:

- 1.) maintain a full calendar for students, teachers, administration and support staff,
- 2.) maintain educational programs and enhance areas focused on college and career readiness,
- 3.) increase staffing in the classroom to impact instruction, and
- 4.) continue support for the integration of instructional technology in the classroom.

The 2016 budget includes 85 additional positions in the schools that will directly affect instruction, costing nearly \$5 million. These positions included classroom teachers, paraprofessionals and behavioral specialists. Support staff was increased by 20 positions to improve the school level administration's ability to manage the front office and student information due to increased requirements from the state over the last several years.

The central office and support departments were increased by eight positions to improve support in the work based learning program, technology services, instructional technology, and facility maintenance.

The overall payroll budget was increased \$6 million to account for a 2% cost of living increase, salary scale step increases, an increase in the employer retirement contribution rate for TRS (13.15% to 14.27%), and an increase in the employer portion of health insurance for classified employees.

One major initiative that the district feels is cost neutral is 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.

The School System anticipated an increase in tax revenues that allowed for the debt service millage rate to decrease from 1.45 mills to 1.35 mills. In addition, the refunding of outstanding debt in 2013 has reduced the overall debt service. The School System budgeted \$3.3 million in SPLOST receipts to be used towards principal and interest payments.

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

**June 30, 2015**

During 2016, the School System will continue to utilize sale tax receipts from SPLOST proceeds to fund capital projects. Current projects include computer replacements, technology upgrades, bus equipment, maintenance equipment, playground equipment, textbooks, and facility renovations. The School System is utilizing additional funding sources for some projects in conjunction with SPLOST proceeds when funds are available. The System receives funding from the state for portions of facility renovations. The System has also received grant funding from the state for technology network infrastructure improvements.

Major capital projects include facility additions to enhance instruction and support functions. For example, the System is adding a new transportation maintenance and training facility onto an existing warehouse facility. The location will include a 16 bay bus shop, administrative offices, fueling station, driver-training course, and sufficient parking area for the entire bus fleet. The new location will provide additional efficiency as a central fueling location outside of the downtown Fayetteville area and traffic.

Other capital projects in planning or currently in progress include new gyms and classrooms at two elementary schools, upgrading of stadium bleachers, concessions and restrooms. In addition, a major focus has been placed on upgrading science equipment and labs over the next few years.

Capital expenditures are also planned that focus on providing students with improved technology and learning environments in the classrooms. The System is replacing and upgrading student devices including computers, tablets, notebooks, and other hand held devices. In addition, the System is implementing a "connected classroom" concept where students have access to interact through technology with teachers and other students. Along with this technology focus, the System is phasing in flexible furniture to create unique and flowing classroom spaces that integrate the technology and allow for individual, small group, or classroom environments in any classroom setting.

Overall the economic outlook for the county and local area is positive. The influx of the film industry has spurred growth and economic activity that includes new residential and mixed-use projects. The continued increase in sales tax shows that the local retail economy is showing signs of growth as well. 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 Purchasing, P.O. Box 879, Fayetteville, Georgia, 30214.

## **Basic Financial Statements**

**Fayette County Board of Education**

**STATEMENT OF NET POSITION**

June 30, 2015

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 18,364,337
Investments	73,088,338
Due from other governments	13,666,213
Interest receivable	2
Taxes receivable	4,627,479
Due from others	20,648
Prepaid items	4,788
Inventory	193,570
Capital assets, not being depreciated:	
Land	14,665,111
Construction in progress	12,314,303
Capital assets, net of accumulated depreciation:	
Buildings	192,327,065
Trucks and autos	10,562,087
Other equipment	9,116,895
Total assets	348,950,836
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	14,012,935
Deferred loss on refunding	4,607,592
Total deferred outflows of resources	18,620,527
<b>LIABILITIES</b>	
Accounts payable	7,837,893
Accrued interest	1,050,362
Salaries and benefits payable	22,802,223
Retainage payable	802,841
Unearned revenue	82,203
Noncurrent liabilities:	
Due within one year	4,456,030
Due in more than one year	
Accrued compensated absences	685,347
Claims payable	865,000
Bonds payable	52,970,319
Net pension liability	128,176,906
Total liabilities	219,729,124
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	55,185,212
Total deferred inflows of resources	55,185,212
<b>NET POSITION</b>	
Net investment in capital assets	186,432,779
Restricted for:	
Capital projects	39,319,883
Grant purposes	1,878,538
Unrestricted	(134,974,173)
<b>TOTAL NET POSITION</b>	<b>\$ 92,657,027</b>

The accompanying notes are an integral part of this statement.



Fayette County Board of Education

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2015

	Major Governmental Funds					Total Governmental Funds
	Debt	Capital Projects	Capital Projects	Other		
	Service Fund	SPLOST I Fund	SPLOST II Fund	Governmental Funds		
General						
<b>ASSETS</b>						
Cash	\$ 7,659,989	\$ 452,478	\$ 732,560	\$ 4,359	\$ 6,868,747	\$ 15,718,133
Investments	28,865,405	365,495	21,046,596	21,781,325	1,029,230	73,088,051
Due from other governments	12,445,398	-	112,875	-	1,107,940	13,666,213
Interest receivable	-	-	2	-	-	2
Taxes receivable	2,579,597	197,728	-	1,850,154	-	4,627,479
Due from other funds	894,595	-	-	-	-	894,595
Due from others	20,026	-	-	-	622	20,648
Prepaid items	4,788	-	-	-	-	4,788
Inventory	-	-	-	-	193,570	193,570
<b>Total assets</b>	<b>\$ 52,469,798</b>	<b>\$1,015,701</b>	<b>\$ 21,892,033</b>	<b>\$ 23,635,838</b>	<b>\$ 9,200,109</b>	<b>\$ 108,213,479</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 2,423,432	\$ -	\$ 3,681,296	\$ 1,600,619	\$ 80,918	\$ 7,786,265
Salaries and benefits payable	21,467,593	-	-	-	1,334,630	22,802,223
Due to other funds	-	-	123,232	-	771,363	894,595
Retainage payable	-	-	535,736	267,105	-	802,841
Unearned revenue	82,203	-	-	-	-	82,203
<b>Total liabilities</b>	<b>23,973,228</b>	<b>-</b>	<b>4,340,264</b>	<b>1,867,724</b>	<b>2,186,911</b>	<b>32,368,127</b>
Deferred Inflows						
Unavailable property tax revenue	1,123,264	125,398	-	-	-	1,248,662
<b>Total deferred inflows</b>	<b>1,123,264</b>	<b>125,398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,248,662</b>
Fund Balances:						
Nonspendable	4,788	-	-	-	193,570	198,358
Restricted	-	890,303	17,551,769	21,768,114	1,878,538	42,088,724
Committed	989,886	-	-	-	3,879,580	4,869,466
Assigned	-	-	-	-	1,061,510	1,061,510
Unassigned	26,378,632	-	-	-	-	26,378,632
<b>Total fund balances</b>	<b>27,373,306</b>	<b>890,303</b>	<b>17,551,769</b>	<b>21,768,114</b>	<b>7,013,198</b>	<b>74,596,690</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 52,469,798</b>	<b>\$1,015,701</b>	<b>\$ 21,892,033</b>	<b>\$ 23,635,838</b>	<b>\$ 9,200,109</b>	<b>\$ 108,213,479</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, 2015**

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

Total fund balances - governmental funds	\$	74,596,690
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in governmental funds.		238,985,461
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.		1,248,662
Deferred losses on refunding of debt are reported in governmental activities and amortized over the life of the new debt.		4,607,592
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.		(128,176,906)
Pension contributions made subsequent to the measurement date are deferred outflows of resources to be used to reduce the net pension liability in the following year.		14,012,935
Items related to changes in actuarial assumptions related to the calculation of the net pension liability create deferred outflows or deferred inflows of resources that apply to a future period and are reported in governmental activities.		(55,185,212)
Internal service funds are used to charge the costs of workers' compensation claims to the individual funds. The assets and liabilities of the internal service fund are included in the statement of net position.		1,529,863
Long-term liabilities, including capital leases 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		(57,054,927)
Accrued interest on bonds		(1,050,362)
Compensated absences payable		(751,422)
Unamortized discount on issuance of bonds		3,394
Unamortized premium on issuance of bonds		(108,741)
		(108,741)
Net position of governmental activities	\$	92,657,027

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, 2015

	Major Governmental Funds					Total Governmental Funds
	General	Debt Service Fund	Capital Projects SPLOST I Fund	Capital Projects SPLOST II Fund	Other Governmental Funds	
<b>Revenues</b>						
State funds	\$ 86,507,583	\$ -	\$ 1,589,373	-	\$ 2,502,991	\$ 90,599,947
Federal funds	-	-	1,780,114	-	9,321,987	11,102,101
Local and other funds	85,023,344	5,776,738	41,546	21,114,634	7,165,139	119,121,401
Total revenues	171,530,927	5,776,738	3,411,033	21,114,634	18,990,117	220,823,449
<b>Expenditures</b>						
Current						
Instruction	115,395,761	-	1,587,905	-	5,809,846	122,793,512
Support services						
Pupil services	8,351,056	-	-	-	1,190,875	9,541,931
Improvement of instructional services	3,696,919	-	-	-	599,544	4,296,463
Educational media services	2,926,208	-	-	-	71,255	2,997,463
General administration	1,410,829	-	-	-	291,776	1,702,605
School administration	10,975,019	-	-	-	285,020	11,260,039
Business administration	956,902	-	-	-	-	956,902
Maintenance and operation of facilities	13,079,298	-	-	-	71,255	13,150,553
Student transportation services	7,166,365	-	-	-	140,583	7,306,948
Central support services	3,316,811	-	-	-	-	3,316,811
Other support services	26,698	-	-	-	202,944	229,642
Community service	-	-	-	-	2,359,127	2,359,127
Food services	100,429	-	-	-	6,326,767	6,427,196
Capital outlay	-	-	20,583,517	4,395,260	-	24,978,777
Debt Service						
Principal retirement	-	8,585,520	-	-	-	8,585,520
Interest and fees	-	2,480,093	-	-	-	2,480,093
Total expenditures	167,402,295	11,065,613	22,171,422	4,395,260	17,348,992	222,383,582
Excess (deficiency) of revenues over (under) expenditures	4,128,632	(5,288,875)	(18,760,389)	16,719,374	1,641,125	(1,560,133)
<b>Other financing sources (uses)</b>						
Transfers in (out)	(303,035)	2,500,000	907,383	-	(3,104,348)	-
Total other financing sources (uses)	(303,035)	2,500,000	907,383	-	(3,104,348)	-
Net change in fund balances	3,825,597	(2,788,875)	(17,853,006)	16,719,374	(1,463,223)	(1,560,133)
<b>Fund balances, beginning of year</b>	23,547,709	3,679,178	35,404,775	5,048,740	8,476,421	76,156,823
<b>Fund balances, end of year</b>	\$ 27,373,306	\$ 890,303	\$ 17,551,769	\$ 21,768,114	\$ 7,013,198	\$ 74,596,690

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, 2015**

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

Net change in fund balances - total governmental funds	\$ (1,560,133)
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 (\$20,664,577) exceeds depreciation (\$10,444,008).	10,220,569
Governmental funds report proceeds from the sale of capital assets. In the statement of activities, the proceeds are netted against the net depreciated value of those assets and a gain or loss on the sale is recorded.	(171,594)
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	8,585,520
Amortization on bond discounts and premiums	60,150
Amortization on deferred loss on bond refunding	(449,521)
	8,196,149
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 decreased by this amount this year.	(376,113)
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.	749,430
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.	627,041
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 the actuarially determined expense by this amount.	7,613,435
Internal service funds are used to charge the costs of workers' compensation claims to the individual funds. Net income of the internal service fund is reported in the governmental activities.	<u>1,479,818</u>
Change in net position of governmental activities	<u>\$ 26,778,602</u>

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budget basis)</u>	<u>Variance</u>
<b>Revenues</b>				
State funds	\$ 85,411,450	\$ 85,411,450	\$ 85,725,328	\$ 313,878
Local and other funds	<u>82,245,000</u>	<u>82,245,000</u>	<u>85,023,344</u>	<u>2,778,344</u>
Total revenues	<u>167,656,450</u>	<u>167,656,450</u>	<u>170,748,672</u>	<u>3,092,222</u>
<b>Expenditures</b>				
Current				
Instruction	115,807,106	115,807,106	115,395,761	411,345
Support services				
Pupil services	8,547,094	8,547,094	8,351,056	196,038
Improvement of instructional services	3,705,837	3,705,837	3,696,919	8,918
Educational media services	2,884,852	2,884,852	2,926,208	(41,356)
General administration	1,604,522	1,604,522	1,410,736	193,786
School administration	11,410,935	11,410,935	10,975,019	435,916
Business administration	1,042,322	1,042,322	941,018	101,304
Maintenance and operation of facilities	12,978,836	12,978,836	12,841,676	137,160
Student transportation services	7,912,551	7,912,551	6,991,295	921,256
Central support services	4,052,211	4,052,211	3,299,688	752,523
Other support services	-	-	20,223	(20,223)
Debt service				
Interest and fees	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>170,046,266</u>	<u>170,046,266</u>	<u>166,849,599</u>	<u>3,196,667</u>
Excess (deficiency) of revenues over (under) revenues	(2,389,816)	(2,389,816)	3,899,073	6,288,889
<b>Other financing uses</b>				
Transfers out	<u>(410,000)</u>	<u>(410,000)</u>	<u>(303,035)</u>	<u>106,965</u>
Total other financing uses	<u>(410,000)</u>	<u>(410,000)</u>	<u>(303,035)</u>	<u>106,965</u>
<b>Net change in fund balances</b>	<u>\$ (2,799,816)</u>	<u>\$ (2,799,816)</u>	<u>\$ 3,596,038</u>	<u>\$ 6,395,854</u>

