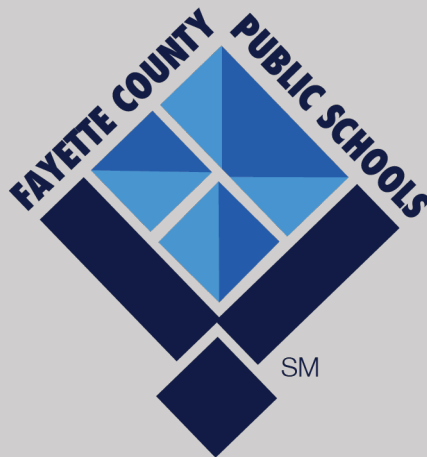


**FAYETTE COUNTY
BOARD OF EDUCATION**

Fayetteville, Georgia



Where Excellence and Creativity Merge

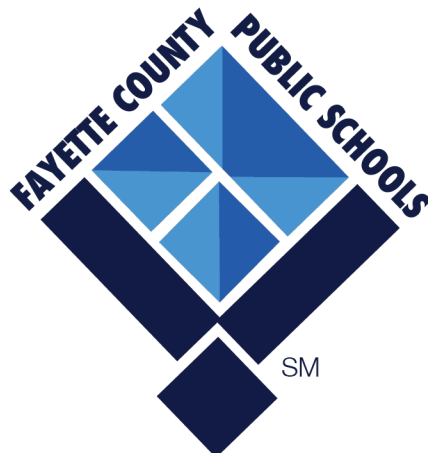
**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

Fiscal Year ended June 30, 2019

FAYETTE COUNTY BOARD OF EDUCATION
Fayetteville, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ended June 30, 2019



Where Excellence and Creativity Merge

Prepared by
Tom Gray, Chief Financial Officer
and

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

Fayette County Board of Education

TABLE OF CONTENTS

	Page
Table of Contents	i
 INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	3
ASBO Certificate of Excellence	10
GFOA Certificate of Achievement	11
Organizational Chart	12
Listing of Principal Officials	14
 FINANCIAL SECTION	
Independent Auditor's Report	17
Management's Discussion and Analysis (Unaudited)	21
Basic Financial Statements:	
System-wide Financial Statements	
Statement of Net Position	40
Statement of Activities	41
Fund Financial Statements	
Governmental Funds	
Balance Sheet	42
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	43
Statement of Revenues, Expenditures, and Changes in Fund Balances	44
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances With the System-wide Statement of Activities	45
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) – General Fund	46
Proprietary Funds	
Statement of Net Position	47
Statement of Revenues, Expenses, and Changes in Net Position	48
Statement of Cash Flows	49

Fayette County Board of Education

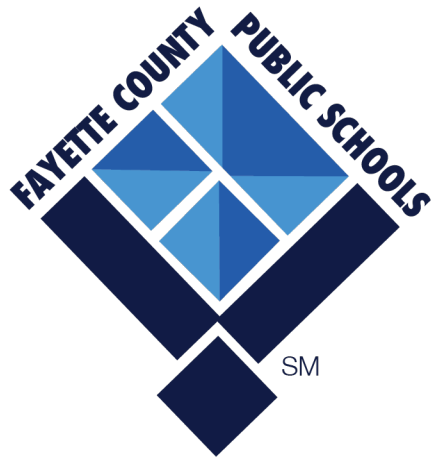
TABLE OF CONTENTS - continued

	Page
FINANCIAL SECTION – continued	
Fiduciary Funds	
Statement of Fiduciary Net Position	50
Statement of Changes in Fiduciary Net Position	51
Notes to the Basic Financial Statements	53
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability – TRS	88
Schedule of Contributions – TRS	90
Notes to Required Supplementary Information – TRS	93
Schedule of Proportionate Share of the Net Pension Liability – PSERS	94
Notes to Required Supplementary Information – PSERS	97
Schedule of Proportionate Share of the Net OPEB Liability	98
Schedule of Contributions – OPEB	99
Notes to Required Supplementary Information – OPEB	100
Combining Statements and Schedules	
Non-Major Governmental Funds	
Combining Balance Sheet – Non-Major Governmental Funds	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	105
Combining Balance Sheet – Non-Major Special Revenue Funds	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds	110
Schedules of Revenues and Expenditures – Budget and Actual	
School Nutrition Service – Special Revenue Fund	114
Title I – Special Revenue Fund	115
IDEA – Special Revenue Fund	116
Vocational Grants – Special Revenue Fund	117
Title II – Special Revenue Fund	118
Title III – Special Revenue Fund	119
Title IV – Special Revenue Fund	120
JR ROTC – Special Revenue Fund	121
Lottery – Special Revenue Fund	122
Friends Mentoring Program – Special Revenue Fund	123
Other Grants – Special Revenue Fund	124
Community Education – Special Revenue Fund	125
After School Program – Special Revenue Fund	126
Donations – Special Revenue Fund	127
Auditorium Rentals – Special Revenue Fund	128
Principal Accounts – Special Revenue Fund	129
Debt Service Fund	130

Fayette County Board of Education

TABLE OF CONTENTS - continued

	Page
FINANCIAL SECTION – continued	
Statement of Changes in Assets and Liabilities – Agency Fund	133
Additional Financial Information	
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2008 Issue	136
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2012 Issue	137
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2012 Issue	138
Schedule of Expenditures by Object – Lottery Program	139
 STATISTICAL SECTION (unaudited)	
Financial Trends:	
Net Position by Component	142
Changes in Net Position	144
Fund Balances of Governmental Funds	146
Changes in Fund Balances of Governmental Funds	148
Revenue Capacity:	
Assessed and Estimated Actual Value of Taxable Property	151
Direct and Overlapping Property Tax Rates	152
Property Tax Levies and Collections	154
Governmental Activities Tax Revenues by Source	156
Principal Taxpayers (Top Ten)	158
Debt Capacity:	
Ratios of Outstanding Debt by Type	159
Ratios of General Bonded Debt Outstanding	160
Direct and Overlapping Governmental Activities Debt	161
Legal Debt Margin Information	162
Operating Information:	
Operating Statistics	164
Teacher Salaries	165
School Building Information	166
System Employees	172
School Lunch and Breakfast Program	174
Demographic and Economic Information:	
Demographic and Economic Statistics	176
Major Employers	177



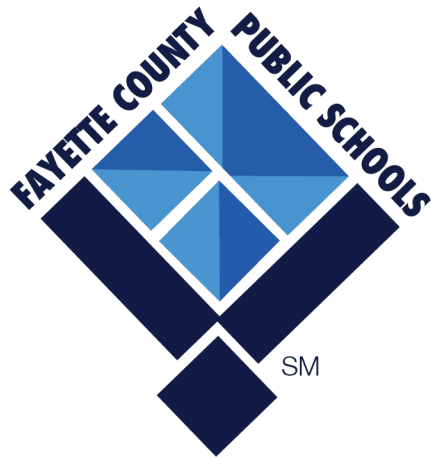
Where Excellence and Creativity Merge

(This page intentionally left blank.)

INTRODUCTORY SECTION



Where Excellence and Creativity Merge



Where Excellence and Creativity Merge

(This page intentionally left blank.)



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

Where Excellence and Creativity Merge

Board of Education:
Scott Hollowell, Chairman
Roy Rabold, Vice-Chairman
Brian Anderson
Barry Marchman, Ph.D.
Leonard Presberg

December 19, 2019

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Fayette County Board of Education (the School System) for the fiscal year ended June 30, 2019. The finance department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School System's administration.

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

Mauldin & Jenkins, Certified Public Accountants, LLC, has issued an unmodified ("clean") opinion on the Fayette County Board of Education's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the School System

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

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

There were just over 20,100 students enrolled in the School System at the end of the 2018-2019 school year. Projected enrollment for the 2019-2020 school year is 20,400 students. The School System has five high schools. The oldest high school facility was built in 1981 but was renovated and expanded in 2005. The School System has five middle schools. The oldest middle school facility was built in 1979 but was renovated and expanded in 2001. The School System has fourteen (14) elementary schools. One of these facilities was built prior to 1970, nine were built between 1970 and 1999, and four were built after 2000. The newest facilities are a middle school that opened



in school year 2007-2008 and an elementary school that opened the following year. A schedule of building information is provided in the Statistical Section of the CAFR.

Local economy

Fayette County continues to see significant signs of growth in many areas of the economy. Fayette is seeing increased activity and development in residential, business, industrial, arts and entertainment sectors of the economy. The county tax digest has surpassed the level prior to the recession of 2008 and 2009. Economic activity has been strong as indicated by the growth in local sales tax collections. Over the last five years, the retail sales tax collections have increased from \$20 million to over \$26 million indicating strong retail activity.

As with most of Georgia and the nation as a whole, the job market of Fayette County has steadily improved over the last several years. According to the U. S. Department of Labor, Fayette County's unemployment rate (not seasonally adjusted) is 3.5% at June 2019. This rate is below the national average rate (seasonally adjusted) of 3.7% and below the State of Georgia average rate (seasonally adjusted) of 3.7%. The county's labor force has decreased to 58,229 compared to 59,131 the prior year or 1.53%. Average weekly wages for Fayette County at the end of 2019 were \$861 compared to \$1,085 for the country and \$1,025 state wide.

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

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

The tax digest has recovered and is at a level above the 2009 values. However, the total exemptions as a percentage of the total digest has increased from 12.65% to 18.68% over the same time period resulting in a tax levy of \$104.5 million. The change in the exemption amounts is reflective of the aging population of the county. The tax levy is just now returning to the 2009 pre-recession levels. It should be noted however, that the School System has reduced the millage rate from the maximum 20.000 mills to 19.250 mills for fiscal year 2020.

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

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

indications of a resurgence of residential construction in the county that has contributed to increases in the tax digest as discussed previously.

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

Another area of economic activity is the medical field. Piedmont-Fayette Hospital recently expanded capacity and services with a major construction project. The facility has increased to 221 beds and the hospital employees over 1,600 people. This hospital is nationally recognized for safety and has been ranked in the top 50 hospitals in the country for four consecutive years. In addition, several other related projects include a new medical office building (30,000 SF) and a new assisted living center near the hospital.

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

The city governments, county government, School System, Chamber of Commerce and community leaders continue to work together in the Fayette Visioning Initiative. This project is working to plan for the future in education, community, economy and place in Fayette County. Recently, a group consisting of government, business, and community leaders visited cities in nearby states that are known for successful re-development. The purpose of the trips was to see best practices in action in cooperation to bring back to Fayette County. In addition, the Chamber of Commerce led a rebranding initiative with county and city governments and community leaders. The campaign was designed to attract new residents and businesses with the focus on the county's history, livability, and creativity with the tag line "Create Your Story".

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

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

Long-term Financial Planning

Total fund balance of the general fund is approximately 10.5% of budgeted operating expenditures (fiscal year 2020) and represents approximately one month's expenditures. This amount is a little lower than the prior year 12% (the limit set by state law is 15%). This level of fund balance includes a 10% budgetary reserve set by Board policy. The fund balance only decreased slightly from \$24.5 million to \$24.0 million but the increase in the 2020 budget is more significant than previous year due to a salary increase of \$3,000 for all teachers. The Board and administration continue to set aside local funds for capital projects in the near future that could include classroom renovations and program improvements at specific locations as well as athletic facility improvements.