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2015

	<b>Governmental Activities-- Internal Service Workers' Compensation Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 2,646,204
Investments	<u>287</u>
Total assets	<u>2,646,491</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	51,628
Claims payable	<u>200,000</u>
Total current liabilities	<u>251,628</u>
Noncurrent Liabilities:	
Claims payable	<u>865,000</u>
Total noncurrent liabilities	<u>865,000</u>
Total liabilities	<u>1,116,628</u>
<b>NET POSITION</b>	
Unrestricted	<u>1,529,863</u>
Total net position	<u>\$ 1,529,863</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, 2015

	<b>Governmental Activities-- Internal Service Workers' Compensation Fund</b>
<b>Operating revenues</b>	
Local and other funds	\$ <u>2,610,000</u>
Total operating revenues	<u>2,610,000</u>
<b>Operating expenses</b>	
Administration	75,645
Claims	<u>1,054,537</u>
Total operating expenses	<u>1,130,182</u>
Change in net position	1,479,818
<b>Net position, beginning of year</b>	<u>50,045</u>
<b>Net position, end of year</b>	<u>\$ <u>1,529,863</u></u>

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, 2015

	<b>Governmental Activities-- Internal Service Workers' Compensation Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from interfund services	\$ 2,860,000
Cash paid to suppliers	<u>(1,107,410)</u>
Net cash provided by operating activities	<u>1,752,590</u>
<b>Net increase in cash</b>	1,752,590
<b>Cash at beginning of year</b>	<u>893,614</u>
<b>Cash at end of year</b>	<u><u>\$ 2,646,204</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating income	\$ 1,479,818
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Due from other funds	250,000
Accounts payable	<u>22,772</u>
Net cash provided by operating activities	<u><u>\$ 1,752,590</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, 2015**

	<u>David Phillips Memorial Private-Purpose Trust Fund</u>	<u>Agency Fund Club and Class Funds</u>
<b>ASSETS</b>		
Cash	\$ -	\$ 1,487,378
Investments	9,460	-
Total assets	<u>9,460</u>	<u>1,487,378</u>
<b>LIABILITIES</b>		
Due to student groups	<u>-</u>	<u>1,487,378</u>
<b>NET POSITION</b>		
Restricted for scholarships	<u>\$ 9,460</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, 2015

	<u>David Phillips Memorial Private-Purpose Trust Fund</u>
<b>ADDITIONS</b>	
Interest	\$ 14
Total additions	<u>14</u>
Change in net position	14
<b>NET POSITION, beginning of year</b>	<u>9,446</u>
<b>NET POSITION, end of year</b>	<u>\$ 9,460</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, 2015

#### 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.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

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 I Fund* is used to account for various projects funded by an educational special purpose local option sales tax and approved by voter referendum in 2008.

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 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, 2015

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 include as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in 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, 2015

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, 2015

**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 of donated food commodities used in the preparation of meals are reported at their federally assigned value and purchased foods inventories are reported at cost using the first-in, first-out method (FIFO). The School System uses the consumption method to account for both donated and purchased inventories whereby donated food commodities are recorded as an asset and as revenue when received or purchased, and expenditures/expenses are recorded as inventories are used rather than when purchased.

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items using the consumption method by recording as asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are 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 estimated fair 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, 2015

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 net position 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 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 net position 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 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, 2015

**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. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the pension plan's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining life of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining live of the plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the School System to the pension plan before year end but subsequent to the measurement date of the School System's net pension 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, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

13. Net Position Flow Assumptions

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.

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.

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.

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.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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. 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.

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 reappropriated 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:

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2015

**NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued**

- (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	\$	3,825,597
Adjustments for:		
State QBE revenue		(229,559)
State paid employee benefit revenue		(552,696)
State paid employee benefit expenditures		552,696
Budget Basis Net Change in Fund Balances	\$	<u>3,596,038</u>

Additionally, the School System budgets purchases of buses under transportation services. In reporting actual expenditures – budget basis, these items have been reclassified from capital outlay to student transportation services.

**NOTE C – DEPOSITS 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, 2015, the School System had the following investments:

Investment Type	Maturities	Rating	Fair Value
Georgia Fund 1	56 day weighted average	AAAF	\$ 73,075,199
Money market mutual funds	N/A	N/A	22,599
			<u>\$ 73,097,798</u>

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2015**

**NOTE C – DEPOSTS AND INVESTMENTS - continued**

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. Pooled cash and cash equivalents and investments are 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.

**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, 2015, 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, 2014, based on property values assessed as of January 1, 2014, and were considered past due if not paid on or before November 15, 2014, 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 2014 were levied at 20.00 mills for operations and 1.45 mills for school bonds.

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2015**

**NOTE E – TAXES RECEIVABLE - continued**

Tax revenues, at the fund reporting level, amounted to \$83,696,033 for maintenance and operations and \$5,772,011 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 will terminate once a total of \$107,000,000 has been collected or on March 31, 2019, whichever occurs first.

SPLOST tax revenues, at the fund reporting level, amounted to \$21,094,300 as of June 30, 2015.

At June 30, 2015, taxes receivable, at the fund reporting level, consisted of the following:

- \$1,248,662 (net of \$643,250 in allowances for doubtful accounts) in delinquent property taxes receivable was recognized as receivable and as deferred inflows,
- \$1,288,430 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,
- \$1,850,154 of SPLOST receipts recognized as receivables and as revenue because it was considered susceptible for accrual based on collections within 60 days of year end,
- and \$240,233 of intangible recording and real estate transfer taxes.

**NOTE F – INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2015, interfund receivables and payables consisted of the following:

<u>PAYABLE FUNDS</u>	<u>RECEIVABLE FUND</u>
	<u>General Fund</u>
SPLOST I	\$ 123,232
Nonmajor Funds:	
Nutrition Service	244,599
Title I	104,000
IDEA	279,138
Vocational Grants	67,532
Title II	39,598
Title III	28,473
Race to the Top	8,023
	<u>\$ 894,595</u>

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

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE G – CAPITAL ASSETS

The following is a summary of capital asset activity for the fiscal year ending June 30, 2015:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Capital assets, not being depreciated					
Land	\$ 14,665,111	\$ -	\$ -	\$ -	\$ 14,665,111
Construction in progress	2,855,707	14,853,527	-	(5,394,931)	12,314,303
Total capital assets, not being depreciated	<u>17,520,818</u>	<u>14,853,527</u>	<u>-</u>	<u>(5,394,931)</u>	<u>26,979,414</u>
Capital asset, being depreciated					
Buildings and improvements	320,488,985	42,100	(35,572)	4,017,345	324,512,858
Autos and trucks	19,965,353	3,920,227	(556,040)	(6,062)	23,323,478
Other equipment	26,095,188	1,848,723	(535,358)	1,383,648	28,792,201
Total capital assets, being depreciated	<u>366,549,526</u>	<u>5,811,050</u>	<u>(1,126,970)</u>	<u>5,394,931</u>	<u>376,628,537</u>
Less accumulated depreciation for:					
Buildings and improvements	(125,727,012)	(6,500,855)	9,755	32,319	(132,185,793)
Autos and trucks	(11,720,880)	(1,601,098)	556,040	4,547	(12,761,391)
Other equipment	(17,685,966)	(2,342,055)	389,581	(36,866)	(19,675,306)
Total accumulated depreciation	<u>(155,133,858)</u>	<u>(10,444,008)</u>	<u>955,376</u>	<u>-</u>	<u>(164,622,490)</u>
Total capital assets being depreciated, net	<u>211,415,668</u>	<u>(4,632,958)</u>	<u>(171,594)</u>	<u>5,394,931</u>	<u>212,006,047</u>
Governmental activities capital assets, net	\$ <u>228,936,486</u>	\$ <u>10,220,569</u>	\$ <u>(171,594)</u>	\$ <u>-</u>	\$ <u>238,985,461</u>

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

Instruction	\$ 6,476,107
Support services	
Pupil services	1,578
Improvement of instructional services	189,557
Educational media services	195,184
General administration	33,009
School administration	806,914
Business administration	1,823
Maintenance and operations of facilities	74,374
Student transportation services	1,583,790
Central support services	339,528
Community service	16,746
Food services	725,398
Total depreciation	\$ <u>10,444,008</u>

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

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.

In July 2009, the School System issued \$24,800,000 in 2009 General Obligation Bonds to currently refund \$24,905,000 of outstanding 1999 General Obligation Bonds.

In March 2007, the School System issued \$29,965,000 in 2007 General Obligation Bonds for the purpose of acquiring, constructing and equipping new school buildings and facilities, renovating existing facilities, and acquiring, installing and equipping system-wide technology. A portion of these bonds remain outstanding subsequent to the issuance of the advance refunding resulting from the issuance of the 2013 Bonds and the sale of property.

In February 2005, the School System issued \$35,000,800 in 2005 General Obligation Bonds for the purpose of acquiring, constructing and equipping new school buildings and facilities, renovating existing facilities, and acquiring, installing and equipping system-wide technology. A portion of these bonds remain outstanding subsequent to the issuance of the advance refunding with the 2013 bond issuance.

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2015

**NOTE H – LONG-TERM DEBT – continued**

**General Obligation Bonds – continued**

General obligation bonds consist of the following as of June 30, 2015:

Series	Coupon Rate	Maturities	Balance
2005	3.65% to 4.50%	2010 to 2016	\$ 2,099,955
2007	3.50% to 5.00%	2011 to 2017	2,830,000
2013	2.53%	2014 to 2026	52,124,972
			<u>\$ 57,054,927</u>

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

	Principal	Interest	Total
2016	\$ 4,189,955	\$ 2,126,933	\$ 6,316,888
2017	4,995,000	1,362,682	6,357,682
2018	5,205,000	1,211,110	6,416,110
2019	5,390,000	1,079,424	6,469,424
2020	5,590,000	943,057	6,533,057
2021-2025	31,085,000	2,490,023	33,575,023
2026	599,972	15,179	615,151
Total	<u>\$ 57,054,927</u>	<u>\$ 9,228,408</u>	<u>\$ 66,283,335</u>

**Changes in Long-Term Liabilities**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 65,640,447	\$ -	\$ (8,585,520)	\$ 57,054,927	\$ 4,189,955
Less discount on issuance of bonds	(8,490)	-	5,096	(3,394)	-
Plus premium on issuance of bonds	173,987	-	(65,246)	108,741	-
Total bonds payable	65,805,944	-	(8,645,670)	57,160,274	4,189,955
Claims payable	1,065,000	1,054,537	(1,054,537)	1,065,000	200,000
Accrued compensated absences payable	1,500,852	1,000,511	(1,749,941)	751,422	66,075
Net pension liability	189,673,130	6,399,500	(67,895,724)	128,176,906	-
	<u>\$ 258,044,926</u>	<u>\$ 7,554,548</u>	<u>\$ (79,345,872)</u>	<u>\$ 187,153,602</u>	<u>\$ 4,456,030</u>

Claims payable and compensated absences are generally liquidated by the General Fund.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE I - FUND BALANCES

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

General Fund:	
Prepaid items	\$ 4,788
Nonmajor Special Revenue Funds:	
School Nutrition Service Fund inventory	<u>193,570</u>
Total Nonspendable Fund Balance	<u>\$ 198,358</u>

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

Debt Service Fund: used to account for tax proceeds and debt service payments on general obligation debt	\$ 890,303
Capital Projects-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	17,551,769
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	21,768,114
Nonmajor Special Revenue Funds:	
School Nutrition Services Fund – used to account for activity of the school lunch program	1,854,147
Friends Mentoring Program Fund– used to account for proceeds of grant from Department of Human Resources	20,687
Other Grants Fund– used to account for various grant awards	<u>3,704</u>
Total Restricted Fund Balance	<u>\$ 42,088,724</u>

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE I - FUND BALANCES - continued

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

General Fund: to account for a portion of net eRate receipts set aside by the Board to be used on technology infrastructure	\$ 989,886
Nonmajor Special Revenue Funds:	
Community Education Fund – used to account for the activities of community school programs	1,208,368
After School Program Fund – used to account for the activities of after school programs	1,409,451
Donations Fund – used to account for resources provided by donations	94,807
Auditorium Rentals Fund – used to account for resources generated by auditorium facility rentals	67,092
Principals’ Fund – used to account for resources generated by schools for various school activities and needs	<u>1,099,862</u>
Total Committed Fund Balance	<u>\$ 4,869,466</u>

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

Nonmajor Special Revenue Funds:	
Community Education Fund – to account for a portion of the year end fund balance which is appropriated in the subsequent year’s budget	\$ 36,230
Nonmajor Capital Project Funds:	
Regular Capital Project Fund – to account for amounts intended to be spent on capital outlay	<u>1,025,280</u>
Total Assigned Fund Balance	<u>\$ 1,061,510</u>

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2015

**NOTE J – INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2015 consisted of the following amounts:

	Major Funds		Nonmajor Funds		Total
	General Fund	SPLOST I	Community School	2007 Bond	
<u>TRANSFERS IN</u>					
Debt Service Fund	\$ -	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
SPLOST I				3,407,383	3,407,383
Nonmajor Funds:					
JR ROTC	177,744	-	-	-	177,744
Lottery	125,291	-	-	-	125,291
Auditorium	-	-	500	-	500
	\$ 303,035	\$ 2,500,000	\$ 500	\$ 3,407,383	\$ 5,581,428

As authorized by the SPLOST referendum, a portion of SPLOST receipts are to be used toward principal and interest payments on certain general obligation debt. During the year, \$2,500,000 of SPLOST receipts was transferred to the Debt Service Fund in order to make these debt service payments.

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.

**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.

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2015

**NOTE K – RISK MANAGEMENT – continued**

**Risk Pool - continued**

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**

The School System is self-insured for workers’ compensation claims. 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.

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

Year Ended June 30,	Beginning of Year Liability	Current Year Claims Accrual	Claims Paid	End of Year Liability
2015	\$ 1,065,000	\$ 1,054,537	\$ 1,054,537	\$ 1,065,000
2014	\$ 715,000	\$ 1,183,324	\$ 833,324	\$ 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. These losses include an estimate of claims that have been incurred but not reported. Changes in the unemployment compensation liability during the last two fiscal years were as follows:

Year Ended June 30,	Beginning of Year Liability	Current Year Unemployment Accrual	Unemployment Paid	End of Year Liability
2015	\$ -	\$ 2,476	\$ 2,476	\$ -
2014	\$ -	\$ 173,940	\$ 173,940	\$ -

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

**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)	\$	225,778
Office of Treasury and Fiscal Services		
Paid to the Public School Employees’ Retirement System (PSERS)		326,918
	\$	<u>552,696</u>

**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.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE M – RETIREMENT PLANS – continued

**Teachers Retirement System (TRS) - continued**

**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 2015. The School System’s contractually required contribution rate for the year ended June 30, 2015 was 13.15% 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>
2015	100%	\$ 14,012,935
2014	100%	\$ 12,707,938
2013	100%	\$ 12,523,180

**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.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE M – RETIREMENT PLANS – continued

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

**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.

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

Effective July 1, 2014, the School System implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, which significantly changed the School System's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

At June 30, 2015, 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	\$ 128,176,906
State of Georgia's proportionate share of the net pension liability associated with the System	\$ <u>1,956,073</u>
Total	\$ <u>130,132,979</u>

The TRS net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 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, 2014.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

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, 2014, the School System’s TRS proportion is 1.014565%, which was a decrease of 0.73954% from its proportion measured as of June 30, 2013.

At June 30, 2015, 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 \$1,282,001.

The PSERS net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 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, 2014.

For the year ended June 30, 2015, the School System recognized pension expense of \$6,399,500 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 \$113,072 for TRS and of \$111,334 for PSERS for support provided by the State of Georgia for certain support personnel.

At June 30, 2015, 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
	<u>                    </u>	<u>                    </u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 44,685,186
Changes in proportion and differences between School System contributions and proportionate share of contributions	-	10,500,026
School System contributions subsequent to the measurement date	<u>14,012,935</u>	<u>-</u>
Total	<u>\$ 14,012,935</u>	<u>\$ 55,185,212</u>

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE M – RETIREMENT PLANS – continued

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

School System contributions subsequent to the measurement date of June 30, 2014 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, 2016. 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
2016	\$ (13,557,664)
2017	(13,557,664)
2018	(13,557,664)
2019	(13,557,674)
2020	(954,546)
Thereafter	-

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

**Teachers Retirement System:**

Inflation	3.0%
Salary increase	3.75 – 7.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates related to TRS were based on the RP-2000 Combined Mortality table for Males or Females set back two years for males and set back three years for females.

**Public School Employees' Retirement System:**

Inflation	3.0%
Salary increase	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE M – RETIREMENT PLANS – continued

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

Mortality rates related to PSERS were based on the RP-2000 Combined Mortality Table set forward one year for males for the period after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back two years for males and set forward one year for females for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuations were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected 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 %	3.00 %
Domestic large stocks	39.70	6.50
Domestic mid stocks	3.70	10.00
Domestic small stocks	1.60	13.00
International developed market stocks	18.90	6.50
International emerging market stocks	6.10	11.00
Total	100.00	

\*Rates shown are net of the 3.00% assumed rate of inflation.

**Discount rate.** The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and 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 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.

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2015

**NOTE M – RETIREMENT PLANS – continued**

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

**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	\$236,212,839	\$128,176,906	\$39,211,557

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

**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, 2015, there were 926 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, 2015, the School System’s contribution to the Plan was approximately \$97,000.

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

**NOTE N – POSTEMPLOYMENT BENEFITS**

**Plan Description.** The Georgia School Personnel Post-employment Health Benefit Fund (“School OPEB Fund”) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers eligible former employees of public school systems, libraries and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Insurance Plan administered by the Department of Community Health. The Official Code of Georgia Annotated (“O.C.G.A.”) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health. The Department of Community Health, which includes the School OPEB Fund, issues a separate stand alone financial audit report. A copy can be obtained from the Georgia Department of Audits and Accounts.

**Contributions.** The contribution requirements of plan members and participating employers are established and may be amended by the Board of Community Health. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. For members with fewer than five years of service as of January 1, 2012, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2012 pay approximately twenty-five percent (25%) of the cost of health insurance coverage. In accordance with the Board of Community Health resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the State provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board of Community Health sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board of Community Health may be changed at any time by resolution and does not constitute a contract or promise of any amount of subsidy.

Participating employers are statutorily required to contribute in accordance with the employer contribution rate established by the Board of Community Health. The contribution rates are established to fund all benefits under the health insurance plans for both the active and retired employees based on projected pay-as-you-go financing requirements. Contributions are not based on the actuarially calculated annual required contribution (“ARC”) which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

**Fayette County Board of Education**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2015**

**NOTE N – POSTEMPLOYMENT BENEFITS – continued**

The combined active and retiree contribution rates established by the Board of Community Health for employers participating in the School OPEB Fund are as follows for the fiscal year ended June 30, 2015:

<u>Employee Group</u>	<u>Months Paid</u>	<u>Rate per Month</u>	<u>Coverage Period</u>
Certificated (teachers)	July 2014 – June 2015	\$945.00	August 2014 – July 2015
Non-certificated	July 2014 – June 2015	\$596.20	August 2014 – July 2015

No additional contribution was required by the Board of Community Health for fiscal year 2015 nor was contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board of Community Health in accordance with the state plan for other postemployment benefits and are subject to appropriation.

The School System’s combined active and retiree contributions to the health insurance plans, which equaled the required contribution, for the current fiscal year and the preceding two fiscal years were as follows:

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2015	100%	\$ 17,234,824
2014	100%	\$ 17,269,168
2013	100%	\$ 18,423,034

**NOTE O – NON-MONETARY TRANSACTIONS**

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$479,000 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, 2015

NOTE P – 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 \$4,709,000 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.

NOTE Q – ACCOUNTING CHANGE - RESTATEMENTS

In fiscal year 2015, the School System adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions- An Amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The provisions of these statements establish accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension 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 pension liability of the Teachers Retirement System (“TRS”). The following adjustment was required to net position of governmental activities to record the net pension liability as of July 1, 2014:

Net Position, Governmental Activities, as previously reported	\$ 242,841,043
Deferred outflows, contributions subsequent to measurement date	12,710,512
Proportionate share of Net TRS pension liability	<u>(189,673,130)</u>
Net Position, Governmental Activities, as restated	\$ <u>65,878,425</u>



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## **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**

	2015
System's proportion of the net pension liability	1.014565%
System's proportionate share of the net pension liability	\$ 128,176,906
State of Georgia's proportionate share of the net pension liability associated with the School System	1,956,073
Total	\$ 130,132,979
School System's covered-employee payroll	\$ 105,068,901
School System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	121.99%
Plan fiduciary net position as a percentage of the total pension liability	84.03%

*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**  
**Teachers Retirement System of Georgia**  
**For the Year Ended June 30**

		2015
Contractually required contribution	\$	14,012,935
Contributions in relation to the contractually required contribution	\$	14,012,935
Contribution deficiency (excess)	\$	-
School System's covered-employee payroll	\$	106,562,244
Contributions as a percentage of covered payroll		13.15%
Plan fiduciary net position as a percentage of the total pension liability		84.03%

*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  
TEACHERS RETIREMENT SYSTEM OF GEORGIA

For the Year Ended June 30, 2015

**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.

**Method and assumptions used in calculations of actuarially determined contributions.** The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2015 reported in that schedule:

Valuation date	June 30, 2012
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Seven-year smoothed market
Inflation rate	3.00%
Salary increases	3.75-7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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>2015</u>
System's proportion of the net pension liability	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>1,282,001</u>
Total	<u>\$ 1,282,001</u>
School System's covered-employee payroll	\$ 6,096,868
School System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A
Plan fiduciary net position as a percentage of the total pension liability	88.29%

*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  
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA  
For the Year Ended June 30, 2015**

**Changes of assumptions.** The last experience investigation was prepared for the five-year period ending June 30, 2009, and based on the results of the investigation various assumptions and methods were revised and adopted by the Board of Trustees on December 16, 2010. The next experience investigation will be prepared for the period July 1, 2009 through June 30, 2014.

## **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.

Eisenhower Professional Development (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.

Race to the Top Fund was established to account for federal funds flowing through the State of Georgia Department of Education for the purpose of providing training to teachers in writing and implementing standards and assessments for instructional achievement.

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 FUNDS

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

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

Bond 2007 – This fund accounts for construction and renovation projects funded by general obligation bonds issued in fiscal year 2007.

Fayette County Board of Education

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2015

	Special Revenue Funds	Capital Project Funds	Total Non-Major Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash	\$ 6,867,953	\$ 794	\$ 6,868,747
Investments	4,744	1,024,486	1,029,230
Due from other governments	1,107,940	-	1,107,940
Due from others	622	-	622
Inventory	<u>193,570</u>	<u>-</u>	<u>193,570</u>
<b>Total assets</b>	<u><u>\$ 8,174,829</u></u>	<u><u>\$ 1,025,280</u></u>	<u><u>\$ 9,200,109</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 80,918	\$ -	\$ 80,918
Salaries payable	1,334,630	-	1,334,630
Due to other funds	<u>771,363</u>	<u>-</u>	<u>771,363</u>
Total liabilities	2,186,911	-	2,186,911
<b>Fund balances</b>			
Nonspendable	193,570	-	193,570
Restricted	1,878,538	-	1,878,538
Committed	3,879,580	-	3,879,580
Assigned	<u>36,230</u>	<u>1,025,280</u>	<u>1,061,510</u>
Total fund balances	<u>5,987,918</u>	<u>1,025,280</u>	<u>7,013,198</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 8,174,829</u></u>	<u><u>\$ 1,025,280</u></u>	<u><u>\$ 9,200,109</u></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, 2015**

	Special Revenue Funds	Capital Project Funds	Total Non-Major Funds
<b>Revenues</b>			
State funds	\$ 1,144,099	\$ 1,358,892	\$ 2,502,991
Federal funds	9,321,987	-	9,321,987
Local and other funds	7,161,547	3,592	7,165,139
Total revenues	17,627,633	1,362,484	18,990,117
<b>Expenditures</b>			
Current			
Instruction	5,809,846	-	5,809,846
Support services			
Pupil services	1,190,875	-	1,190,875
Improvement of instructional services	599,544	-	599,544
Educational media services	71,255	-	71,255
General administration	291,776	-	291,776
School administration	285,020	-	285,020
Maintenance and operation of facilities	71,255	-	71,255
Student transportation services	140,583	-	140,583
Other support services	202,944	-	202,944
Community service	2,359,127	-	2,359,127
Food services	6,326,767	-	6,326,767
Total expenditures	17,348,992	-	17,348,992
Excess of revenues over expenditures	278,641	1,362,484	1,641,125
<b>Other financing sources (uses)</b>			
Transfers in (out)	303,035	(3,407,383)	(3,104,348)
Total other financing sources (uses)	303,035	(3,407,383)	(3,104,348)
Net change in fund balances	581,676	(2,044,899)	(1,463,223)
<b>Fund balances, beginning of year</b>	5,406,242	3,070,179	8,476,421
<b>Fund balances, end of year</b>	\$ 5,987,918	\$ 1,025,280	\$ 7,013,198

Fayette County Board of Education

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
Special Revenue Funds

June 30, 2015

	School Nutrition Service	Title I	IDEA	Vocational Grants
<b>ASSETS</b>				
Cash	\$ 2,507,714	\$ -	\$ -	\$ -
Investments	-	-	-	-
Due from other governments	-	105,541	821,767	67,532
Due from others	-	-	-	-
Inventory	193,570	-	-	-
<b>Total assets</b>	<u>\$ 2,701,284</u>	<u>\$ 105,541</u>	<u>\$ 821,767</u>	<u>\$ 67,532</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 1,541	\$ 34,160	\$ -
Salaries payable	408,968	-	508,469	-
Due to other funds	244,599	104,000	279,138	67,532
<b>Total liabilities</b>	<u>653,567</u>	<u>105,541</u>	<u>821,767</u>	<u>67,532</u>
<b>Fund balances</b>				
Nonspendable	193,570	-	-	-
Restricted	1,854,147	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total fund balances</b>	<u>2,047,717</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,701,284</u>	<u>\$ 105,541</u>	<u>\$ 821,767</u>	<u>\$ 67,532</u>