The School System has traditionally used general obligation bonds to finance construction of new schools. The 2005 and 2007 bond issuances provided funding for the construction of one middle school and two elementary schools. Residential development in the county suggest modest student population growth. The School System has additional capacity available from previous school closings. The School System addressed revenue decline and excess capacity by closing three elementary schools and one middle school in school year 2013-2014 and sold an elementary school building that had been under-utilized for specialized programs in 2015. The recent resurgence in the local economic activity suggests the School System will see an increase in enrollment and will need to utilize these previously closed facilities in the next few years.

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

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

Relevant Financial Policies

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

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

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

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

As part of the School System's annual single audit required to be performed in conformity with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the School System has complied with applicable laws and regulations.

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

Major Initiatives

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

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

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



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

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

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

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

Currently the School System is renewing the Strategic Improvement Plan for the next five years. The plan will include the same objective areas and focus on improvement in graduation rates, pathway completion, equity of access for students, culturally responsive pedagogy, and student achievement. The revised plan will continue to provide strategies to improve community engagement and operational efficiencies.

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

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

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



Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fayette County Board of Education for its comprehensive annual financial report for the fiscal year ended June 30, 2018. 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, 2018. This was the sixth year that the School System received this prestigious award. This award certifies that the comprehensive annual financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after intensive reviews of financial reports by an expert panel of practicing school business officials.

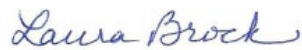
ASBO's Certificate of Excellence in Financial Reporting is valid for one year only. We believe that our current comprehensive annual financial report also conforms to the principles and standards and we are submitting it to ASBO for review to determine its eligibility for another certificate.

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

Respectfully submitted,



Tom Gray
Chief Financial Officer



Laura Brock
Coordinator of Audits and Reporting





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Fayette County Board of Education

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

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



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Fayette County Board of Education
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

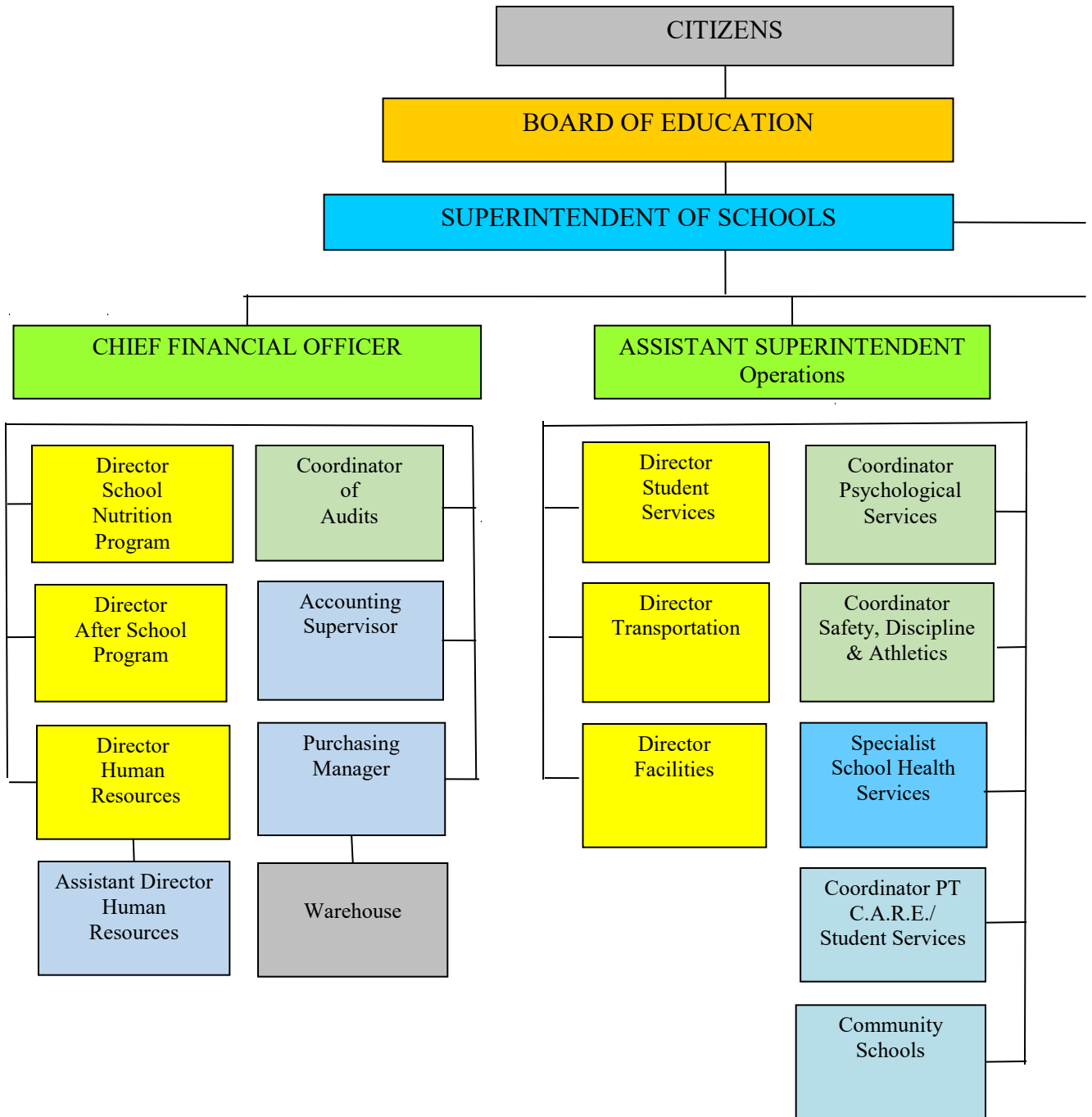
Christopher P. Morill

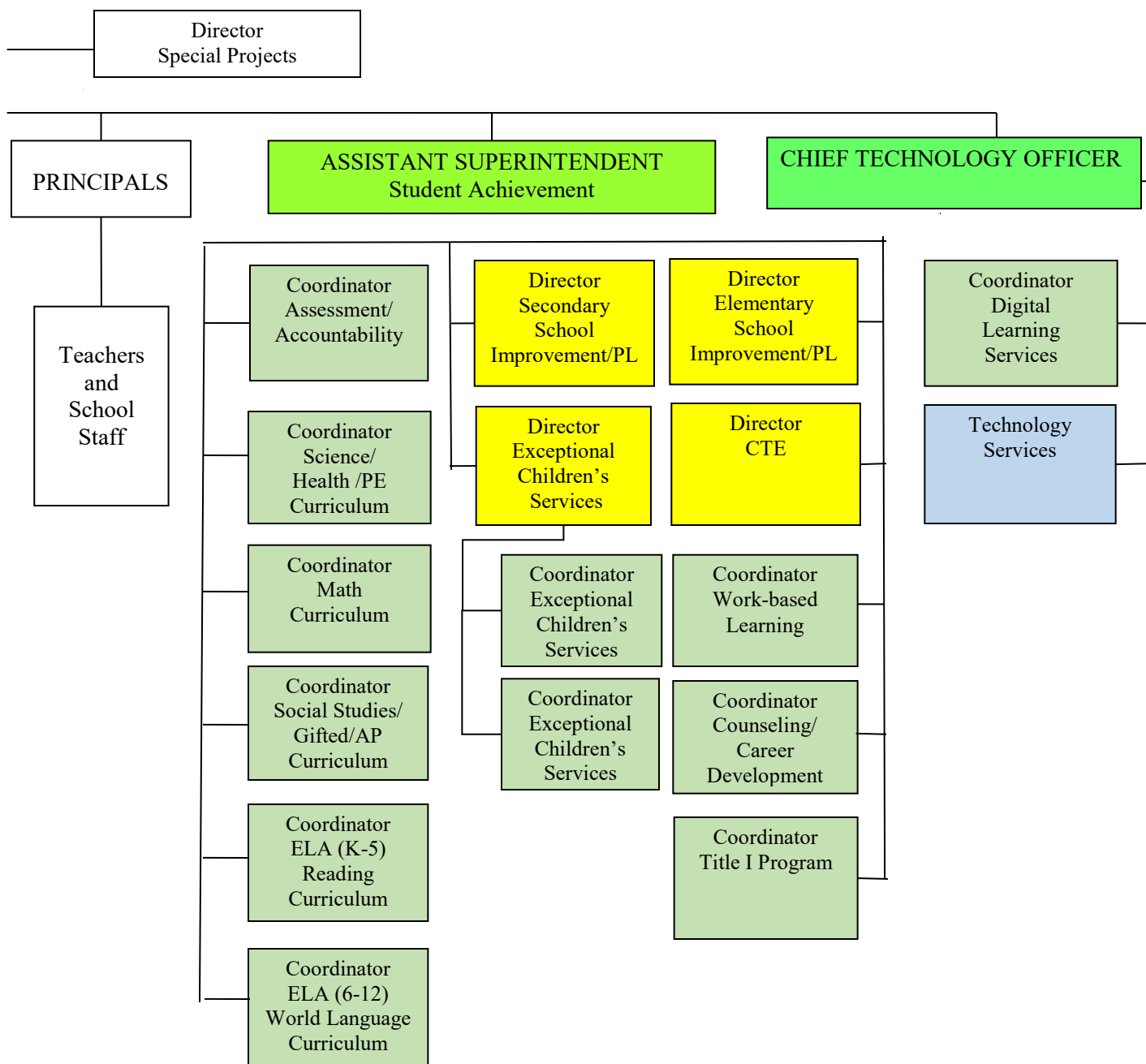
Executive Director/CEO

Fayette County Board of Education

ORGANIZATIONAL CHART

June 30, 2019





Fayette County Board of Education

LISTING OF PRINCIPAL OFFICIALS

June 30, 2019

BOARD MEMBERS

Mr. Scott Hollowell, Chair, District 3

Mr. Roy Rabold, Vice Chair, District 2

Mr. Brian Anderson, District 5

Mr. Barry Marchman, Chair, District 1

Mr. Leonard Presberg, District 4

SUPERINTENDENT'S CABINET

Dr. Joseph C. Barrow, Jr., Superintendent

Mr. Michael Sanders Assistant Superintendent of Operations

Dr. Julie Turner, Assistant Superintendent of Student Achievement

Mr. Tom Gray, Chief Financial Officer

Mr. Jim Farmer, Chief Technology Officer

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

Ms. Roxane Owen, Director of Transportation

Ms. Erin Roberson, Director of Human Resources

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

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

Ms. Lisa Collins, Director of CTE

Ms. Audrey Toney, Director of Student Services

Mr. Mike Satterfield, Director of Facility Services

Mr. Robert Hunter, High School Principal

Dr. Marcus Broadhead, Middle School Principal

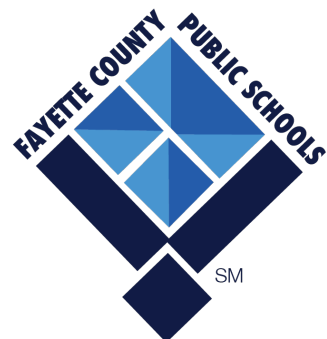
Dr. Felicia Spicer, Elementary School Principal

Ms. Buffy Blodgett, Elementary School Principal

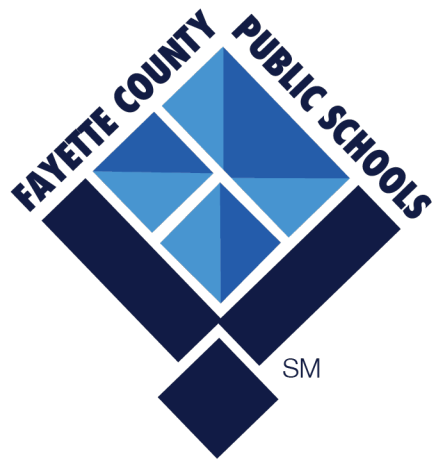
Ms. Melinda Berry-Dreisbach, Public Information Specialist

Sam Sweat, Special Projects

FINANCIAL SECTION



Where Excellence and Creativity Merge



Where Excellence and Creativity Merge

(This page intentionally left blank.)