Title II	Title III	JR ROTC	Race to the Top
\$ -	\$ -	\$ 48,706	\$ -
-	-	-	-
68,094	34,169	2,814	8,023
-	-	-	-
-	-	-	-
<u>68,094</u>	<u>34,169</u>	<u>51,520</u>	<u>8,023</u>
<u>\$ 68,094</u>	<u>\$ 34,169</u>	<u>\$ 51,520</u>	<u>\$ 8,023</u>

\$ 2,048	\$ -	\$ -	\$ -
26,448	5,696	51,520	-
39,598	28,473	-	8,023
<u>68,094</u>	<u>34,169</u>	<u>51,520</u>	<u>8,023</u>

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

<u>\$ 68,094</u>	<u>\$ 34,169</u>	<u>\$ 51,520</u>	<u>\$ 8,023</u>
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**continued**

Fayette County Board of Education

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

June 30, 2015

	Lottery	Friends Mentoring Program	Other Grants	Community Education
<b>ASSETS</b>				
Cash	\$ 183,939	\$ 20,687	\$ 3,704	\$ 1,249,298
Investments	-	-	-	-
Due from other governments	-	-	-	-
Due from others	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 183,939</u>	<u>\$ 20,687</u>	<u>\$ 3,704</u>	<u>\$ 1,249,298</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 10,788	\$ -	\$ -	\$ 4,700
Salaries payable	173,151	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<u>183,939</u>	<u>-</u>	<u>-</u>	<u>4,700</u>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	-	20,687	3,704	-
Committed	-	-	-	1,208,368
Assigned	-	-	-	36,230
<b>Total fund balances</b>	<u>-</u>	<u>20,687</u>	<u>3,704</u>	<u>1,244,598</u>
<b>Total liabilities and fund balances</b>	<u>\$ 183,939</u>	<u>\$ 20,687</u>	<u>\$ 3,704</u>	<u>\$ 1,249,298</u>

After School Program	Donation Funds	Auditorium Rentals	Principals' Fund	Total
\$ 1,596,626	\$ 90,063	\$ 67,354	\$ 1,099,862	\$ 6,867,953
-	4,744	-	-	4,744
-	-	-	-	1,107,940
622	-	-	-	622
-	-	-	-	193,570
<u>\$ 1,597,248</u>	<u>\$ 94,807</u>	<u>\$ 67,354</u>	<u>\$ 1,099,862</u>	<u>\$ 8,174,829</u>

\$ 27,419	\$ -	\$ 262	\$ -	\$ 80,918
160,378	-	-	-	1,334,630
-	-	-	-	771,363
<u>187,797</u>	<u>-</u>	<u>262</u>	<u>-</u>	<u>2,186,911</u>

-	-	-	-	193,570
-	-	-	-	1,878,538
1,409,451	94,807	67,092	1,099,862	3,879,580
-	-	-	-	36,230
<u>1,409,451</u>	<u>94,807</u>	<u>67,092</u>	<u>1,099,862</u>	<u>5,987,918</u>

<u>\$ 1,597,248</u>	<u>\$ 94,807</u>	<u>\$ 67,354</u>	<u>\$ 1,099,862</u>	<u>\$ 8,174,829</u>
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**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, 2015**

	School Nutrition Service	Title I	IDEA	Vocational Grants
<b>Revenues</b>				
State funds	\$ 166,977	\$ -	\$ -	\$ -
Federal funds	3,278,435	1,424,314	3,939,192	109,142
Local and other funds	3,204,349	-	-	-
Total revenues	<u>6,649,761</u>	<u>1,424,314</u>	<u>3,939,192</u>	<u>109,142</u>
<b>Expenditures</b>				
Current				
Instruction	-	772,638	2,693,251	70,377
Support services				
Pupil services	-	3,488	1,139,631	-
Improvement of instructional services	-	204,015	-	38,765
Educational media services	-	-	-	-
General administration	-	190,868	96,895	-
School administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	53,308	9,415	-
Other support services	-	199,997	-	-
Community service	-	-	-	-
Food services	6,326,767	-	-	-
Total expenditures	<u>6,326,767</u>	<u>1,424,314</u>	<u>3,939,192</u>	<u>109,142</u>
Excess (deficiency) of revenues over (under) expenditures	322,994	-	-	-
<b>Other financing sources (uses)</b>				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	322,994	-	-	-
<b>Fund balances, beginning of year</b>	<u>1,724,723</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 2,047,717</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title II	Title III	JR ROTC	Race to the Top
\$ -	\$ -	\$ -	\$ -
293,553	127,772	126,556	23,023
-	-	-	-
<u>293,553</u>	<u>127,772</u>	<u>126,556</u>	<u>23,023</u>
-	32,216	304,300	-
-	47,756	-	-
293,553	38,248	-	23,023
-	-	-	-
-	-	-	-
-	-	-	-
-	6,605	-	-
-	2,947	-	-
-	-	-	-
-	-	-	-
<u>293,553</u>	<u>127,772</u>	<u>304,300</u>	<u>23,023</u>
-	-	(177,744)	-
-	-	177,744	-
-	-	177,744	-
-	-	-	-
-	-	-	-
<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, 2015

	Lottery	Friends Mentoring Program	Other Grants	Community Education
<b>Revenues</b>				
State funds	\$ 977,122	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Local and other funds	-	1,100	60	394,855
Total revenues	<u>977,122</u>	<u>1,100</u>	<u>60</u>	<u>394,855</u>
<b>Expenditures</b>				
Current				
Instruction	1,098,281	-	-	-
Support services				
Pupil services	-	-	-	-
Improvement of instructional services	119	-	-	-
Educational media services	-	-	-	-
General administration	4,013	-	-	-
School administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	-	-	-
Other support services	-	-	-	-
Community service	-	181	-	326,293
Food services	-	-	-	-
Total expenditures	<u>1,102,413</u>	<u>181</u>	<u>-</u>	<u>326,293</u>
Excess (deficiency) of revenues over (under) expenditures	(125,291)	919	60	68,562
<b>Other financing sources (uses)</b>				
Transfers in (out)	<u>125,291</u>	<u>-</u>	<u>-</u>	<u>(500)</u>
Total other financing sources (uses)	<u>125,291</u>	<u>-</u>	<u>-</u>	<u>(500)</u>
Net change in fund balances	-	919	60	68,062
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>19,768</u>	<u>3,644</u>	<u>1,176,536</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 20,687</u>	<u>\$ 3,704</u>	<u>\$ 1,244,598</u>

After School Program	Donation Funds	Auditorium Rentals	Principals' Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,144,099
-	-	-	-	9,321,987
<u>1,966,376</u>	<u>51,494</u>	<u>38,211</u>	<u>1,505,102</u>	<u>7,161,547</u>
<u>1,966,376</u>	<u>51,494</u>	<u>38,211</u>	<u>1,505,102</u>	<u>17,627,633</u>
-	-	-	838,783	5,809,846
-	-	-	-	1,190,875
-	1,821	-	-	599,544
-	-	-	71,255	71,255
-	-	-	-	291,776
-	-	-	285,020	285,020
-	-	-	71,255	71,255
-	-	-	71,255	140,583
-	-	-	-	202,944
1,755,835	33,904	29,149	213,765	2,359,127
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,326,767</u>
<u>1,755,835</u>	<u>35,725</u>	<u>29,149</u>	<u>1,551,333</u>	<u>17,348,992</u>
210,541	15,769	9,062	(46,231)	278,641
<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>303,035</u>
<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>303,035</u>
210,541	15,769	9,562	(46,231)	581,676
<u>1,198,910</u>	<u>79,038</u>	<u>57,530</u>	<u>1,146,093</u>	<u>5,406,242</u>
<u>\$ 1,409,451</u>	<u>\$ 94,807</u>	<u>\$ 67,092</u>	<u>\$ 1,099,862</u>	<u>\$ 5,987,918</u>

Fayette County Board of Education

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 Capital Project Funds

June 30, 2015

	<u>Regular</u>	<u>Bond 2007</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 794	\$ -	\$ 794
Investments	<u>1,024,486</u>	<u>-</u>	<u>1,024,486</u>
<b>Total assets</b>	<u>\$ 1,025,280</u>	<u>\$ -</u>	<u>\$ 1,025,280</u>
 <b>FUND BALANCES</b>			
<b>Fund balances</b>			
Assigned	<u>1,025,280</u>	<u>-</u>	<u>1,025,280</u>
Total fund balances	<u>1,025,280</u>	<u>-</u>	<u>1,025,280</u>
<b>Total fund balances</b>	<u>\$ 1,025,280</u>	<u>\$ -</u>	<u>\$ 1,025,280</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, 2015

	<u>Regular</u>	<u>Bond 2007</u>	<u>Total</u>
<b>Revenues</b>			
State funds	\$ -	\$ 1,358,892	\$ 1,358,892
Local and other funds	<u>1,079</u>	<u>2,513</u>	<u>3,592</u>
 Total revenues	 <u>1,079</u>	 <u>1,361,405</u>	 <u>1,362,484</u>
 <b>Other financing uses</b>			
Transfers out	<u>-</u>	<u>(3,407,383)</u>	<u>(3,407,383)</u>
 Total other financing uses	 <u>-</u>	 <u>(3,407,383)</u>	 <u>(3,407,383)</u>
 Net change in fund balances	 1,079	 (2,045,978)	 (2,044,899)
 <b>Fund balances, beginning of year</b>	 <u>1,024,201</u>	 <u>2,045,978</u>	 <u>3,070,179</u>
 <b>Fund balances, end of year</b>	 <u>\$ 1,025,280</u>	 <u>\$ -</u>	 <u>\$ 1,025,280</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
State funds	\$ 175,000	\$ 175,000	\$ 166,977	\$ (8,023)
Federal funds	2,952,742	2,952,742	3,278,435	325,693
Local and other funds	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,204,349</u>	<u>(295,651)</u>
Total revenues	<u>6,627,742</u>	<u>6,627,742</u>	<u>6,649,761</u>	<u>22,019</u>
<b>Expenditures</b>				
Current				
Food services	<u>7,717,700</u>	<u>7,717,700</u>	<u>6,326,767</u>	<u>1,390,933</u>
Total expenditures	<u>7,717,700</u>	<u>7,717,700</u>	<u>6,326,767</u>	<u>1,390,933</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,089,958)</u>	<u>(1,089,958)</u>	<u>322,994</u>	<u>1,412,952</u>
<b>Other financing sources</b>				
Transfers in	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
Total other financing sources	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
<b>Net change in fund balances</b>	<u>\$ (999,958)</u>	<u>\$ (999,958)</u>	<u>\$ 322,994</u>	<u>\$ 1,322,952</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 1,617,248	\$ 1,678,983	\$ 1,424,314	\$ (254,669)
Total revenues	<u>1,617,248</u>	<u>1,678,983</u>	<u>1,424,314</u>	<u>(254,669)</u>
<b>Expenditures</b>				
Current				
Instruction	941,591	916,446	772,638	143,808
Support services				
Pupil services	4,000	3,000	3,488	(488)
Improvement of instructional services	214,482	256,986	204,015	52,971
General administration	180,135	190,597	190,868	(271)
Student transportation services	86,197	78,020	53,308	24,712
Other support services	<u>190,843</u>	<u>233,934</u>	<u>199,997</u>	<u>33,937</u>
Total expenditures	<u>1,617,248</u>	<u>1,678,983</u>	<u>1,424,314</u>	<u>254,669</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Fayette County Board of Education**

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

For the year ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 4,706,290	\$ 4,551,771	\$ 3,939,192	\$ (612,579)
Total revenues	<u>4,706,290</u>	<u>4,551,771</u>	<u>3,939,192</u>	<u>(612,579)</u>
<b>Expenditures</b>				
Current				
Instruction	2,908,972	2,881,708	2,693,251	188,457
Support services				
Pupil services	1,669,646	1,541,653	1,139,631	402,022
Improvement of instructional services	2,750	13,000	-	13,000
General administration	122,472	104,460	96,895	7,565
Student transportation services	<u>2,450</u>	<u>10,950</u>	<u>9,415</u>	<u>1,535</u>
Total expenditures	<u>4,706,290</u>	<u>4,551,771</u>	<u>3,939,192</u>	<u>612,579</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 99,172	\$ 109,442	\$ 109,142	\$ (300)
Total revenues	<u>99,172</u>	<u>109,442</u>	<u>109,142</u>	<u>(300)</u>
<b>Expenditures</b>				
Current				
Instruction	64,032	68,545	70,377	(1,832)
Support services				
Improvement of instructional services	<u>35,140</u>	<u>40,897</u>	<u>38,765</u>	<u>2,132</u>
Total expenditures	<u>99,172</u>	<u>109,442</u>	<u>109,142</u>	<u>300</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, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Federal funds	\$ 335,282	\$ 343,583	\$ 293,553	\$ (50,030)
Total revenues	335,282	343,583	293,553	(50,030)
<b>Expenditures</b>				
Current				
Support services				
Improvement of instructional services	334,782	343,083	293,553	49,530
Federal grant administration	500	500	-	500
Total expenditures	335,282	343,583	293,553	50,030
<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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 195,066	\$ 153,036	\$ 127,772	\$ (25,264)
Total revenues	<u>195,066</u>	<u>153,036</u>	<u>127,772</u>	<u>(25,264)</u>
<b>Expenditures</b>				
Current				
Instruction	65,731	34,255	32,216	2,039
Support services				
Pupil services	40,265	52,876	47,756	5,120
Improvement of instructional services	45,990	50,289	38,248	12,041
Student transportation services	7,630	6,654	6,605	49
Other support services	<u>35,450</u>	<u>8,962</u>	<u>2,947</u>	<u>6,015</u>
Total expenditures	<u>195,066</u>	<u>153,036</u>	<u>127,772</u>	<u>25,264</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ 130,000	\$ 130,000	\$ 126,556	\$ (3,444)
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>126,556</u>	<u>(3,444)</u>
<b>Expenditures</b>				
Current				
Instruction	<u>350,000</u>	<u>350,000</u>	<u>304,300</u>	<u>45,700</u>
Total expenditures	<u>350,000</u>	<u>350,000</u>	<u>304,300</u>	<u>45,700</u>
Deficiency of revenues under expenditures	(220,000)	(220,000)	(177,744)	42,256
<b>Other financing sources</b>				
Transfers in	<u>220,000</u>	<u>220,000</u>	<u>177,744</u>	<u>(42,256)</u>
Total other financing sources	<u>220,000</u>	<u>220,000</u>	<u>177,744</u>	<u>(42,256)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fayette County Board of Education

Race to the Top  
 Special Revenue Fund  
**SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL**

For the year ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Federal funds	\$ -	\$ -	\$ 23,023	\$ 23,023
Total revenues	-	-	23,023	23,023
<b>Expenditures</b>				
Current				
Support services				
Improvement of instructional services	-	-	23,023	(23,023)
Total expenditures	-	-	23,023	(23,023)
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Fayette County Board of Education**

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

For the year ended June 30, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
State funds	\$ 800,000	\$ 800,000	\$ 977,122	\$ 177,122
Total revenues	800,000	800,000	977,122	177,122
<b>Expenditures</b>				
Current				
Instruction	900,000	900,000	1,098,281	(198,281)
Support services				
Improvement of instructional services	-	-	119	(119)
General administration	-	-	4,013	(4,013)
Total expenditures	900,000	900,000	1,102,413	(202,413)
Deficiency of revenues under expenditures	(100,000)	(100,000)	(125,291)	(25,291)
<b>Other financing sources</b>				
Transfers in	100,000	100,000	125,291	25,291
Total other financing sources	100,000	100,000	125,291	25,291
<b>Net change in fund balances</b>	\$ -	\$ -	\$ -	\$ -

Fayette County Board of Education

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

For the year ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 1,500	\$ -	\$ 1,100	\$ 1,100
Total revenues	<u>1,500</u>	<u>-</u>	<u>1,100</u>	<u>1,100</u>
<b>Expenditures</b>				
Current				
Support services				
Other support services	1,500	-	-	-
Community service	<u>-</u>	<u>-</u>	<u>181</u>	<u>(181)</u>
Total expenditures	<u>1,500</u>	<u>-</u>	<u>181</u>	<u>(181)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 919</u>	<u>\$ 919</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 5,000	\$ 5,000	\$ 60	\$ (4,940)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>60</u>	<u>(4,940)</u>
<b>Expenditures</b>				
Current				
Community service	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 60</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 320,000	\$ 320,000	\$ 394,855	\$ 74,855
Total revenues	<u>320,000</u>	<u>320,000</u>	<u>394,855</u>	<u>74,855</u>
<b>Expenditures</b>				
Current				
Community service	<u>352,900</u>	<u>352,900</u>	<u>326,293</u>	<u>26,607</u>
Total expenditures	<u>352,900</u>	<u>352,900</u>	<u>326,293</u>	<u>26,607</u>
Excess (deficiency) of revenues over (under) expenditures	(32,900)	(32,900)	68,562	101,462
<b>Other financing uses</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
<b>Net change in fund balances</b>	<u><u>\$ (32,900)</u></u>	<u><u>\$ (32,900)</u></u>	<u><u>\$ 68,062</u></u>	<u><u>\$ 100,962</u></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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 1,730,765	\$ 1,730,765	\$ 1,966,376	\$ 235,611
Total revenues	<u>1,730,765</u>	<u>1,730,765</u>	<u>1,966,376</u>	<u>235,611</u>
<b>Expenditures</b>				
Current				
Community service	<u>1,730,765</u>	<u>1,818,532</u>	<u>1,755,835</u>	<u>62,697</u>
Total expenditures	<u>1,730,765</u>	<u>1,818,532</u>	<u>1,755,835</u>	<u>62,697</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ (87,767)</u>	<u>\$ 210,541</u>	<u>\$ 298,308</u>

**Fayette County Board of Education**

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

**For the year ended June 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Local and other funds	\$ 30,000	\$ 30,000	\$ 51,494	\$ 21,494
Total revenues	30,000	30,000	51,494	21,494
<b>Expenditures</b>				
Current				
Support services				
Improvement of instructional services	-	-	1,821	(1,821)
Community service	30,000	30,000	33,904	(3,904)
Total expenditures	30,000	30,000	35,725	(5,725)
<b>Net change in fund balances</b>	\$ -	\$ -	\$ 15,769	\$ 15,769

**Fayette County Board of Education**

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

For the year ended June 30, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Local and other funds	\$ 15,000	\$ 15,000	\$ 38,211	\$ 23,211
Total revenues	15,000	15,000	38,211	23,211
<b>Expenditures</b>				
Current				
Community service	20,000	20,000	29,149	(9,149)
Total expenditures	20,000	20,000	29,149	(9,149)
Excess (deficiency) of revenues over (under) expenditures	(5,000)	(5,000)	9,062	14,062
<b>Other financing sources</b>				
Transfers in	-	-	500	500
Total other financing sources	-	-	500	500
<b>Net change in fund balances</b>	\$ (5,000)	\$ (5,000)	\$ 9,562	\$ 14,562

**Fayette County Board of Education**

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

**For the year ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 2,000,000	\$ 2,000,000	\$ 1,505,102	\$ (494,898)
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,505,102</u>	<u>(494,898)</u>
<b>Expenditures</b>				
Current				
Instruction	1,000,000	1,000,000	838,783	161,217
Support services				
Educational media services	100,000	100,000	71,255	28,745
School administration	400,000	400,000	285,020	114,980
Maintenance and operation of facilities	100,000	100,000	71,255	28,745
Student transportation services	100,000	100,000	71,255	28,745
Community service	<u>300,000</u>	<u>300,000</u>	<u>213,765</u>	<u>86,235</u>
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,551,333</u>	<u>448,667</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,231)</u>	<u>\$ (46,231)</u>

**Fayette County Board of Education**

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

**For the year ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local and other funds	\$ 5,305,000	\$ 5,305,000	\$ 5,776,738	\$ 471,738
Total revenues	<u>5,305,000</u>	<u>5,305,000</u>	<u>5,776,738</u>	<u>471,738</u>
<b>Expenditures</b>				
Debt services				
Principal retirement	7,324,213	7,324,213	8,585,520	(1,261,307)
Interest and fees	<u>3,749,705</u>	<u>3,749,705</u>	<u>2,480,093</u>	<u>1,269,612</u>
Total expenditures	<u>11,073,918</u>	<u>11,073,918</u>	<u>11,065,613</u>	<u>8,305</u>
Deficiency of revenues under expenditures	(5,768,918)	(5,768,918)	(5,288,875)	480,043
<b>Other financing sources</b>				
Transfers in	<u>5,768,918</u>	<u>5,768,918</u>	<u>2,500,000</u>	<u>(3,268,918)</u>
Total other financing sources	<u>5,768,918</u>	<u>5,768,918</u>	<u>2,500,000</u>	<u>(3,268,918)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,788,875)</u>	<u>\$ (2,788,875)</u>

## **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.



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Fayette County Board of Education

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND

For the year ended June 30, 2015

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b>ASSETS</b>				
Cash	<u>\$ 1,489,590</u>	<u>\$ 4,710,083</u>	<u>\$ 4,712,295</u>	<u>\$ 1,487,378</u>
<b>LIABILITIES</b>				
Due to student groups	<u>\$ 1,489,590</u>	<u>\$ 4,710,083</u>	<u>\$ 4,712,295</u>	<u>\$ 1,487,378</u>



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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, 2015**

<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	\$ 28,438,644	\$ 22,658,911	\$ 2,500,000
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	17,000,000	20,698,909	6,130,280	11,504,859
Acquisition of miscellaneous new equipment, fixtures and furnishings the school system, including technology infrastructure, equipment and software, safety and security equipment	47,500,000	43,947,470	27,370,918	5,306,341
Acquisition of textbooks	2,500,000	5,851,572	4,263,667	1,587,905
Acquisition of school buses and transportation and maintenance equipment	<u>10,000,000</u>	<u>12,433,864</u>	<u>7,799,108</u>	<u>3,772,317</u>
	<u>\$ 115,000,000</u>	<u>\$ 111,370,459</u>	<u>\$ 68,222,884</u>	<u>\$ 24,671,422</u>
Total expenditures	\$ 22,171,422			
Transfers to debt service fund	<u>2,500,000</u>			
	<u>\$ 24,671,422</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, 2015**

<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	\$ 10,000,000	\$ -	\$ -
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	35,000,000	35,000,000	-	4,388,556
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	35,000,000	-	-
Acquisition of textbooks and instructional materials	10,000,000	10,000,000	-	6,704
Acquisition of school buses and transportation and maintenance equipment	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 107,000,000</u>	<u>\$ 100,000,000</u>	<u>\$ -</u>	<u>\$ 4,395,260</u>

**FAYETTE COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES BY OBJECT**  
**LOTTERY PROGRAM**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Expenditures**

Operating costs	
Salaries	\$ 758,610
Employee benefits	267,808
Supplies and materials	20,146
Supplies and materials related to technology	1,511
Expendable equipment	46,394
Expendable computer equipment	5,936
Books and periodicals	<u>2,008</u>
Total expenditures	<u>\$ 1,102,413</u>

FAYETTE COUNTY BOARD OF EDUCATION

QUALITY BASIC EDUCATION PROGRAM  
EARNINGS AND EXPENDITURES - BY PROGRAM  
YEAR ENDED JUNE 30, 2015

Description	Allotments from Georgia Department of Education (1) (2)	Actual State Funded Expenditures		
		Salaries	Operations	Total
Kindergarten Program	\$ 5,872,532	\$ 6,475,173	\$ 43,771	\$ 6,518,944
Kindergarten Program-Early Intervention Program	662,015	-	2,719	2,719
Primary Grades (1-3) Program	16,017,680	16,596,656	112,648	16,709,304
Primary Grades-Early Intervention (1-3) Program	1,274,798	1,952,181	4,638	1,956,819
Upper Elementary Grades (4-5) Program	7,983,863	9,788,699	68,484	9,857,183
Upper Elem Grades-Early Intervention (4-5) Program	759,048	1,005,290	2,350	1,007,640
Middle School (6-8) Program	16,106,489	18,009,881	117,086	18,126,967
High School General Education (9-12) Program	17,041,565	23,722,537	292,306	24,014,843
Vocational Laboratory (9-12) Program	3,447,783	2,113,627	313,046	2,426,673
Students with Disabilities	17,854,124			
Category I		673,025	16,011	689,036
Category II		888,803	3,344	892,147
Category III		7,170,562	142,970	7,313,532
Category IV		5,173,472	61,468	5,234,940
Category V		719,149	39,555	758,704
Gifted Student - Category VI	7,035,802	3,208,869	84,978	3,293,847
Remedial Education Program	1,146,150	528,050	4,571	532,621
Alternative Education Program	1,230,847	898,979	7,137	906,116
English Speakers of Other Languages (ESOL)	1,191,280	1,703,361	2,313	1,705,674
<b>TOTAL DIRECT INSTRUCTIONAL FUNDS</b>	97,623,976	100,628,314	1,319,395	101,947,709
Media Center Program	2,595,340	2,455,514	446,136	2,901,650
Staff and Professional Development	436,257	-		235,424
<b>TOTAL QBE FORMULA FUNDS</b>	<u>\$ 100,655,573</u>	<u>\$ 103,083,828</u>	<u>\$ 1,765,531</u>	<u>\$ 105,084,783</u>

(1) Comprised of gross state funds, before reduction of local five mill share.

(2) Allotments do not include the impact of the State Amended Formula Adjustment.