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, 2019, 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, 2019, 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.

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 37) and the schedules of proportionate share of the net pension liabilities, the schedule of pension contributions, the schedule of proportionate share of the net OPEB liability, and the schedule of OPEB contributions, (on pages 88 through 100) 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, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") § 48-8-121, and are also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the Schedule of Expenditures by Object – Lottery Program and the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds (collectively “the supplementary information”) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

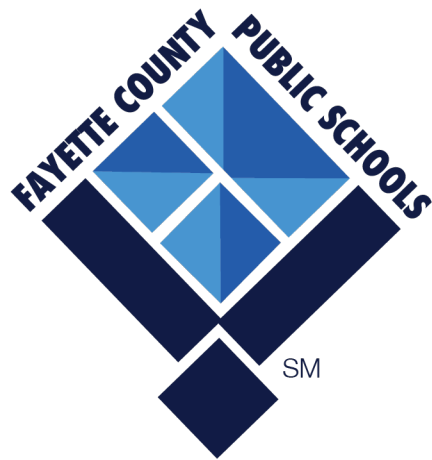
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019 on our consideration of the Fayette County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fayette County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 19, 2019



Where Excellence and Creativity Merge

(This page intentionally left blank.)

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

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, 2019. 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 2019 by \$5,257,064.
- The School System's total net position increased by \$20,961,717.
- At the end of fiscal 2019, the School System's governmental funds reported combined ending fund balances of \$60,236,873, a decrease of \$12,666,796 in comparison with the prior year. Of this total, \$34,011,681 is available for spending at the School System's discretion (assigned and unassigned fund balance).
- At the end of fiscal 2019, unassigned fund balance for the General Fund was \$23,832,068 or 11.42% of total General Fund expenditures.
- Total bonded debt for the School System decreased by \$5,390,000, resulting from scheduled debt service payments on bonds issued in 2013.

Overview of the Financial Statements

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

System-wide Financial Statements

The system-wide financial statements are designed to provide readers with a broad overview of the Fayette County School System's finances in a manner similar to a private-sector business. They include the statement of net position and the statement of activities found on pages 40 and 41 of this report.

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

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

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

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 Local Capital Projects Fund, and the Capital Projects SPLOST II and SPLOST III Funds, each of which are considered to be a major fund. Data from the other 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 104-113 of this report.

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

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

Basic proprietary fund financial statements can be found on pages 47-49 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.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

The basic fiduciary fund financial statements can be found on pages 50-51 of this report.

Notes to the basic financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the system-wide and fund financial statements. Notes to the financial statements can be found on pages 53-85 of this report.

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

System-wide Financial Analysis

As noted earlier, changes in net position over time can be a useful indicator of a School System's financial position. At the end of the fiscal year ending June 30, 2019, the School System's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$5,257,064.

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

Fayette County School System's Net Position

	<u>2019</u>	<u>2018</u>
Current assets	\$ 87,963,165	\$ 112,778,544
Capital assets	<u>326,529,725</u>	<u>301,436,111</u>
Total assets	414,492,890	414,214,655
Deferred outflows of resources	76,974,940	53,524,153
Current liabilities	25,115,381	37,211,153
Noncurrent liabilities	<u>420,881,847</u>	<u>425,623,299</u>
Total liabilities	445,997,228	462,834,452
Deferred inflow of resources	40,213,538	20,609,009
Net position		
Net investment in capital assets	257,204,103	241,976,851
Restricted	22,440,593	38,634,281
Unrestricted	<u>(274,387,632)</u>	<u>(296,315,785)</u>
Total net position	<u>\$ 5,257,064</u>	<u>\$ (15,704,653)</u>

The School System's current assets decreased approximately \$24.82 million over the prior year. There was a \$25.13 million decrease in balances held in bank deposits and investments resulting primarily from the spending of bond proceeds received in the prior year for construction projects. All other components of current assets increased only \$0.31 million.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

The School System's capital assets had a \$25.09 million net increase. Depreciation of \$16.75 million reduced the net book value of capital assets. The School System expended \$41.85 million in capital outlay, primarily related to the educational Special Purpose Local Option Sales Tax (SPLOST) projects. All three SPLOST funds provide funding for textbooks and instructional materials, computers, technology upgrades, transportation, security, facility improvements, and general obligation debt reduction. The largest increase in capital assets outside of SPLOST funded projects was the purchase of land for \$2.39 million for a potential future site of a new school. The School System also disposed of fully depreciated assets which had no impact on the capital asset balance.

The School System's deferred outflows of resources increased \$23.45 million. Deferred outflows consist of three components: pensions, OPEB and loss on refunding of bonds. Actuarial assumptions are made in determining the total pension liability and total OPEB liability of each plan. As those assumptions change, changes in the liability calculation are recorded as either deferred outflows or deferred inflows of resources. The deferred outflows of resources related to pensions are created by changes in the School System's portion of the entire plan and differences between the School System's contributions and its proportionate share of contributions (\$15.21 million, an increase of \$11.08 million over prior year balance), differences between expected and actual experience (\$13.90 million, an increase of \$6.63 million over prior year balance) and changes in actuarial assumptions (\$3.17 million, an increase of \$1.09 million over prior year balance). Furthermore, the TRS pension liability was measured as of June 30, 2018, one year prior to the balance sheet date. As a result, the contributions that the School System made after that date are recorded on the statement of net position as deferred outflows of resources. The contributions made in 2019 were \$4.37 million higher than in 2018 due to higher salaries and a higher employer contribution rate. As a result, deferred outflows related to pensions increased \$20.98 million. The deferred outflows of resources related to OPEB are created from similar changes. The change in proportion and differences between the School System's contributions and proportionate share of contributions grew \$2.46 million, actuarial assumptions changes grew \$0.15 million and contributions to the plan subsequent to the measurement date increased \$0.31 million over the prior year. As a result of these changes, the deferred outflows of resources related to OPEB increased \$2.92 million. The deferred loss on refunding of bonds that occurred in fiscal year 2014 decreased \$0.45 million as the loss is being amortized over the life of the refunding bonds.

Deferred outflows of resources related to pensions and OPEB are further discussed in Notes M and N beginning on page 73.

Current liabilities of the School System decreased \$12.10 million over the prior year. Annual changes in accounts payable (decrease of \$12.34 million) are affected by the timing of payments at or near year end. Retainage payable on construction projects decreased by \$0.16 million. This change is based on the timing of projects and the type of projects in progress at year end. Salaries and benefits payable increased slightly by \$0.28 million.

Non-current liabilities (which include the current portion of those liabilities) had net decrease of \$4.74 million. The net pension liability increased \$15.73 million while the net OPEB liability decreased \$14.55 million. These two liabilities represent benefits that employees have earned and that the School System has a present obligation to pay in the future. The net pension and OPEB liabilities are the amount of the total pension and OPEB liabilities (the promises of benefits for work already performed) in excess of the pension and OPEB plans' net positions. This liability is actuarially determined and is further explained in Note M and N beginning on page 73. Bonds payable decreased by a net \$5.97 million based on scheduled payments on debt issued in 2013 and amortization on bond issuance premium.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

The deferred inflows of resources increased \$19.60 million. As previously noted, changes in actuarial assumptions affect the calculation of deferred outflows and deferred inflows of resources. The deferred inflows related to the TRS pension plan increased by \$1.55 million. Total deferred inflows related to pensions of \$7.32 million relate to differences between expected and actual experience (\$0.43 million, a decrease of \$0.27 million), differences between projected and actual earnings on pension plan investments (\$5.74 million, an increase of \$4.40 million), and changes in proportion and differences between the School System's contributions and proportionate share of contributions (\$1.15 million, a decrease of \$2.55 million). The change in deferred inflows related to OPEB increased \$18.05 million, affected by changes in actuarial assumptions (\$24.31 million an increase of \$12.27 million), differences between expected and actual experience (a \$3.26 million increase from zero in prior year) and changes in proportion and differences between the School System's contributions and proportionate share of contributions (\$5.32 million, an increase of \$2.51 million). These deferred inflows of resources represent an acquisition of resources that applies to future periods and will be recognized as revenue in those future periods.

Deferred inflows of resources related to pensions and OPEB are further discussed in Notes M and N beginning on page 73.

The School System's net investment in capital assets (net of outstanding related debt used to acquire those capital assets and accumulated depreciation) equals 4,893% of total net position. The School System uses these capital assets to provide services to students, and consequently, these assets are not available for future spending. Although the School System's net investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities. The investment in capital assets increased by \$15.23 million from the prior year due to an increase in capital assets, net of depreciation and disposal, of \$25.09 million, a reduction in bonds payable, net of amortization of discounts and premiums, of \$5.97 million, use of previously unspent bond proceeds of \$21.72, decreases in retainage and accounts payable on construction projects of \$6.34 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 decreased \$16.19 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, 2019, the School System reported a deficiency in its unrestricted net position of \$274.39 million. This deficiency is attributable to recording pension and OPEB liabilities and the related deferred outflows and inflows of resources on the financial statements. If the adjustments related to pension obligations had not been recorded, the School System's unrestricted net position would be \$45.05 million. These pension obligations are expected to be funded over time through future employer contributions to the pension plans. The School System's most immediate long-term obligations are for long-term debt which will be repaid based on future property taxes levied specifically for the repayment of bonded indebtedness.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

Fayette County School System's Changes in Net Position

	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues		
Charges for services	\$ 6,373,707	\$ 6,021,205
Operating grants and contributions	117,866,092	113,434,586
Capital grants and contributions	2,086,921	5,322,847
General revenues		
Property taxes	111,456,435	105,841,173
Sales taxes	26,822,956	26,050,684
Other taxes	2,819,770	2,595,551
Interest and investment earnings	1,643,315	851,458
Gain on sale of assets	221,550	1,722,271
Other	427,670	289,004
Total revenues	<u>269,718,416</u>	<u>262,128,779</u>
Expenses:		
Instruction	161,132,453	163,610,768
Pupil services	14,080,968	13,114,016
Improvement of instructional services	6,000,450	5,290,805
Instructional staff training	853,772	616,771
Educational media services	3,684,678	3,633,729
Federal grants administration	365,904	348,877
General administration	1,478,192	1,445,888
School administration	14,454,380	14,401,931
Business administration	1,325,334	1,369,710
Maintenance and operation of facilities	15,745,710	15,148,633
Student transportation services	10,503,034	10,386,171
Central support services	6,303,585	6,324,444
Other support services	232,354	244,308
Community services	2,595,096	2,653,207
Food services	7,850,877	7,870,165
Interest expense	2,149,912	2,024,416
Total expenses	<u>248,756,699</u>	<u>248,483,839</u>
Change in net position	20,961,717	13,644,940
Net position, beginning of the year	<u>(15,704,653)</u>	<u>(29,349,593)</u>
Net position, end of year	<u>\$ 5,257,064</u>	<u>\$ (15,704,653)</u>