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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>	130
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>	139
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>	147
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>	140
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>	164



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

	Fiscal Year			
	2015 (a)	2014	2013	2012
Governmental Activities				
Net investment in capital assets	\$ 186,432,779	\$ 168,187,655	\$ 178,523,433	\$ 175,064,622
Restricted	41,198,421	41,020,287	37,659,348	31,257,451
Unrestricted	<u>(134,974,173)</u>	<u>33,633,101</u>	<u>13,941,511</u>	<u>13,339,704</u>
 Total governmental activities net position	 <u>\$ 92,657,027</u>	 <u>\$ 242,841,043</u>	 <u>\$ 230,124,292</u>	 <u>\$ 219,661,777</u>

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

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 172,653,135	\$ 169,508,268	\$ 158,499,410	\$ 150,461,882	\$ 141,200,087	\$ 131,639,978
26,335,635	8,971,932	11,911,480	19,677,495	34,954,814	23,254,509
<u>20,608,820</u>	<u>28,213,735</u>	<u>1,620,066</u>	<u>(13,255,093)</u>	<u>(20,464,970)</u>	<u>(10,668,482)</u>
<u>\$ 219,597,590</u>	<u>\$ 206,693,935</u>	<u>\$ 172,030,956</u>	<u>\$ 156,884,284</u>	<u>\$ 155,689,931</u>	<u>\$ 144,226,005</u>

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

<b>Expenses</b>	<b>Fiscal Year</b>			
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Governmental Activities				
Instruction	\$ 126,035,930	\$ 123,283,652	\$ 126,989,501	\$ 138,166,002
Support Services				
Pupil services	8,982,470	8,940,118	9,446,688	9,361,037
Improvement of instructional services	4,233,092	3,919,268	4,059,005	4,396,525
Educational media services	3,031,063	3,078,138	3,435,491	3,714,750
General administration	1,664,955	1,778,299	1,676,637	1,328,258
School administration	11,092,787	11,570,184	12,982,540	13,925,349
Business administration	865,120	872,724	1,067,217	937,222
Maintenance and operation of facilities	13,133,822	12,683,045	13,854,947	16,157,767
Student transportation services	8,620,521	8,820,745	8,687,580	9,031,403
Central support services	3,658,754	2,830,478	2,700,778	3,402,613
Other support services	225,350	491,443	276,311	303,373
Community services	2,292,410	2,137,412	2,311,865	2,385,232
Food services	7,090,152	7,495,355	7,534,165	8,078,108
Loss on sale of capital assets	171,594	-	-	-
Other non-instructional services	-	-	-	-
Interest expense	2,242,423	3,154,736	3,466,114	3,898,053
Total governmental activities expenses	<u>\$ 193,340,443</u>	<u>\$ 191,055,597</u>	<u>\$ 198,488,839</u>	<u>\$ 215,085,692</u>
<b>Program Revenues</b>				
Charges for services				
Instruction	\$ 390,482	\$ 391,846	\$ 365,145	\$ 455,409
Support services	2,399,442	2,238,940	2,141,197	2,220,197
Food services	3,204,349	3,565,762	3,624,379	3,911,898
Other non-instructional services	-	-	-	-
Operating grants and contributions	98,522,267	96,557,210	94,197,669	91,800,116
Capital grants and contributions	4,805,599	132,000	1,270,878	228,659
Total governmental activities program revenues	<u>\$ 109,322,139</u>	<u>\$ 102,885,758</u>	<u>\$ 101,599,268</u>	<u>\$ 98,616,279</u>
<b>NET EXPENSE</b>	<u>\$ (84,018,304)</u>	<u>\$ (88,169,839)</u>	<u>\$ (96,889,571)</u>	<u>\$ (116,469,413)</u>
<b>General Revenues</b>				
Governmental Activities				
Taxes:				
Property taxes	\$ 87,023,400	\$ 84,458,044	\$ 84,722,620	\$ 94,275,592
Intangible taxes	1,533,959	1,288,192	1,813,025	1,392,564
Transfer taxes	518,915	427,724	346,278	288,711
Other taxes	15,647	15,611	-	-
State reimbursement of homestead exemption, general purpose	-	-	-	-
Sales tax, capital outlay and debt service	21,094,300	20,241,186	19,968,392	20,009,700
Interest and investment earnings	125,297	85,588	93,786	78,268
Other	485,388	420,342	671,912	488,765
Extraordinary items	-	(6,050,097)	-	-
Total governmental activities general revenues	<u>\$ 110,796,906</u>	<u>\$ 100,886,590</u>	<u>\$ 107,616,013</u>	<u>\$ 116,533,600</u>
<b>Change in Net Position</b>	<u>\$ 26,778,602</u>	<u>\$ 12,716,751</u>	<u>\$ 10,726,442</u>	<u>\$ 64,187</u>

	2011	2010	2009	2008	2007	2006
\$	140,677,264	\$ 138,121,383	\$ 146,934,039	\$ 150,943,576	\$ 139,532,687	\$ 129,110,116
	9,331,883	5,132,093	5,139,847	5,273,876	5,052,964	4,381,135
	4,229,846	4,331,092	4,495,310	4,893,730	4,959,046	4,841,891
	3,757,201	3,620,838	4,122,924	4,413,871	4,134,587	3,901,888
	1,192,086	1,162,135	1,180,835	1,463,251	1,865,056	2,089,660
	13,192,469	12,788,338	13,521,964	13,856,589	12,363,255	10,965,459
	1,139,105	1,078,060	969,569	1,199,535	1,256,946	1,235,347
	16,161,495	14,884,267	15,880,952	16,159,214	14,994,627	14,128,544
	8,073,549	7,710,847	8,273,658	8,616,819	7,864,526	7,226,965
	4,140,542	4,434,557	4,517,985	4,446,113	3,696,847	2,546,504
	290,337	282,244	326,650	227,472	241,819	195,724
	2,194,891	2,401,650	2,978,945	3,143,072	3,323,812	2,959,370
	7,925,808	7,709,527	8,568,176	8,053,566	7,129,145	6,981,926
	-	-	-	-	-	-
	-	-	-	2,311,561	2,572,397	2,656,276
	4,557,031	5,022,769	5,694,228	6,433,790	6,210,948	6,271,738
\$	<u>216,863,507</u>	<u>\$ 208,679,800</u>	<u>\$ 222,605,082</u>	<u>\$ 231,436,035</u>	<u>\$ 215,198,662</u>	<u>\$ 199,492,543</u>
\$	335,649	\$ 392,228	\$ 314,311	\$ 200,639	\$ 380,875	\$ 432,037
	2,181,465	2,330,335	2,572,638	3,016,894	2,953,235	2,692,836
	3,943,587	4,120,152	4,476,338	4,465,461	4,178,251	4,164,794
	-	-	-	2,226,598	2,443,673	2,831,385
	102,475,842	99,837,085	100,129,904	107,519,664	102,112,584	93,582,335
	1,213,372	398,221	3,614,327	1,549,115	4,154,760	-
\$	<u>110,149,915</u>	<u>\$ 107,078,021</u>	<u>\$ 111,107,518</u>	<u>\$ 118,978,371</u>	<u>\$ 116,223,378</u>	<u>\$ 103,703,387</u>
\$	(106,713,592)	\$ (101,601,779)	\$ (111,497,564)	\$ (112,457,664)	\$ (98,975,284)	\$ (95,789,156)
\$	99,163,635	\$ 115,268,389	\$ 115,084,744	\$ 104,382,015	\$ 99,496,866	\$ 92,166,178
	1,331,459	1,273,783	1,623,315	2,149,764	2,791,990	3,033,194
	266,814	265,509	340,522	578,761	872,943	931,184
	-	-	-	-	27,790	13,424
	-	-	3,768,591	3,537,233	3,549,276	3,576,846
	18,259,865	18,802,125	4,488,524	-	-	-
	108,504	121,947	470,896	2,450,562	2,826,447	2,678,460
	486,970	533,005	867,644	553,682	873,898	517,064
	-	-	-	-	-	-
\$	<u>119,617,247</u>	<u>\$ 136,264,758</u>	<u>\$ 126,644,236</u>	<u>\$ 113,652,017</u>	<u>\$ 110,439,210</u>	<u>\$ 102,916,350</u>
\$	<u>12,903,655</u>	<u>\$ 34,662,979</u>	<u>\$ 15,146,672</u>	<u>\$ 1,194,353</u>	<u>\$ 11,463,926</u>	<u>\$ 7,127,194</u>

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

	Fiscal Year			
	2015	2014	2013	2012
General Fund				
Nonspendable	\$ 4,788	\$ 4,788	\$ 4,788	\$ 30,575
Committed	989,886	791,710	580,481	399,052
Assigned	-	-	-	14,197,281
Unassigned	26,378,632	22,751,211	14,505,398	2,190,268
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ 27,373,306</u>	<u>\$ 23,547,709</u>	<u>\$ 15,090,667</u>	<u>\$ 16,817,176</u>
All other governmental funds				
Nonspendable	\$ 193,570	\$ 180,376	\$ 192,252	\$ 491,954
Restricted	42,088,724	47,746,430	41,646,462	35,325,484
Committed	3,879,580	3,620,207	3,223,019	2,630,664
Assigned	1,061,510	1,062,101	1,106,021	1,523,608
Reserved	-	-	-	-
Unreserved, reported in:				
Special projects funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 47,223,384</u>	<u>\$ 52,609,114</u>	<u>\$ 46,167,754</u>	<u>\$ 39,971,710</u>

Note: Includes all governmental fund types.

A Reflects implementation of GASB Statement No. 54

<sup>1</sup> Balances previously reported as reserved fund balance related to capital project funds funded with bond proceeds and as reserved fund balance related to special revenue funds have been reclassified to unreserved classification because the funds in which the balances are accounted limit its usage. That is, the restriction on the fund balance is not narrower than the purpose of the fund itself.

<sup>2</sup> Increase in fund balance in this period was due to the issuance of general obligation bonds during the period for capital projects.

Fiscal Year

2011 (A)	2010	2009	2008	2007	2006
\$ 38,475	\$ -	\$ -	\$ -	\$ -	\$ -
230,102	-	-	-	-	-
16,435,948	-	-	-	-	-
9,632,929	-	-	-	-	-
-	-	-	-	-	-
-	17,288,019	4,509,616	1,678,283	6,555,409	5,427,148
<u>\$ 26,337,454</u>	<u>\$ 17,288,019</u>	<u>\$ 4,509,616</u>	<u>\$ 1,678,283</u>	<u>\$ 6,555,409</u>	<u>\$ 5,427,148</u>
\$ 259,836	\$ -	\$ -	\$ -	\$ -	\$ -
30,318,985	-	-	-	-	-
2,442,754	-	-	-	-	-
1,625,873	-	-	-	-	-
-	3,453,437	2,635,889	2,298,020	4,629,016	4,667,476 <sup>1</sup>
-	4,117,102	3,099,256	2,638,343	2,699,479	2,821,627
-	21,596,282	14,433,786	18,850,160	34,227,555	21,738,700
<u>\$ 34,647,448</u>	<u>\$ 29,166,821</u>	<u>\$ 20,168,931</u>	<u>\$ 23,786,523</u>	<u>\$ 41,556,050</u> <sup>2</sup>	<u>\$ 29,227,803</u>

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

	Fiscal Year			
	2015	2014	2013	2012
<b>Revenues</b>				
State funds	\$ 90,599,947	\$ 85,914,380	\$ 84,529,941	\$ 80,886,999
Federal funds	11,102,101	8,535,870	8,743,298	8,884,415
Local and other funds	119,121,400	115,419,650	116,232,262	125,728,896
Total revenues	<u>220,823,448</u>	<u>209,869,900</u>	<u>209,505,501</u>	<u>215,500,310</u>
<b>Expenditures</b>				
Current				
Instruction	122,793,512	115,453,676	119,740,956	129,513,425
Support services				
Pupil services	9,541,931	8,941,466	9,450,764	9,378,670
Improvement of instructional services	4,296,463	3,740,483	3,969,031	4,220,893
Educational media services	2,997,463	2,870,088	3,219,739	3,497,711
General administration	1,702,605	1,707,173	1,646,537	1,299,766
School administration	11,260,039	10,909,670	12,555,692	13,384,943
Business administration	956,902	861,971	1,070,562	944,784
Maintenance and operation of facilities	13,150,553	12,393,833	12,356,626	13,733,068
Student transportation services	7,306,948	7,441,448	7,495,887	7,886,610
Central support services	3,316,811	2,570,756	2,374,312	2,614,046
Other support services	229,642	491,443	276,311	303,373
Community service	2,359,127	2,137,436	2,299,935	2,376,826
Food services	6,427,196	6,707,814	6,658,939	7,207,059
Other non-instructional services	-	-	-	-
Capital outlay	24,978,776	6,318,135	7,758,864	9,151,831
Debt Service				
Principal retirement	8,585,520	9,206,900	9,815,716	9,496,943
Interest and fees	2,480,093	3,264,945	4,346,095	4,686,378
Bond issuance cost	-	323,414	-	-
Total expenditures	<u>222,383,581</u>	<u>195,340,651</u>	<u>205,035,966</u>	<u>219,696,326</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,560,133)</u>	<u>14,529,249</u>	<u>4,469,535</u>	<u>(4,196,016)</u>
<b>Other financing sources (uses)</b>				
Sale of assets	-	5,170,000	-	-
Issuance of bonds	-	-	-	-
Premium (discount) on issuance of bonds	-	-	-	-
Capital lease	-	-	-	-
Refunding bonds	-	53,240,000	-	-
Payment to refunded bond escrow agent	-	(58,040,847)	-	-
Total other financing sources (uses)	<u>-</u>	<u>369,153</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,560,133)</u>	<u>14,898,402</u>	<u>4,469,535</u>	<u>(4,196,016)</u>
Debt service as a percentage of noncapital expenditures	5.5%	6.5%	7.1%	6.6%

<sup>1</sup> Negative change in total fund balance is the result of spending proceeds of previously issued debt on large capital projects.

<sup>2</sup> Positive change in total fund balance is the result of the issuance of general obligation debt.

Fiscal Year						
2011	2010	2009	2008	2007	2006	
\$ 86,636,341	\$ 77,735,483	\$ 91,168,857	\$ 101,587,596	\$ 98,868,501	\$ 85,750,375	
14,515,896	20,439,527	9,745,900	7,234,301	6,909,759	7,521,162	
130,272,481	144,926,435	135,324,244	123,177,217	120,567,784	113,314,825	
<u>231,424,718</u>	<u>243,101,445</u>	<u>236,239,001</u>	<u>231,999,114</u>	<u>226,346,044</u>	<u>206,586,362</u>	
126,536,594	129,413,149	138,027,216	143,371,200	133,447,372	123,924,803	
9,305,224	5,133,136	5,139,291	5,260,974	5,039,509	4,427,063	
4,132,770	4,303,987	4,430,882	4,853,123	4,884,050	4,780,798	
3,540,744	3,406,581	3,910,192	4,205,362	3,925,284	3,651,713	
1,155,654	1,162,559	1,167,459	1,448,959	1,809,808	2,027,439	
12,772,049	12,502,590	13,316,070	13,556,618	12,092,048	10,718,073	
1,112,059	1,064,214	941,630	1,193,107	1,327,015	1,178,267	
13,790,653	13,920,860	14,723,060	15,609,988	14,495,969	13,957,845	
7,153,794	7,078,540	7,301,975	9,054,471	7,274,856	8,668,870	
3,181,093	3,605,247	3,668,489	3,826,798	3,538,616	2,839,589	
297,832	282,244	326,650	227,472	241,819	195,724	
2,177,702	2,387,429	2,979,114	3,134,538	3,304,322	2,955,767	
7,030,245	6,810,308	7,328,239	7,262,468	6,462,068	6,304,995	
-	-	-	2,311,561	2,572,397	2,656,276	
12,914,799	8,612,189	13,591,204	18,882,946	23,975,915	17,753,339	
11,062,504	18,766,832	18,068,590	16,967,044	15,203,484	13,589,396	
4,042,368	3,009,514	4,391,888	4,958,756	4,406,505	4,896,009	
-	81,061	-	-	158,412	21,044	
<u>220,206,084</u>	<u>221,540,440</u>	<u>239,311,949</u>	<u>256,125,385</u>	<u>244,159,449</u>	<u>224,547,010</u>	
11,218,634	21,561,005	(3,072,948)	(24,126,271)	(17,813,405)	(17,960,648)	
-	-	-	-	-	-	
-	-	-	-	29,965,000	-	
-	1,118,947	-	-	1,304,913	-	
3,311,428	127,103	2,286,689	1,479,618	-	2,417,476	
-	24,800,000	-	-	-	-	
-	(25,830,762)	-	-	-	-	
<u>3,311,428</u>	<u>215,288</u>	<u>2,286,689</u>	<u>1,479,618</u>	<u>31,269,913</u>	<u>2,417,476</u>	
14,530,062	21,776,293	(786,259)	(22,646,653) <sup>1</sup>	13,456,508 <sup>2</sup>	(15,543,172) <sup>1</sup>	
6.9%	10.1%	9.8%	9.2%	8.9%	9.1%	



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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				
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%
2008	5,085,472	350,968	70,522	627,651	4,879,311	18.596	13,767,405	40%
2007	4,794,801	329,427	64,713	582,484	4,606,457	18.600	12,972,353	40%
2006	4,372,044	339,547	64,757	512,898	4,263,450	18.750	11,940,870	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				
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%
2008	5,326,038	350,968	70,522	582,355	5,165,173	3.550	14,368,820	40%
2007	4,794,801	329,427	64,713	537,084	4,651,857	3.550	12,972,353	40%
2006	4,372,044	339,547	64,757	467,752	4,308,596	3.600	11,940,870	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
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
2008	18.596	3.550	22.146	5.432	5.432	2.000	0.550
2007	18.600	3.550	22.150	4.888	5.692	2.906	-
2006	18.750	3.600	22.350	5.191	6.083	3.091	-

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	0.899	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
-	2.990	2.900	0.764	4.985	0.548	0.250
-	2.990	2.900	0.794	5.533	-	0.250
-	3.033	2.900	0.862	5.283	-	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
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%
2008	90,226,100	17,384,940	107,611,040	105,166,788	97.7%
2007	85,394,697	16,459,467	101,854,164	100,341,217	98.5%
2006	79,600,481	15,445,744	95,046,225	93,417,376	98.3%

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
\$ -	\$ 83,020,297	98.3%
983,778	83,743,470	100.0%
1,114,666	83,994,195	100.0%
2,697,322	94,311,337	99.9%
2,042,640	97,296,187	99.8%
4,304,487	111,834,524	99.9%
3,317,547	120,127,067	99.9%
2,287,050	107,453,838	99.9%
1,446,037	101,787,254	99.9%
1,486,620	94,903,996	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
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
2008	96,299,582	8,082,433	2,149,764	578,761	3,537,233
2007	91,485,816	8,011,050	2,791,990	872,943	3,549,276
2006	84,382,779	7,783,399	3,033,194	931,184	3,576,846

Special Purpose Local Option Sales Tax	Other Taxes	Total
\$ 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
-	-	110,647,773
-	27,790	106,738,865
-	13,424	99,720,826

**Fayette County Board of Education  
Principal Taxpayers (Top Ten)  
June 30, 2015 and Nine Years Ago**

Taxpayer	FY 2015		Percentage		FY 2006		Percentage	
	Assessed	Rank	of Total	Assessed	Assessed	Rank	of Total	Assessed
	Valuation		Valuation	Valuation	Valuation		Valuation	Valuation
NCR Corporation	\$ 26,077,793	1	0.56%	35,085,190	1	0.73%		
Coweta-Fayette EMC	15,363,361	2	0.33%	17,746,597	4	0.37%		
Cooper Lighting	14,499,882	3	0.31%	-		0.00%		
DDRTC Fayette Pavilion I & II	14,297,472	4	0.31%	-		0.00%		
Dixie Aerospace Inc.	12,875,541	5	0.27%	-		0.00%		
DDRTC Fayette Pavilion III & IV	12,794,056	6	0.27%	-		0.00%		
Georgia Power Company	12,745,015	7	0.27%	-		0.00%		
DDRTC Fayette Pavilion I & II	11,743,628	8	0.25%	-		0.00%		
BellSouth	11,667,339	9	0.25%	16,459,238	6	0.34%		
Atlanta Gas Light	11,542,959	10	0.25%	11,075,603	7	0.23%		
Inland Southeast Fayette I & II	-		0.00%	30,711,200	2	0.64%		
Matsushita Communications Corp.	-		0.00%	25,604,387	3	0.54%		
Inland Southeast Fayette III	-		0.00%	16,860,864	5	0.35%		
Hoshizaka America	-		0.00%	10,164,987	8	0.21%		
Summit Properties	-		0.00%	9,865,200	9	0.21%		
Alcan Packaging - Atlanta	-		0.00%	9,799,605	10	0.21%		
Other Taxpayers	4,539,517,375		96.93%	4,592,975,129		96.16%		
	<u>\$ 4,683,124,421</u>		<u>100.00%</u>	<u>\$ 4,776,348,000</u>		<u>100.00%</u>		

Source: Fayette County Tax Commissioner (current year information) and the Fayette County Comprehensive Annual Financial Report (FY 2006 information).

Note: Amounts for FY 2015 relate to tax year 2014.

**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			
2015	\$ 57,054,927	\$ -	\$ -	\$ 57,054,927	NA	NA
2014	65,805,944	-	-	65,805,944	1.12%	600.07
2013	66,463,730	455,000	763,755	67,682,485	1.21%	624.64
2012	74,031,558	890,000	2,860,622	77,782,180	1.42%	724.01
2011	81,352,277	1,300,000	4,910,785	87,563,062	1.66%	816.74
2010	90,578,648	1,690,000	3,329,429	95,598,077	1.96%	893.52
2009	106,793,640	2,065,000	4,649,158	113,507,798	2.35%	1,075.97
2008	123,478,790	2,420,000	3,451,059	129,349,849	2.57%	1,229.65
2007	139,238,940	2,765,000	2,893,485	144,897,425	2.90%	1,380.12
2006	122,090,680	3,095,000	3,661,969	128,847,649	2.74%	1,237.74

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 164.

(3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 164.

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)
2015	\$ 57,054,927	\$ -	\$ 57,054,927	0.49%	NA
2014	65,805,944	-	65,805,944	0.57%	600.07
2013	66,463,730	-	66,463,730	0.58%	613.39
2012	74,031,558	-	74,031,558	0.58%	689.10
2011	81,352,277	-	81,352,277	0.62%	758.81
2010	88,670,800	-	88,670,800	0.62%	828.78
2009	105,720,800	-	105,720,800	0.74%	1,002.16
2008	122,345,800	-	122,345,800	0.89%	1,163.07
2007	138,045,800	-	138,045,800	1.06%	1,314.86
2006	122,185,800	1,007,531	121,178,269	1.01%	1,164.07

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 139 for property tax data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 164.

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, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Peachtree City			
2003 Bonds	\$ 565,000	100%	\$ 565,000
2011 Bonds	3,700,000	100%	3,700,000
2014 Bonds	2,792,836	100%	<u>2,792,836</u>
Total Overlapping Debt			7,057,836
Fayette County Board of Education			<u>57,160,274</u>
Total Direct and Overlapping Debt			<u><u>\$ 64,218,110</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 2015**

Assessed value 2014 tax digest	\$ 3,971,913,957
Limit of bonded indebtedness, 10% of net assessed taxable property value	397,191,396
Amount of debt applicable to the debt limit General obligation bonds, net of original issuance discounts and premiums	<u>57,054,927</u>
Legal Debt Margin	<u><u>\$ 340,136,469</u></u>

	2015	2014	2013
Debt limit	\$ 397,191,396	\$ 394,231,773	\$ 395,375,655
Total debt applicable to limit	<u>57,054,927</u>	<u>65,805,944</u>	<u>66,918,730</u>
Legal debt margin	<u><u>\$ 340,136,469</u></u>	<u><u>\$ 328,425,829</u></u>	<u><u>\$ 328,456,925</u></u>
 Total debt applicable as a percentage of debt limit	 14.4%	 16.7%	 16.9%

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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 440,050,269	\$ 462,186,375	\$ 506,500,006	\$ 534,611,072	\$ 516,517,319	\$ 465,185,735	\$ 430,859,581
<u>74,921,558</u>	<u>82,652,277</u>	<u>92,268,648</u>	<u>108,858,640</u>	<u>125,898,790</u>	<u>142,003,940</u>	<u>124,178,149</u>
<u>\$ 365,128,711</u>	<u>\$ 379,534,098</u>	<u>\$ 414,231,358</u>	<u>\$ 426,825,272</u>	<u>\$ 363,165,289</u>	<u>\$ 323,181,795</u>	<u>\$ 305,578,781</u>
17.0%	17.9%	18.2%	20.4%	24.4%	30.5%	28.8%

**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>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
<b>2008</b>	198,344,607	22,108	8,971.62	8.9%	1,675	13.35
<b>2007</b>	184,323,313	22,367	8,240.86	6.4%	1,620	13.76
<b>2006</b>	172,647,046	22,291	7,745.15	9.0%	1,565	14.27

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>
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
2008	33,953	78,614	32,609
2007	33,055	76,553	31,659
2006	31,904	73,909	30,441

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Elementary</b>				
Braelinn (1989)				
Square feet	70,860	70,860	70,860	70,860
Capacity	675	675	675	675
Enrollment	549	542	443	471
Brooks (1962) <sup>(1)</sup>				
Square feet	60,413	60,413	60,413	60,413
Capacity	-	-	525	525
Enrollment	-	-	243	298
Robert J. Burch (1989)				
Square feet	73,146	73,146	73,146	73,146
Capacity	675	675	675	675
Enrollment	583	531	557	576
Crabapple Lane (2004)				
Square feet	94,816	94,816	94,816	94,816
Capacity	800	800	800	800
Enrollment	637	637	536	508
East Fayette (1955)				
Square feet	53,386	53,386	53,386	53,386
Capacity	-	-	-	-
Enrollment	-	-	-	-
Fayetteville Intermediate (1974) <sup>(1)</sup>				
Square feet	72,673	72,673	72,673	72,673
Capacity	-	-	550	550
Enrollment	-	-	395	389
Fayetteville/Hood Avenue (1970) <sup>(2)</sup>				
Square feet	73,176	73,176	73,176	73,176
Capacity	575	575	575	575
Enrollment	483	590	370	365
Huddleston (1979)				
Square feet	79,694	79,694	79,694	79,694
Capacity	625	625	625	625
Enrollment	634	645	590	562
Inman (2009)				
Square feet	86,172	86,172	86,172	86,172
Capacity	663	663	663	663
Enrollment	585	512	467	490