Total revenues of the School System increased approximately \$7.59 million, driven primarily by the following items:

- Property tax increased by \$5.62 million over prior year as property values continued to rebound.
- Operating grants and contributions increased by \$4.43 million. State funding increased by \$3.86 million, primarily related to state QBE funding as discussed in more detail as it relates to the General Fund below. Federal grants revenue and contributions from other sources increased a combined \$0.57 million.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

- Capital grants and contributions decreased \$3.24 million, or 60.8%. The School System received \$3.03 million less in capital outlay reimbursements from the State and \$0.31 million less in eRate reimbursements for technology improvements.
- Gain on sale of assets decreased significantly, as the School System sold an administrative property in the prior year.
- Interest and investment earnings were affected by two variables. First, at the end of prior year (June 2018), the School System issued \$25 million in bonds to advance fund SPLOST projects before tax collections began. Therefore, there was a higher investment balance during the year on which to earn interest as those proceeds were spent. Second, interest rates for fiscal year 2019 were significantly better than in 2018. In the prior year, the interest rate on investments held in the Georgia Fund 1 grew steadily each month from 1.0260% to 1.8606%. For the current fiscal year, that rate grew from 1.9471% to 2.4094% with a peak rate of 2.4475% in April. The increase in rate over the two periods averaged 0.9410%, or a 70.6% increase. These two factors created an increase of \$0.79 million or 93%.

Total expenses increased by \$0.27 million over prior year. Most activity which results in annual fluctuations of expenditures at the fund level also affects the fluctuations of expenses at the system-wide level. Activity that affects the system-wide statement differently than the fund financial statements is detailed in the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the System-wide Statement of Activities on page 45. Significant changes in expenses are as follows:

- Pension expense increased \$4.19 million over the prior year. Pension expense recognizes the changes in the net pension liability of the School System and the associated deferred outflows and inflows of resources. These amounts are actuarially determined each year and changes in assumptions and differences between expected and actual earnings on pension plan investments can have a significant impact on pension plan expense each year.
- OPEB expense decreased \$3.03 million over the prior year. Like pension expense, OPEB expense recognizes the changes in net OPEB liability of the School System and the associated deferred outflows and inflows of resources. These amounts are actuarially determined each year and changes in assumptions and differences between expected and actual earnings on OPEB plan investments can have a significant impact on OPEB plan expense each year.
- Total salaries increased by approximately \$3.36 million, or 2.38%, resulting from an increase of 42 positions throughout the system and a step raise for staff who had earned it based on years of experience.
- Total capital outlay costs of capital project funds that were not capitalized as capital asset in the system-wide financial statements were \$8.30 million lower in 2019 than in 2018. Many of the assets purchased under the SPLOST have a cost below the School System's capitalization threshold of \$5,000. These items include furniture, classroom equipment, security cameras, and technology accessories and components. Depreciation of capital assets increased by \$2.24 million over prior year.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

- Other operating costs increased \$1.40 million over the prior year. Some of the larger increases were for web subscriptions and software (\$0.51 million), professional services (\$0.40 million), bus fuel (\$0.17 million), and food for the school lunch program (\$0.38 million)

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

- Instruction costs had a net decrease of \$2.48 million or 1.5%. Instruction cost is primarily personnel driven, meaning most costs within this category are for salary and benefits of teachers and paraprofessionals. Instruction increased approximately \$2.05 million for salaries and \$1.90 million for benefits (including pension and OPEB costs). Operating costs (non-payroll) decreased \$6.49 million. The decrease in operating cost was mostly due to a decrease in instructional equipment purchases which were under the capitalization threshold (\$8.60 million), and an increase in depreciation (\$2.18 million).
- Pupil services had a net increase of \$0.97 million, or 7.4% due to increases in salaries (\$0.67 million) and benefits (\$0.31 million, including pension and OPEB costs).
- Improvement of instructional services increased \$0.71 million, or 13.4%. The salaries and benefits increased \$0.61 million and \$0.23 million, respectively, while operating expenses decreased \$0.13 million.
- Instructional staff training increased \$0.24 million, or 38.4%. Most of this increase is in travel and dues and fees. This function became a new category in 2018. Expenditures reported in this function would have been reported under "improvement of instructional services" in prior years. Some of this increase is reflected in the decrease in improvement of instructional services, as bookkeepers are gaining an understanding of this function code.
- Maintenance and operation of facilities increased by \$0.60 million, or 3.9%.
- Interest expense increased \$0.13 million, or 6.2%.

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, 2019, the School System's governmental funds reported combined ending fund balances of \$60,236,873, a decrease of \$12,666,796 in comparison with the previous year. Approximately 39.6% (\$23,832,068) of ending fund balance is made up of unassigned fund balance of the General Fund that is available for spending at the School System's discretion. Fund balances of special revenue funds and capital project funds are classified as restricted, committed or assigned. These categories are defined based on the level of limitations imposed on their use. Note A12 on pages 59 and 60

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

provides a definition of the various categories of fund balance. Note I on pages 69 and 70 provides additional detail. Total fund balances for the governmental funds are as follows:

Fund Balances at June 30, 2019	
Nonspendable	\$ 453,937
Restricted	\$ 22,800,924
Committed	\$ 2,970,331
Assigned	\$ 10,179,613
Unassigned	\$ 23,832,068

The *General Fund* is the chief operating fund of the School System. Its fund balance decreased \$0.49 million over the prior year. Overall, revenues for the General Fund increased approximately \$10.07 million compared to the prior year. This was a result of an increase of \$4.09 million in state funds and an increase of \$5.99 million in local funds.

- All public school systems in Georgia receive state funding based on the Quality Basic Education Act (QBE) earnings formula. The formula is based on a system's enrollment multiplied by dollar values for different cost categories. Many factors affect the total QBE earnings for a school system, including the student enrollment, the instructional program classification of those students, the experience level of teachers (training and experience or "T&E") and the relative property wealth of the school system. Overall, earnings of direct instruction increased by \$4.64 million. This increase was due to an increase number of full time equivalent (FTE) students (246 more) and an increase in the TRS funded rate from 16.81% to 20.90%. The School System earned \$0.05 million more in indirect costs. Other earnings categories, including media and staff development, increased \$0.13 million. The improving county tax digest has had a negative the effect on the calculation for the System's local 5 mill share portion of the formula. The increase in the tax base in fiscal year 2017 translated into an increase of local 5 mill share of \$1.37 million and a decrease in state funding by the same amount. For fiscal year 2019, the long standing amended formula adjustment (or austerity cut) was reduced to zero, providing \$1.65 million more revenue. Categorical grants under QBE for transportation costs and nursing services increased slightly (\$0.03 million). Additionally, near the end of the year, the State issued a one-month employer health insurance contribution holiday whereby school districts did not have to pay the employer contribution to the Georgia Department of Community Health for the month of June. Since the QBE formula funds the employer health insurance match for a portion of certificated employees, the funding related to that cost was reduced for one month. This funding reduction totaled \$1.17 million. In total, QBE earnings increased \$3.96 million over last year.
- Other state revenue related to grants and on-behalf payments dropped slightly by \$0.13 million.
- Property taxes increased by \$5.01 million as the gross digest values increased by 5.58% (excluding motor vehicle values) showing economic recovery in the county. The digest increase was the result of increases in assessed values for real and personal property of 2.65%, growth of 2.93%. Property tax billing was slightly offset by exemptions increasing 9.49%.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

- Ad valorem for automobiles was down \$0.12 million as the state continued to transition to a sales tax based auto tag registration system. This decrease was offset by an increase in title ad valorem tax of \$0.39 million. The net increase was \$0.27 million for automotive related tax revenue.
- Intangible and transfer taxes, both related to real estate transactions, were up \$0.21 million.
- Earnings on investments increased \$0.44 million.
- All other local revenue sources decreased \$0.06 million.

Expenditures for the General Fund increased \$9.97 million, or 5.02%, from 2018 and fluctuations from prior year are generally caused by the same circumstances as fluctuations of expenses at the system-wide level with several exceptions. The primary exception is the effect of the pension plan and OPEB plan expense adjustments at the system-wide level as previously discussed. The only portion of pension and OPEB costs that are reflected in the General Fund are current year employer contributions. The current year contributions have been removed from the system-wide statement of activities because those costs were incurred after the measurement dates for the plans. The majority of the increase in expenditures in the General Fund is related to increases in salaries (\$3.32 million) and benefits (\$6.19 million) for the following items:

- step increases for those employees who earned them based on longevity,
- a full year of higher health insurance rates for non-certificated employees (the increase was put in place in the middle of the prior year),
- and TRS rates for all eligible employees from 16.81% to 20.90%,
- the addition of 31 instruction related positions and 8 support staff positions at the school level, and
- the addition of 3.00 central office positions to support school instruction and operations.

Overall, non-payroll related operating costs increased by \$0.46 million.

Transfers from the General Fund increased \$4.46 million. Each year, transfers are made to special revenue funds to cover the difference between the cost of the program and the revenues received from state or federal funding. These transfers are regularly made for the Lottery fund (pre-kindergarten program) and Jr. ROTC fund. In prior year, \$1.5 million was transferred to the Local Capital Projects Fund. This year, the transfer to the Local Capital Projects Fund was \$6.00 million to provide additional resources for the potential construction of a new middle school.

The *Local Capital Projects Fund* is used to account for various projects funded through local revenue sources. During the year, the School System purchased land for a potential site of a new school. As previously noted, \$6.00 million was transferred into this fund from the General Fund.