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

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

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

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
70,860	70,860	70,860	70,860	70,860	70,860
675	675	675	675	675	675
493	544	568	516	504	519
60,413	60,413	60,413	60,413	60,413	52,725
525	525	525	525	525	450
307	313	315	324	326	358
73,146	73,146	73,146	73,146	73,146	73,146
675	675	675	675	675	675
634	664	701	734	726	754
94,816	94,816	94,816	94,816	94,816	94,179
800	800	800	800	800	800
535	554	565	488	560	495
53,386	53,386	53,386	53,386	53,386	53,386
-	-	-	550	550	575
-	-	-	572	586	617
72,673	72,673	72,673	72,673	72,673	65,792
550	550	550	550	550	550
421	455	469	469	486	471
73,176	73,176	73,176	73,176	73,176	73,176
575	575	575	575	575	575
394	404	417	425	438	410
79,694	79,694	79,694	79,694	79,694	79,694
625	625	625	625	625	625
565	590	633	619	624	607
86,172	86,172	86,172	-	-	-
663	663	663	-	-	-
507	546	539	-	-	-

continued

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Elementary - continued</b>				
Kedron (1995)				
Square feet	87,734	87,734	87,734	87,734
Capacity	725	725	725	725
Enrollment	573	582	518	560
Cleveland (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	545	538	547	523
S. H. Minter (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	765	772	599	593
North Fayette (1980)				
Square feet	75,785	75,785	75,785	75,785
Capacity	750	750	750	750
Enrollment	597	574	478	478
Oak Grove (1986)				
Square feet	71,040	71,040	71,040	71,040
Capacity	725	725	725	725
Enrollment	464	497	556	521
Peachtree City (1968)				
Square feet	62,732	62,732	62,732	62,732
Capacity	525	525	525	525
Enrollment	526	523	509	509
Peoples (1998)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	648	657	589	618
Spring Hill (1996)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	712	598	497	512
Tyrone (1980) <sup>(1)</sup>				
Square feet	59,580	59,580	59,580	59,580
Capacity	-	-	450	450
Enrollment	-	-	337	344
<b>Middle</b>				
Fayette (1986) <sup>(1)</sup>				
Square feet	135,649	135,649	135,649	135,649
Capacity	-	-	1,125	1,125
Enrollment	-	-	696	720

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
87,734	87,734	87,734	87,734	87,734	87,734
725	725	725	725	725	725
586	597	592	510	527	422
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
542	556	556	539	508	469
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
593	613	648	689	711	732
75,785	75,785	75,785	75,785	75,785	75,785
750	750	750	750	750	750
458	478	492	476	471	521
71,040	71,040	71,040	71,040	71,040	71,040
725	725	725	725	725	725
514	516	485	506	496	465
62,732	62,732	62,732	62,732	62,732	62,732
525	525	525	525	525	550
490	467	446	550	507	562
94,655	94,655	94,655	94,655	94,655	94,655
800	800	800	800	800	800
669	699	751	839	876	846
94,655	94,655	94,655	94,655	94,655	94,655
800	800	800	800	800	800
518	542	556	582	582	599
59,580	59,580	59,580	59,580	59,580	59,580
450	450	450	450	450	450
346	338	329	336	367	418
135,649	135,649	135,649	135,649	135,649	135,649
1,125	1,125	1,125	1,125	1,125	1,162
751	791	820	823	1,030	1022

continued

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</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	984	984	594	598
J. C. Booth (1979)				
Square feet	139,581	139,581	139,581	139,581
Capacity	1,175	1,175	1,175	1,175
Enrollment	1,209	1,201	1,052	1,025
Flat Rock (1989)				
Square feet	137,068	137,068	137,068	137,068
Capacity	1,012	1,012	1,012	1,012
Enrollment	753	820	854	824
Rising Starr (1996)				
Square feet	156,409	156,409	156,409	156,409
Capacity	1,175	1,175	1,175	1,175
Enrollment	976	965	1,035	1,039
Whitewater (1989)				
Square feet	137,879	137,879	137,879	137,879
Capacity	1,050	1,050	1,050	1,050
Enrollment	955	981	739	817
<b>High</b>				
Fayette County (1998*)				
Square feet	259,536	259,536	259,536	259,536
Capacity	1,725	1,725	1,725	1,725
Enrollment	1,302	1,236	1,255	1,280
McIntosh (1981)				
Square feet	273,809	270,793	270,793	270,793
Capacity	1,625	1,625	1,625	1,625
Enrollment	1,600	1,640	1,587	1,578
Sandy Creek (1990)				
Square feet	248,280	248,280	248,280	248,280
Capacity	1,625	1,625	1,625	1,625
Enrollment	1,149	1,160	1,167	1,157
Starr's Mill (1998)				
Square feet	226,980	226,980	226,980	226,980
Capacity	1,650	1,650	1,650	1,650
Enrollment	1,385	1,472	1,500	1,480
Whitewater (2004)				
Square feet	279,822	279,822	279,822	279,822
Capacity	1,475	1,475	1,475	1,475
Enrollment	1,415	1,369	1,380	1,453

2011	2010	2009	2008	2007	2006
158,653	158,653	158,653	158,653	-	-
1,475	1,175	1,175	1,175	-	-
607	625	569	548	-	-
139,581	139,581	139,581	139,581	139,581	139,581
1,175	1,175	1,175	1,175	1,175	1,175
1,021	1,018	988	994	1,200	1,192
137,068	137,068	137,068	137,068	137,068	137,068
1,012	1,012	1,012	1,012	1,012	1,075
839	826	840	845	926	945
156,409	156,409	156,409	156,409	156,409	141,013
1,175	1,175	1,175	1,175	1,175	1,087
1,039	1,103	1,077	1,058	1,091	1,120
137,879	137,879	137,879	137,879	137,879	137,879
1,050	1,050	1,050	1,050	1,050	1,070
818	855	907	935	1,177	1,185
259,536	259,536	259,536	259,536	259,536	259,536
1,725	1,725	1,725	1,725	1,725	1,700
1,360	1,431	1,451	1,359	1,291	1528
270,793	270,793	270,793	270,793	270,793	270,793
1,625	1,625	1,625	1,625	1,625	1,600
1,636	1,621	1,600	1,598	1,552	1,568
248,280	248,280	248,280	248,280	248,280	248,280
1,625	1,625	1,625	1,625	1,625	1,562
1,178	1,240	1,278	1,329	1,342	1,327
226,980	226,980	226,980	226,980	226,980	226,980
1,650	1,650	1,650	1,650	1,650	1,625
1,555	1,508	1,621	1,653	1,611	1,722
279,822	279,822	279,822	279,822	279,822	279,822
1,475	1,475	1,475	1,475	1,475	1,475
1,533	1,623	1,679	1,679	1,696	1249

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

<b>Position</b>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Administrators	92	91	103	101	100
Teachers	1,327	1,304	1,423	1,483	1,483
Media	24	24	28	28	28
Counselors	48	47	57	58	58
Clerical	133	128	152	156	157
Paraprofessionals	270	211	303	296	320
Custodians	130	132	152	171	171
Lunchroom	157	157	157	178	178
Other Areas*	<u>386</u>	<u>395</u>	<u>419</u>	<u>432</u>	<u>420</u>
 Total employees	 <u>2,567</u>	 <u>2,489</u>	 <u>2,794</u>	 <u>2,903</u>	 <u>2,915</u>

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Source: School System records

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

\* Prior to 2009, Other Areas may have included Community Coaches, After School Employees, and At-Will Employees.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
100	102	102	103	102
1,493	1,570	1,675	1,620	1,565
28	36	35	36	35
58	61	65	59	59
160	162	189	169	163
320	350	356	339	303
177	178	177	184	183
174	174	174	170	166
<u>428</u>	<u>456</u>	<u>510</u>	<u>570</u>	<u>557</u>
<u><u>2,938</u></u>	<u><u>3,088</u></u>	<u><u>3,283</u></u>	<u><u>3,250</u></u>	<u><u>3,133</u></u>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Lunch Meals Served				
Free	582,919	551,946	541,183	561,152
Reduced	116,582	111,599	112,478	116,127
Paid	<u>824,822</u>	<u>755,131</u>	<u>802,143</u>	<u>920,006</u>
Total	<u><u>1,524,323</u></u>	<u><u>1,418,676</u></u>	<u><u>1,455,804</u></u>	<u><u>1,597,285</u></u>
Daily Average	8,544	8,260	8,262	8,899
Student Price	\$2.45 - \$2.55	\$2.35 - \$2.45	\$2.25 - \$2.35	\$2.15 - \$2.35
Breakfast Meals Served				
Free	157,122	148,968	133,860	116,773
Reduced	19,523	17,617	18,599	15,550
Paid	<u>44,331</u>	<u>40,650</u>	<u>36,800</u>	<u>29,779</u>
Total	<u><u>220,976</u></u>	<u><u>207,235</u></u>	<u><u>189,259</u></u>	<u><u>162,102</u></u>
Daily Average	1,260	1,231	1,101	923
Student Price	\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.35 - \$1.45
Total Meals Served				
Free	740,041	700,914	675,043	677,925
Reduced	136,105	129,216	131,077	131,677
Paid	<u>869,153</u>	<u>795,781</u>	<u>838,943</u>	<u>949,785</u>
Total	<u><u>1,745,299</u></u>	<u><u>1,625,911</u></u>	<u><u>1,645,063</u></u>	<u><u>1,759,387</u></u>
Daily Average	9,804	9,491	9,363	9,822

Source: School System records

2011	2010	2009	2008	2007	2006
544,183	487,840	417,595	360,542	337,321	320,901
102,357	126,018	125,967	119,440	116,103	101,313
975,988	1,063,608	1,214,298	1,309,593	1,324,475	1,342,753
<u>1,622,528</u>	<u>1,677,466</u>	<u>1,757,860</u>	<u>1,789,575</u>	<u>1,777,899</u>	<u>1,764,967</u>
9,150	9,449	9,861	9,966	9,913	9,961
\$2.10 - \$2.25	\$2.05 - \$2.15	\$2.00 - \$2.10	\$1.90 - \$2.00	\$1.90 - \$2.00	\$1.90
112,236	101,422	80,954	71,146	59,899	57,145
14,370	17,014	14,437	15,442	11,407	10,015
33,602	27,857	29,936	27,955	24,148	29,319
<u>160,208</u>	<u>146,293</u>	<u>125,327</u>	<u>114,543</u>	<u>95,454</u>	<u>96,479</u>
932	853	688	688	561	582
\$1.35 - \$1.45	\$1.35 - \$1.45	\$1.35 - \$1.45	\$1.25	\$1.25	\$1.15
656,419	589,262	498,549	431,688	397,220	378,046
116,727	143,032	140,404	134,882	127,510	111,328
1,009,590	1,091,465	1,244,234	1,337,548	1,348,623	1,372,072
<u>1,782,736</u>	<u>1,823,759</u>	<u>1,883,187</u>	<u>1,904,118</u>	<u>1,873,353</u>	<u>1,861,446</u>
10,082	10,302	10,549	10,654	10,474	10,543

**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>
2015	NA	NA	NA	20,242	5.6%
2014	109,664	5,872,326	53,548	20,243	6.8%
2013	108,355	5,573,316	51,436	20,318	7.7%
2012	107,432	5,476,679	50,978	20,506	8.2%
2011	107,211	5,260,864	49,070	21,120	8.6%
2010	106,990	4,872,935	45,546	21,683	8.3%
2009	105,493	4,827,311	45,760	22,047	9.1%
2008	105,192	5,029,221	47,810	22,108	5.0%
2007	104,989	5,000,294	47,627	22,367	4.0%
2006	104,099	4,696,360	45,114	22,291	4.5%

Source <sup>(1)</sup> Bureau of Economic Analysis, U.S. Department of Commerce, Table CA 1, updated November 19, 2015, with new estimates for 2014 and revised population estimates for all years presented.  
(Population estimate revisions 2010-2012, personal income and per capita income revisions for all years presented)

<sup>(2)</sup> Bureau of Labor Statistics, U.S. Department of Labor, for June of each year, updated with data extracted from BLS website on December 17, 2015

NA Data not available.

**Fayette County Board of Education  
Major Employers  
June 30, 2015 and Nine Years Ago**

<u>Employer</u>	<u>FY 2015 Employees <sup>(1)</sup></u>	<u>Percentage of County Employment <sup>(2)</sup></u>	<u>FY 2006 Employees <sup>(3)</sup></u>
Piedmont Fayette Hospital	1,400	3.94%	930
NCR	1,200	3.38%	550
Cooper Lighting	600	1.69%	650
Hoshizaki America, Inc.	330	0.93%	425
Panasonic	300	0.84%	1,687
World Airways	255	0.72%	275
FAA Tracon	190	0.53%	190
TDK Components	130	0.37%	210
Cooper Wiring Device	130	0.37%	
SANY America	126	0.35%	
APAC - Georgia			200
Alenco, Inc.			181
Total	<u>4,661</u>	<u>13.98%</u>	<u>5,298</u>

Sources: Fayette County Development Authority, [www.fayettega.org](http://www.fayettega.org)

<sup>(1)</sup> - website data as of December 2015

<sup>(3)</sup> - website data as of November 2006

<sup>(2)</sup> Based on total private sector employment of Fayette County of 35,538. Georgia Department of Labor 2nd quarter 2015 data, as updated November 2015.

Note 1: Employment data from the Fayette County Development Authority includes private sector employment only.



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