The *Capital Projects SPLOST II and SPLOST III Funds* are used to account for various projects funded through a one-cent local option sales tax for education as approved through voter referendum. During the year sales tax collections for fiscal year 2019 (recorded in the SPLOST II and SPLOST III funds) was \$26.82 million. The SPLOST II Fund also had reimbursements from the state related to several capital projects of \$1.87 million. Approximately \$16.19 million was spent during the year from the SPLOST II Fund and \$26.07 million was spent from SPLOST III, using prior year bond proceeds for

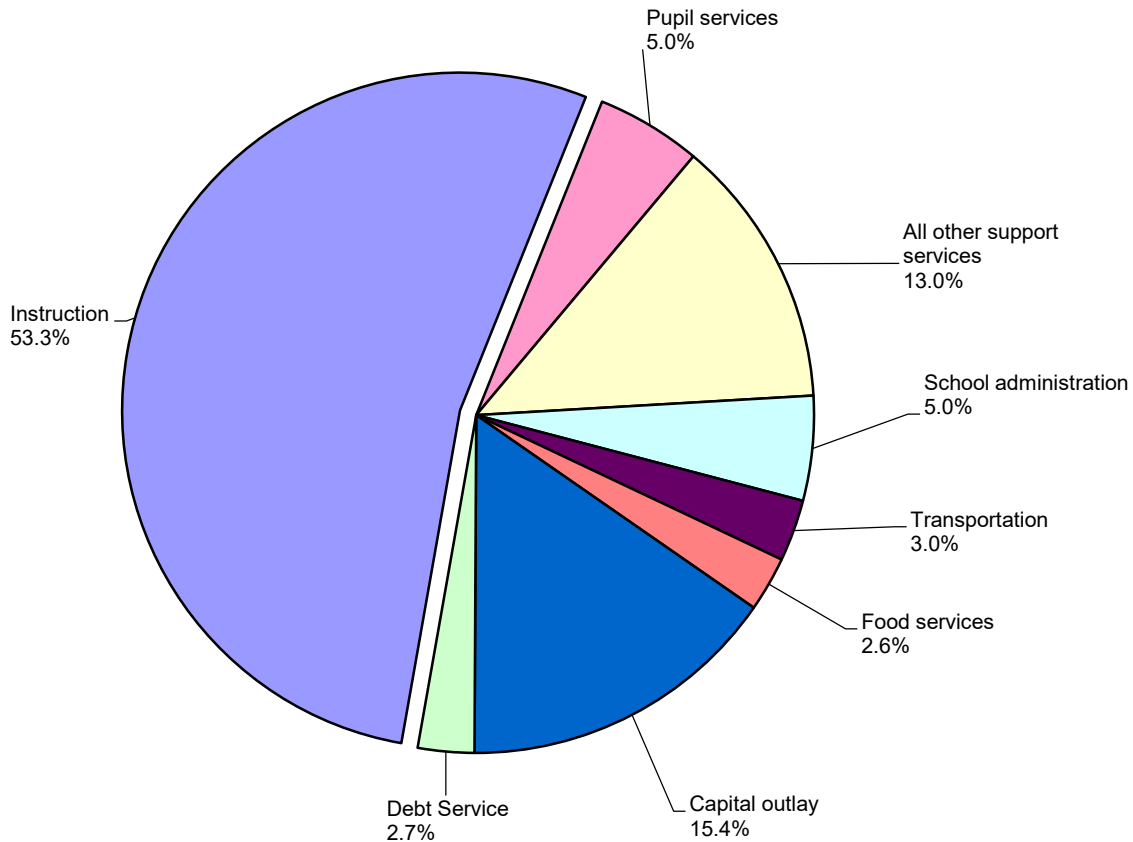
Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

bonds that were issued to advance fund projects to be paid for from collections in the 2018 referendum (SPLOST III).

Other governmental funds consist of non-major special revenue funds, one non-major capital projects fund (SPLOST I) and one non-major debt service fund. The aggregate fund balance of these funds decreased by approximately \$0.73 million compared to the prior year (based on these same funds being classified as non-major for the prior year). Most of the decrease was in the capital project fund, resulting from the completion of construction of a high school auditorium. In the special revenue funds, the School Nutrition Service had the largest decrease of fund balance of \$0.49 million and the After School Program had the largest increase of fund balance of \$0.26 million. Debt service fund balance grew \$0.54 million, as tax collections exceeded required debt service payments for the year.

2019 Total Expenditures - All Governmental Funds



Proprietary funds- The School System's proprietary fund provides the same type of information found in the system-wide financial statements, but in more detail. The proprietary fund consists of an internal service fund, the Workers' Compensation Fund. At June 30, 2019, the proprietary fund has a net position of approximately \$0.71 million.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

General Fund Budgetary Highlights

The School System's original budget was set based on preliminary state QBE allotments communicated by the State in May 2018. As in prior years, the State amended the QBE allotments during the year. Once the earnings sheets were finalized in March 2019, actual QBE earnings were approximately \$0.34 million more than the initial budget. The net adjustments were primarily the result of adjustments in the calculation for the number of full time equivalent (FTE) students by program used in the calculation. The Board did not amend the budget for this adjustment. The School System also received \$0.12 million more in state grants than planned.

The School System had a positive revenue budget variance of \$2.53 million. The increase in state revenue as noted above was in addition to a surplus of local revenue of \$2.06 million. The net digest increased 3.9% and the Board set the millage rate unchanged from the previous year. Property tax collections were \$0.60 million over budget. Both title ad valorem tax (TAVT) and automotive ad valorem came in slightly over budget by a combined \$0.61 million. Over time, the TAVT will replace the automotive ad valorem tax as the State transitions to an ad valorem tax initiated by the sale/purchase of a vehicle. Intangible taxes were over budget \$0.08 million while transfer and other taxes were over budget \$0.01 million. Interest earnings were \$0.56 million over budget. Revenue from all other local revenue sources had a positive budget variance of \$0.20 million.

Instruction makes up 67.6% of the general fund budget (before budgeted transfers). This functional area had a positive budget variance of \$1.29 million or 0.9%. The other functional areas that had the significant positive budget variances were central support services of \$0.65 million (10.8%), instructional staff training of \$0.31 million (38.7%), school administration of \$0.41 million (2.86%), and maintenance and operations of facilities of \$0.33 million (2.18%). These positive variances were offset by negative budget variances in pupil services of \$0.32 million (2.68%) and other support services of \$0.23 million.

Budget variances in salaries and benefits have the most significant impact on the budgeted expenditures, as personnel costs make up 89.3% of the General Fund budget. Overall, personnel costs (salaries and benefits) exceeded budget by \$0.42 million. The overall variance for personnel was 0.22% of the personnel budget. Personnel cost were higher than anticipated in pupil services, transportation and other support services functions.

Overall, expenditures were \$2.69 million less than budget. Therefore, the net budget variance in non-payroll costs is a favorable variance of \$3.11 million. Specific notable budget variances are as follows:

- Purchased professional services, including legal fees, were \$0.65 million under budget.
- Insurance costs for the System were \$0.25 million over budget.
- Web based services were \$0.60 million under budget.
- Communications was \$0.28 million under budget.
- Grounds maintenance was \$0.26 million under budget.
- Travel, including board member travel, was \$0.16 million under budget.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

- Supply purchases were \$0.30 million less than budgeted.
- Computer software was \$0.31 million over budget.
- Purchases of textbooks, books and periodicals was \$0.26 million under budget.
- Expendable equipment, including purchases of computers, was \$0.14 million over budget.
- Dues and fees were \$0.16 million under budget.
- Utilities and energy costs were \$0.30 million under budget.
- Expenditures recorded in other support services are primarily related to salaries funded by a source other than the School System such as student groups, booster clubs and parent teacher organizations (PTOs). As such, the School System does not budget for these expenditures. Proceeds related to these costs are recorded in other local revenue and also are not budgeted.

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

Capital Assets and Debt Administration

Capital assets – The School System's balance of capital assets as of June 30, 2019 totals \$326,529,725, 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 \$25.09 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 eight school buses.
- The School System continued with its "connected classroom" project which included additions of classroom technology equipment to 242 classrooms throughout the district (1,258 classrooms in the prior two years) at the cost of \$2.09 million.
- Audio/video systems were installed in cafeterias, gymnasiums and auditoriums at 21 schools throughout the district totaling \$0.58 million.
- New kitchen equipment was purchased to replace aging and non-operational equipment, as well as to provide equipment for training/demonstration purposes.
- Two vehicles were purchased for the facilities department.
- A new phone system was installed at five locations.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

- Construction of a new high school auditorium was completed during 2019.
- Major renovations at an elementary school, a middle school, a high school and an administrative complex were completed during the year.
- The School System equipped the newly renovated administrative complex with access control, security camera systems, and audio/video/projection equipment.
- Construction of a shed at a high school stadium was completed during the year.
- The School System replaced approximately \$2.82 million of classroom computers and chromebooks.
- Land was purchased for a potential future site of a middle school.
- Other projects still in progress at year end include the construction of an elementary school gymnasium, renovations to two elementary schools, security upgrades to school facilities throughout the district and development of a high school film lab.

Additional information on the School System's capital assets can be found in Note G on page 66 of this report.

Long-term debt – As of June 30, 2019, the School System had total bonded debt of \$62,274,972 (before premiums) from the 2013 and 2018 bond issuance. The 2013 issuance is payable from an ad valorem tax on all taxable property within the School District, without limit as to rate or amount. The 2018 issuance is payable from the proceeds from the SPLOST III referendum.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation. The current debt limitation for the School System is \$510,864,430 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 67 and 68 of this report.

Economic Factors and Next Year's Budgets and Rates

In preparing the fiscal year 2020 budget, School System administration had to consider several factors that would impact the 2020 revenues as compared to the previous year:

- School System enrollment has declined over several years but leveled off in 2018 with a slight increase in 2019 of 1%. This increase in enrollment impacts earnings of state funding. The School System assumed a 1% growth rate. This growth rate is also supported by an external enrollment study projecting an average growth rate of 1% system-wide.

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

- The state is expected to fully fund QBE earned revenues.
- Although the digest has shown significant increases over the last several years, the county population and demographics have shifted to an aging community attracting retiree age residents. This has caused an increase in property tax exemptions to more than 18% of the gross digest affecting revenue growth.
- The transition from motor vehicle ad valorem tax system to the title ad valorem tax (TAVT) format has still shown an increasing trend in revenue.

In developing the 2020 budget, the administration faced significant challenges related to employee salary increases. The state proposed a raise for teachers of \$3,000 and a 2.0% cost of living increase for certain classified staff. However, based on the performance of 2019 and the prospects of continued improvements in the economy, the administration also believed the School System could strategically provide additional resources in efforts to improve classroom instruction and student achievement. The entire county has shown continued business expansion related to the film industry, medical industry, and residential development.

The administration's main 2020 budget goals were to:

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

The most significant increase to the 2020 budget is in salaries and benefits for certified staff, specifically teachers. The state implemented a flat \$3,000 increase in the teachers' salary schedule giving all certified staff employees the increase in salary. The state also included a 2% cost of living allowance (COLA) increase for specific classified staff in the fiscal year 2020 funding. The school district carried out both of these increases, extending them to all salaried employees whether specified in the state's scope or not. The \$3,000 increase in teacher pay increased the budget \$6.5 million including benefits. The COLA for classified staff cost the district \$0.6 million.

Other salary based changes include step increases and an increase in the contribution rate for the Teachers Retirement System. The step increases closely approximate the years of service for employees. The cost to advance all employees on the salary schedules one step is \$2.5 million for fiscal year 2020. The TRS rate for employer contributions increased from 20.90% to 21.14%, or an increase in contributions of \$0.3 million.

The 2020 budget includes an addition of 28.47 fulltime equivalent (FTE) school based certified positions costing \$2.6 million and 13 FTE school based classified positions costing \$0.39 million. Furthermore, the budget includes an additional 11.5 FTEs of special education positions to be utilized across the district for \$0.8 million and 5.0 FTEs for other support positions for \$0.5 million (non-school based positions).

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

The school based positions above include increases in certified teaching positions to reduce class sizes based on grade level targets. At the high school level, 6.47 certified positions were added with a focus on advanced placement courses, digital animation program, math support, science courses, ROTC program expansion, and other elective courses. For middle schools, 1.5 certified positions were added to expanded creative arts and STEM initiatives to a second middle school. This program integrates a creative arts and STEM across multiple curriculum areas to help students explore careers in areas such as music, film, media, aviation, and engineering. At the elementary school level, certified staff increased 20.5 positions and classified support staff increased 13 positions. These increases include lead teachers for special education to better serve and monitor students with learning disabilities, thus allowing classroom teachers to spend more time on direct instruction instead of compliance related tasks. Teaching allotments for gifted programs were increased as well as paraprofessional positions to expand a world language program to more schools.

In addition to the school based positions, the School System has budgeted for an increase in hospital homebound, behavioral support, and data analysis for instruction data. Other changes and shifts that had a minimal effect on the budget include consolidation of federal programs under one director, reclassifying ESOL and digital learning positions, and transitioning one warehouse position to support school based bookkeepers in finance.

Overall operating cost for non-payroll budget line items increased \$1.5 million. Those increased include:

- \$117,000 to cover increased use of subscription based textbook access
- \$1 million increase in local capital project funding for facilities improvements and additions to supplement SPLOST revenues
- additional supplemental funding for the Lottery Pre-K, JROTC, and school nutrition programs.

The School System continues to develop and expand the Center of Innovation (COI) that focuses on career and technical education. The School System has partnered with a state level technical college to offer students opportunities to learn about the career aspects in emergency medical responder, patient care fundamentals, allied health, sports medicine, and culinary arts. These classes also provide students opportunities to earn college credit and industry certifications. Specifically, in 2020, film classes have been expanded and enhanced in a partnership with two state based agencies as part of a dual enrollment program.

During 2020, the School System will continue to utilize sales tax receipts from SPLOST proceeds to fund capital projects. Current projects include interactive classroom technology, computer replacements, technology upgrades, bus equipment, maintenance equipment, flexible classroom furniture, textbooks, and facility additions/renovations. The School System is utilizing additional funding sources for some projects in conjunction with SPLOST proceeds when funds are available.

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

Fayette County Board of Education
Management's Discussion and Analysis

June 30, 2019

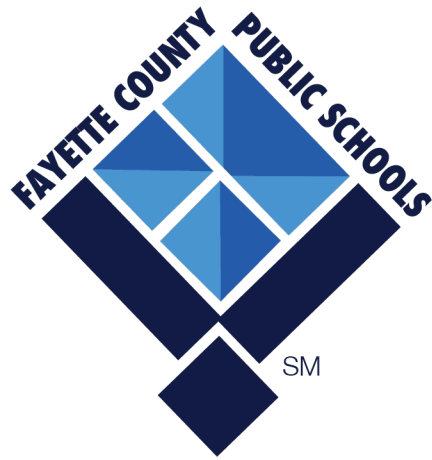
include a major renovation of one high school, the construction of a new auditorium with band room, and a 12 classroom addition at a high school. The School System completed the renovation of existing property to consolidate central office functions into one location.

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

Overall, the economic outlook for the county and local area is positive. The influx of the film industry continues to spur growth and economic activity that includes new residential and mixed-use projects. Many residential developments throughout the county indicate potential growth in student enrollment. The sales tax 5-year average growth has been nearly 3%. In fiscal year 2019 the sales tax continued to show strong retail growth for the near future. Another factor affecting the local economic growth is in the healthcare arena with expansion of the local hospital and auxiliary services in that industry. Municipalities in the county are seeing growth in residential and commercial projects including mixed use developments, age targeted residences, and “walkable” communities.

Requests for Information

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



Where Excellence and Creativity Merge

(This page intentionally left blank.)

Basic Financial Statements

Fayette County Board of Education

STATEMENT OF NET POSITION

June 30, 2019

	Governmental Activities
ASSETS	
Cash	\$ 10,402,093
Investments	55,973,675
Due from other governments	16,395,405
Taxes receivable	4,705,215
Due from others	32,840
Prepaid items	8,217
Inventory	445,720
Capital assets, not being depreciated:	
Land	16,505,401
Construction in progress	24,518,607
Capital assets, net of accumulated depreciation:	
Buildings	246,780,525
Trucks and autos	9,651,763
Other equipment	29,073,429
Total assets	<u>414,492,890</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	59,273,043
OPEB	14,892,389
Deferred loss on refunding	2,809,508
Total deferred outflows of resources	<u>76,974,940</u>
LIABILITIES	
Accounts payable	7,888,127
Accrued interest	678,936
Salaries and benefits payable	14,437,007
Retainage payable	1,897,851
Unearned revenue	213,460
Noncurrent liabilities:	
Due within one year	6,015,309
Due in more than one year	
Accrued compensated absences	687,090
Claims payable	1,140,000
Bonds payable	59,658,220
Net pension liability	209,901,630
Net OPEB liability	143,479,598
Total liabilities	<u>445,997,228</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	7,321,649
OPEB	32,891,889
Total deferred inflows of resources	<u>40,213,538</u>
NET POSITION	
Net investment in capital assets	257,204,103
Restricted for:	
Capital projects	21,090,461
Debt service	447,501
Grant purposes	902,631
Unrestricted	(274,387,632)
TOTAL NET POSITION	<u>\$ 5,257,064</u>

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

Fayette County Board of Education

STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

Functions/Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 161,132,453	\$ 525,915	\$ 94,320,815	\$ -	\$ (66,285,723)
Support services					
Pupil services	14,080,968	-	2,390,472	-	(11,690,496)
Improvement of instructional services	6,000,450	-	487,064	-	(5,513,386)
Instructional staff training	853,772	-	374,272	-	(479,500)
Educational media services	3,684,678	-	2,360,674	-	(1,324,004)
Federal grants administration	365,904	-	369,537	-	3,633
General administration	1,478,192	-	2,408,885	-	930,693
School administration	14,454,380	-	4,766,798	-	(9,687,582)
Business administration	1,325,334	-	680	-	(1,324,654)
Maintenance and operation of facilities	15,745,710	-	4,950,832	2,086,921	(8,707,957)
Student transportation services	10,503,034	-	1,538,467	-	(8,964,567)
Central support services	6,303,585	-	2,487	-	(6,301,098)
Other support services	232,354	-	210	-	(232,144)
Community services	2,595,096	2,592,617	288,469	-	285,990
Food services	7,850,877	3,255,175	3,606,430	-	(989,272)
Interest expense	2,149,912	-	-	-	(2,149,912)
Total governmental activities	<u>\$ 248,756,699</u>	<u>\$ 6,373,707</u>	<u>\$ 117,866,092</u>	<u>\$ 2,086,921</u>	<u>(122,429,979)</u>
General revenues					
Taxes					
Property taxes, levied for general purposes					104,669,514
Property taxes, levied for debt service					6,786,921
Intangible taxes, general purposes					1,875,042
Intangible taxes, debt service					130,006
Transfer taxes, general purposes					740,454
Transfer taxes, debt service					51,298
Other taxes, general purposes					22,970
Sales tax, capital outlay and debt service					26,822,956
Interest and investment earnings					1,643,315
Gain on sale of assets					221,550
Other					<u>427,670</u>
Total general revenues					<u>143,391,696</u>
Change in net position					20,961,717
Net position - beginning of year					<u>(15,704,653)</u>
Net position - end of year					<u>\$ 5,257,064</u>

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

Fayette County Board of Education

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2019

	Major Governmental Funds					
		Local Capital	Capital Projects	Capital Projects	Other	Total
	General	Projects Fund	SPLOST II Fund	SPLOST III Fund	Governmental Funds	Governmental Funds
ASSETS						
Cash	\$ 1,525,454	\$ 1,439,962	\$ 189,893	\$ 101,556	\$ 4,888,217	\$ 8,145,082
Investments	20,297,218	8,624,364	15,400,407	9,956,556	1,694,829	55,973,374
Due from other governments	15,600,315	-	-	-	795,090	16,395,405
Taxes receivable	2,334,205	-	-	2,251,732	119,278	4,705,215
Due from other funds	495,620	115,287	-	-	-	610,907
Due from others	32,232	-	-	-	608	32,840
Prepaid items	8,217	-	-	-	-	8,217
Inventory	205,792	-	-	-	239,928	445,720
Total assets	\$ 40,499,053	\$ 10,179,613	\$ 15,590,300	\$ 12,309,844	\$ 7,737,950	\$ 86,316,760
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,746,363	\$ -	\$ 1,429,406	\$ 4,500,857	\$ 79,574	\$ 7,756,200
Salaries and benefits payable	13,620,828	-	-	-	816,179	14,437,007
Due to other funds	-	-	-	115,287	495,620	610,907
Retainage payable	-	-	165,183	1,732,668	-	1,897,851
Unearned revenue	-	-	-	-	213,460	213,460
Total liabilities	15,367,191	-	1,594,589	6,348,812	1,604,833	24,915,425
Deferred Inflows						
Unavailable property tax revenue	1,085,785	-	-	-	78,677	1,164,462
Total deferred inflows	1,085,785	-	-	-	78,677	1,164,462
Fund Balances:						
Nonspendable	214,009	-	-	-	239,928	453,937
Restricted	-	-	13,995,711	5,961,032	2,844,181	22,800,924
Committed	-	-	-	-	2,970,331	2,970,331
Assigned	-	10,179,613	-	-	-	10,179,613
Unassigned	23,832,068	-	-	-	-	23,832,068
Total fund balances	24,046,077	10,179,613	13,995,711	5,961,032	6,054,440	60,236,873
Total liabilities, deferred inflows and fund balances	\$ 40,499,053	\$ 10,179,613	\$ 15,590,300	\$ 12,309,844	\$ 7,737,950	\$ 86,316,760

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

Fayette County Board of Education

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

June 30, 2019

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

Total fund balances - governmental funds	\$ 60,236,873
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in governmental funds.	326,529,725
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.	1,164,462
Deferred losses on refunding of debt are reported in governmental activities and amortized over the life of the new debt.	2,809,508
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.	(209,901,630)
Certain items related to the calculation of the net pension liability create deferred outflows or deferred inflows of resources to be used in future periods.	
Deferred outflows of pension related items	59,273,043
Deferred inflows of pension related items	(7,321,649)
Net OPEB liability represents other postemployment benefits employees have earned upon retirement that are in excess of the OPEB plan's net position and are reported in governmental activities.	(143,479,598)
Certain items related to the calculation of the net OPEB liability create deferred outflows or deferred inflows of resources to be used in future periods.	
Deferred outflows of OPEB related items	14,892,389
Deferred inflows of OPEB related items	(32,891,889)
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.	710,385
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported as liabilities in the funds.	
Long-term liabilities at year end consist of:	
Bonds payable	(62,274,972)
Accrued interest on bonds	(678,936)
Compensated absences payable	(837,399)
Net position of governmental activities	<u>\$ 5,257,064</u>

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

Fayette County Board of Education

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

For the year ended June 30, 2019

	Major Governmental Funds				Other Governmental Funds	Total Governmental Funds
	General	Local Capital Projects Fund	Capital Projects SPLOST II Fund	Capital Projects SPLOST III Fund		
Revenues						
State funds	\$ 105,525,708	\$ -	\$ 1,872,116	-	\$ 1,469,246	\$ 108,867,070
Federal funds	-	-	-	-	9,537,584	9,537,584
Local and other funds	108,991,755	210,997	20,176,628	7,300,696	14,624,985	151,305,061
Total revenues	<u>214,517,463</u>	<u>210,997</u>	<u>22,048,744</u>	<u>7,300,696</u>	<u>25,631,815</u>	<u>269,709,715</u>
Expenditures						
Current						
Instruction	141,354,370	-	2,582,158	862,172	5,820,198	150,618,898
Support services						
Pupil services	12,251,280	-	-	-	1,987,075	14,238,355
Improvement of instructional services	5,800,475	-	-	-	71,418	5,871,893
Instructional staff training	483,487	-	-	-	374,272	857,759
Educational media services	3,402,975	-	-	-	78,706	3,481,681
Federal grants administration	-	-	-	-	369,537	369,537
General administration	1,475,381	-	-	-	-	1,475,381
School administration	13,833,682	-	-	-	314,824	14,148,506
Business administration	1,358,046	-	-	-	-	1,358,046
Maintenance and operation of facilities	14,837,582	-	-	-	78,706	14,916,288
Student transportation services	8,223,388	-	-	-	108,700	8,332,088
Central support services	5,408,329	-	-	-	-	5,408,329
Other support services	231,027	-	-	-	-	231,027
Community service	515	-	-	-	2,663,098	2,663,613
Food services	62,553	-	-	-	7,345,845	7,408,398
Capital outlay	-	2,391,596	13,603,367	24,064,710	3,540,447	43,600,120
Debt Service						
Principal retirement	-	-	-	-	5,390,000	5,390,000
Interest and fees	-	-	-	1,145,568	1,082,574	2,228,142
Total expenditures	<u>208,723,090</u>	<u>2,391,596</u>	<u>16,185,525</u>	<u>26,072,450</u>	<u>29,225,400</u>	<u>282,598,061</u>
Excess (deficiency) of revenues over (under) expenditures	5,794,373	(2,180,599)	5,863,219	(18,771,754)	(3,593,585)	(12,888,346)
Other financing sources (uses)						
Sale of general capital assets	221,550	-	-	-	-	221,550
Transfers in	-	6,000,000	-	90,000	2,864,222	8,954,222
Transfers out	(6,454,222)	-	(2,500,000)	-	-	(8,954,222)
Total other financing sources (uses)	<u>(6,232,672)</u>	<u>6,000,000</u>	<u>(2,500,000)</u>	<u>90,000</u>	<u>2,864,222</u>	<u>221,550</u>
Net change in fund balances	(438,299)	3,819,401	3,363,219	(18,681,754)	(729,363)	(12,666,796)
Fund balances, beginning of year	<u>24,484,376</u>	<u>6,360,212</u>	<u>10,632,492</u>	<u>24,642,786</u>	<u>6,783,803</u>	<u>72,903,669</u>
Fund balances, end of year	<u>\$ 24,046,077</u>	<u>\$ 10,179,613</u>	<u>\$ 13,995,711</u>	<u>\$ 5,961,032</u>	<u>\$ 6,054,440</u>	<u>\$ 60,236,873</u>

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

Fayette County Board of Education

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

For the year ended June 30, 2019

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

Net change in fund balances - total governmental funds	\$ (12,666,796)
--	-----------------

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 (\$41,845,078) exceeds depreciation (\$16,751,464).

25,093,614

Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, deferred losses on refundings, and similar items when debt is first issued, where these amounts are deferred and amortized in the statement of activities.

The details of this difference are as follows:

Repayment of bond principal	5,390,000	
Amortization on bond discounts and premiums	575,467	
Amortization on deferred loss on bond refunding	<u>(449,521)</u>	
		5,515,946

Because some property taxes will not be collected for several months after the School System's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable tax revenues increased by this amount this year.

132,277

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.

(41,931)

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.

(47,716)

Pension expense reported in the statement of activities is based on actuarially determined net pension liabilities and related deferred outflows and deferred inflows of resources. Pension contributions are reported in the governmental funds as a use of current financial resources. Contributions exceeded actuarially determined amounts by this amount.

3,703,699

OPEB expense reported in the statement of activities is based on actuarially determined net OPEB liabilities and related deferred outflows and deferred inflows of resources. OPEB contributions are reported in the governmental funds as a use of current financial resources. Actuarially determined amounts exceeded contributions by this amount.

(590,004)

Internal service funds are used to charge the costs of workers' compensation claims to the individual funds. Net change in position of the internal service fund is reported in the governmental activities.

(137,372)

Change in net position of governmental activities

\$ 20,961,717

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

Fayette County Board of Education

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

For the year ended June 30, 2019

	Original Budget	Final Budget	Actual (Budget basis)	Variance
Revenues				
State funds	\$ 104,552,419	\$ 104,552,419	\$ 105,016,782	\$ 464,363
Local and other funds	106,925,000	106,925,000	108,991,755	2,066,755
Total revenues	<u>211,477,419</u>	<u>211,477,419</u>	<u>214,008,537</u>	<u>2,531,118</u>
Expenditures				
Current				
Instruction	142,641,725	142,646,525	141,354,370	1,292,155
Support services				
Pupil services	11,932,058	11,932,058	12,251,280	(319,222)
Improvement of instructional services	5,781,426	5,732,646	5,800,475	(67,829)
Instructional staff training	745,378	789,358	483,487	305,871
Educational media services	3,490,635	3,490,635	3,402,975	87,660
General administration	1,773,459	1,773,459	1,475,381	298,078
School administration	14,244,211	14,240,961	13,833,682	407,279
Business administration	1,361,224	1,361,224	1,348,820	12,404
Maintenance and operation of facilities	15,008,001	15,011,251	14,683,739	327,512
Student transportation services	8,034,700	8,034,700	8,107,875	(73,175)
Central support services	6,027,345	6,027,345	5,374,616	652,729
Other support services	-	-	228,191	(228,191)
Community service	-	-	515	(515)
Food services	-	-	5,067	(5,067)
Total expenditures	<u>211,040,162</u>	<u>211,040,162</u>	<u>208,350,473</u>	<u>2,689,689</u>
Excess of revenues over expenditures	437,257	437,257	5,658,064	5,220,807
Other financing sources (uses)				
Sale of general capital assets	-	-	221,550	221,550
Transfers out	(1,600,000)	(6,600,000)	(6,454,222)	145,778
Total other financing sources (uses)	<u>(1,600,000)</u>	<u>(6,600,000)</u>	<u>(6,232,672)</u>	<u>367,328</u>
Net change in fund balances	<u>\$ (1,162,743)</u>	<u>\$ (6,162,743)</u>	<u>\$ (574,608)</u>	<u>\$ 5,588,135</u>

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

Fayette County Board of Education

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2019

	Governmental Activities-- Internal Service Workers' Compensation Fund
ASSETS	
Current Assets:	
Cash	\$ 2,257,011
Investments	301
Total assets	<u>2,257,312</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	131,927
Claims payable	<u>275,000</u>
Total current liabilities	<u>406,927</u>
Noncurrent Liabilities:	
Claims payable	<u>1,140,000</u>
Total noncurrent liabilities	<u>1,140,000</u>
Total liabilities	<u>1,546,927</u>
NET POSITION	
Unrestricted	<u>710,385</u>
Total net position	<u>\$ 710,385</u>

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

**Fayette County Board of Education
Proprietary Funds**

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

For the year ended June 30, 2019

	Governmental Activities-- Internal Service Workers' Compensation Fund
Operating revenues	
Local and other funds	\$ 783,914
Total operating revenues	<u>783,914</u>
Operating expenses	
Administration	396,902
Claims	<u>524,390</u>
Total operating expenses	<u>921,292</u>
Operating loss	(137,378)
Nonoperating revenues	
Interest	<u>6</u>
Change in net position	(137,372)
Net position, beginning of year	<u>847,757</u>
Net position, end of year	<u><u>\$ 710,385</u></u>

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

**Fayette County Board of Education
Proprietary Funds**

STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

	Governmental Activities-- Internal Service Workers' Compensation Fund
Cash flows from operating activities:	
Cash received from interfund services	\$ 783,914
Cash paid to suppliers	<u>(901,830)</u>
Net cash used by operating activities	<u>(117,916)</u>
 Net decrease in cash	 (117,916)
 Cash at beginning of year	 <u>2,374,927</u>
 Cash at end of year	 <u><u>\$ 2,257,011</u></u>
 Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (137,378)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Accounts payable	<u>19,462</u>
Net cash used by operating activities	<u><u>\$ (117,916)</u></u>

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

**Fayette County Board of Education
Fiduciary Funds**

**STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019**

	David Phillips Memorial Private-Purpose Trust Fund	<u>Agency Fund</u> Club and Class Funds
ASSETS		
Cash	\$ -	\$ 1,757,673
Investments	7,866	-
Total assets	<u>7,866</u>	<u>1,757,673</u>
LIABILITIES		
Due to student groups	-	1,757,673
Total liabilities	<u>-</u>	<u>1,757,673</u>
NET POSITION		
Restricted for scholarships	<u>\$ 7,866</u>	<u>\$ -</u>

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

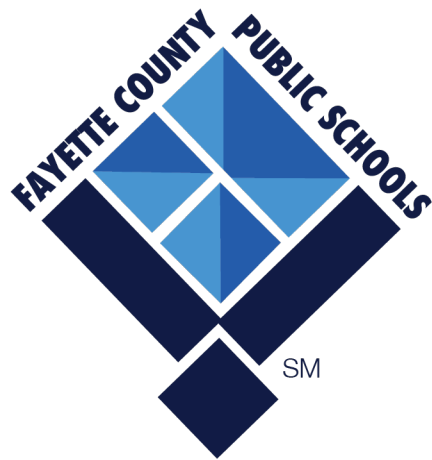
**Fayette County Board of Education
Fiduciary Funds**

**STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION**

For the year ended June 30, 2019

	David Phillips Memorial Private-Purpose Trust Fund
	<u> </u>
ADDITIONS	
Interest	\$ 200
Total additions	<u>200</u>
DEDUCTIONS	
Other support services	<u>1,000</u>
Total deletions	<u>1,000</u>
Change in net position	(800)
NET POSITION, beginning of year	<u>8,666</u>
NET POSITION, end of year	<u><u>\$ 7,866</u></u>

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



Where Excellence and Creativity Merge

(This page intentionally left blank.)

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Description of System-wide Financial Statements

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

2. Reporting Entity

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

3. Basis of Presentation – System-wide Financial Statements

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

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

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 *Local Capital Projects Fund* is used to account for various projects funded by local resources.

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

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

The School System does not report any enterprise funds.

Additionally, the School System reports the following fund types:

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

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

The *Capital 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.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

4. Basis of Presentation – Fund Financial Statements - continued

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

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

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

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

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

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

5. Measurement Focus and Basis of Accounting

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

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

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 THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

6. Cash and Cash Equivalents

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

7. Investments

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

8. Inventories and Prepaid Items

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

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

9. Capital Assets

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

9. Capital Assets- continued

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

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

10. Compensated Absences

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

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

11. Deferred Outflows/Inflows of Resources

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

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

11. Deferred Outflows/Inflows of Resources - continued

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

12. Fund Balance Policy and Flow Assumptions

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

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

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

12. Fund Balance Policy and Flow Assumptions -continued

Other categories of fund balance are:

Nonspendable: Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Fund balances are reported as restricted when there are limitations imposed on their use whether through constitutional provisions or enabling legislation, or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

13. Net Position Flow Assumptions

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

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

14. **Program Revenues**

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

15. **Pensions**

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

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

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

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

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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

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

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

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

USGAAP Basis Net Change in Fund Balances	\$ (438,299)
Adjustments for:	
State QBE revenue	(136,309)
State paid employee benefit revenue	(372,617)
State paid employee benefit expenditures	372,617
Budget Basis Net Change in Fund Balances	\$ <u>(574,608)</u>

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

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, 2019, the School System had the following investments:

Investment Type	Maturities	Rating	Fair Value
Georgia Fund 1	39 day weighted average	AAAf	\$ 55,981,541

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

Fair Value Measurements. The School System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant observable inputs. At year end, the School System does not have recurring fair value measurements.

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE C – DEPOSITS AND INVESTMENTS – continued

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

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of failure of a depository financial institution or of counterparties to investment transactions, the School System will not be able to recover deposits, investments or collateral securities that are in the possession of an outside party. The School System follows Georgia state law which requires bank balances to be covered by federal deposit insurance or by collateral held by the School System's agent in the School System's name. As of June 30, 2019, 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, 2018, based on property values assessed as of January 1, 2018, and were considered past due if not paid on or before November 15, 2018, at which time the applicable property is subject to lien, and penalties and interest may be assessed. State law limits the School System's tax levy for operations to 20 mills (one mill equals \$1 per thousand dollars of assessed value). Taxes levied in calendar year 2017 were levied at 19.50 mills for operations and 1.35 mills for school bonds.

Tax revenues, at the fund reporting level, amounted to \$107,177,991 for maintenance and operations and \$6,965,937 for school bonds.

A one percent Special Purpose Local Option Sales Tax (SPLOST) is to be used for capital outlay for educational purposes and for debt service. The State of Georgia collects the tax on behalf of the School System. Collection on the tax authorized under the 2008 referendum (SPLOST I) terminated on March 31, 2014. Collection of the tax authorized under the 2012 referendum (SPLOST II) terminated on March 31, 2019. Collection of the tax authorized under the 2017 referendum (SPLOST III) began upon termination of SPLOST II and will terminate once a total of \$145,000,000 has been collected or after twenty calendar quarters, whichever occurs first.

SPLOST tax revenues, at the fund reporting level, amounted to \$26,822,956 for the year ended June 30, 2019.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE E – TAXES RECEIVABLE - continued

At June 30, 2019, taxes receivable, at the fund reporting level, consisted of the following:

- \$1,164,462 (net of \$599,874 in allowances for doubtful accounts) in delinquent property taxes receivable was recognized as receivable and as deferred inflows,
- \$976,141 of property tax was recognized as receivable and as revenue because it was considered susceptible for accrual based on collections within 60 days of year end,
- \$2,251,732 of SPLOST receipts recognized as receivables and as revenue because it was considered susceptible for accrual based on the underlying date of the transactions and collections by the School System within the period of availability,
- \$289,910 of intangible recording and real estate transfer taxes,
- and \$22,970 of railroad equipment taxes.

Approximately \$600,000 of the delinquent property taxes receivable is not expected to be collected within the next year.

NOTE F – INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2019, interfund receivables and payables consisted of the following:

	RECEIVABLE FUNDS		
	General Fund	Local Capital Projects	Total
<u>PAYABLE FUNDS</u>			
SPLOST III	\$ -	\$ 115,287	\$ 115,287
Nonmajor Funds:			
School Nutrition Service	13,020	-	13,020
Title I	158,376	-	158,376
IDEA	288,514	-	288,514
Vocational Grants	2,495	-	2,495
Title II	23,756	-	23,756
Title III	5,949	-	5,949
Title IV	3,510	-	3,510
	<u>\$ 495,620</u>	<u>\$ 115,287</u>	<u>\$ 610,907</u>

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE G – CAPITAL ASSETS

The following is a summary of capital asset activity for the fiscal year ending June 30, 2019:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Capital assets, not being depreciated					
Land	\$ 14,113,805	\$ 2,391,596	\$ -	\$ -	\$ 16,505,401
Construction in progress	38,229,356	32,507,142	-	(46,217,891)	24,518,607
Total capital assets, not being depreciated	52,343,161	34,898,738	-	(46,217,891)	41,024,008
Capital asset, being depreciated					
Buildings and improvements	362,452,866	40,325	-	46,217,891	408,711,082
Autos and trucks	23,069,042	719,635	(1,272,761)	-	22,515,916
Other equipment	59,027,253	6,186,380	(573,694)	-	64,639,939
Total capital assets, being depreciated	444,549,161	6,946,340	(1,846,455)	46,217,891	495,866,937
Less accumulated depreciation for:					
Buildings and improvements	(153,564,196)	(8,366,361)	-	-	(161,930,557)
Autos and trucks	(12,078,283)	(2,058,631)	1,272,761	-	(12,864,153)
Other equipment	(29,813,732)	(6,326,472)	573,694	-	(35,566,510)
Total accumulated depreciation	(195,456,211)	(16,751,464)	1,846,455	-	(210,361,220)
Total capital assets being depreciated, net	249,092,950	(9,805,124)	-	46,217,891	285,505,717
Governmental activities capital assets, net	\$ 301,436,111	\$ 25,093,614	\$ -	\$ -	\$ 326,529,725

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

Instruction	\$ 12,199,128
Support services	
Pupil services	2,644
Improvement of instructional services	188,510
Educational media services	245,506
General administration	15,836
School administration	526,646
Business administration	4,564
Maintenance and operations of facilities	96,586
Student transportation services	2,209,103
Central support services	719,199
Community service	11,427
Food services	532,315
Total depreciation	\$ 16,751,464

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE H – LONG-TERM DEBT

General Obligation Bonds

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

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

As of June 30, 2019, all of the Series 2007 and Series 2005 bonds which were defeased had been called and paid.

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

General obligation bonds consist of the following as of June 30, 2019:

Series	Coupon Rate	Maturities	Balance
2013	2.53%	2014 to 2026	\$ 37,274,972
2018	5.25%	2021 to 2025	\$ 25,000,000

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

	Principal	Interest	Total
2020	\$ 5,590,000	\$ 943,057	\$ 6,533,057
2021	5,785,000	801,630	6,586,630
2022	6,005,000	655,269	6,660,269
2023	6,210,000	503,343	6,713,343
2024	6,430,000	346,230	6,776,230
2025-2026	7,254,972	198,730	7,453,702
Total	<u>\$ 37,274,972</u>	<u>\$ 3,448,259</u>	<u>\$ 40,723,231</u>

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE H – LONG-TERM DEBT – continued

General Obligation Bonds - continued

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 1,312,500	\$ 1,312,500
2021	1,600,000	1,270,500	2,870,500
2022	2,300,000	1,168,125	3,468,125
2023	6,695,000	932,006	7,627,006
2024	7,025,000	571,856	7,596,856
2025	7,380,000	193,725	7,573,725
Total	<u>\$ 25,000,000</u>	<u>\$ 5,448,712</u>	<u>\$ 30,448,712</u>

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Direct placement bonds	\$ 42,664,972	\$ -	\$ (5,390,000)	\$ 37,274,972	\$ 5,590,000
General obligation bonds	25,000,000	-	-	25,000,000	-
Plus premium on issuance of bonds	<u>3,548,715</u>	<u>-</u>	<u>(575,467)</u>	<u>2,973,248</u>	<u>-</u>
Total bonds payable	71,213,687	-	(5,965,467)	65,248,220	5,590,000
Claims payable	1,415,000	524,390	(524,390)	1,415,000	275,000
Accrued compensated absences payable	795,468	1,033,822	(991,891)	837,399	150,309
Net pension liability	194,173,908	43,855,549	(28,127,827)	209,901,630	-
Net OPEB liability	<u>158,025,236</u>	<u>6,897,720</u>	<u>(21,443,358)</u>	<u>143,479,598</u>	<u>-</u>
	<u>\$ 425,623,299</u>	<u>\$ 52,311,481</u>	<u>\$ (57,052,933)</u>	<u>\$ 420,881,847</u>	<u>\$ 6,015,309</u>

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE I - FUND BALANCES

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

General Fund:	
Prepaid items	\$ 8,217
Inventory	205,792
Nonmajor Special Revenue Funds:	
School Nutrition Service Fund inventory	<u>239,928</u>
Total Nonspendable Fund Balance	<u><u>\$ 453,937</u></u>

Restricted – The following balances are restricted for:

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	\$ 13,995,711
Capital Projects-SPLOST III Fund: used to account for sales tax proceeds collected under the 2017 SPLOST referendum and the cost of capital projects financed with those SPLOST proceeds	5,961,032
Nonmajor Debt Service Fund: used to account for tax proceeds and debt service payments on general obligation debt	1,047,760
Nonmajor Special Revenue Funds:	
School Nutrition Services Fund – used to account for activity of the school lunch program	638,963
Friends Mentoring Program Fund– used to account for proceeds of grant from Department of Human Resources	18,388
Other Grants Fund– used to account for various grant awards	5,352
Nonmajor 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	<u>1,133,718</u>
Total Restricted Fund Balance	<u><u>\$ 22,800,924</u></u>

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE I - FUND BALANCES – continued

Committed - The following fund balances are committed to:

Nonmajor Special Revenue Funds:

Community Education Fund – used to account for the activities of community school programs	\$ 323,017
After School Program Fund – used to account for the activities of after school programs	1,226,675
Donations Fund – used to account for resources provided by donations	87,256
Auditorium Rentals Fund – used to account for resources generated by auditorium facility rentals	83,516
Principals' Fund – used to account for resources generated by schools for various school activities and needs	<u>1,254,748</u>
Total Committed Fund Balance	<u>\$ 2,975,212</u>

Assigned – The following fund balances are assigned to:

Regular Capital Project Fund – to account for amounts intended to be spent on capital outlay	<u>\$ 10,179,613</u>
Total Assigned Fund Balance	<u>\$ 10,179,613</u>

NOTE J – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2019 consisted of the following amounts:

	TRANSFERS OUT		
	Major Funds		Total
	General Fund	SPLOST II	
<u>TRANSFERS IN</u>			
Regular Capital Projects	\$ 6,000,000	\$ -	\$ 6,000,000
SPLOST III		90,000	90,000
Nonmajor Funds:			
Capital Projects -SPLOST I	-	2,410,000	2,410,000
Special Revenue			
JR ROTC	244,648	-	244,648
Lottery	209,574	-	209,574
	<u>\$ 6,454,222</u>	<u>\$ 2,500,000</u>	<u>\$ 8,954,222</u>

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE K – RISK MANAGEMENT

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

Risk Pool

The School System has elected to be a member of the Georgia School Boards Association- Risk Management Fund (GSBA-RMF), an interlocal risk management agency created under Georgia law. Coverage for losses arising from certain liability and property risks to the School System is provided through a group self-insurance plan. For accounting purposes, this plan is considered to be a risk transfer pool. Under this plan, the School System is responsible for the first \$10,000 of each property loss, the first \$1,000 of auto physical damage loss, the first \$2,500 of each auto liability claim and the first \$10,000 of each school leader's liability claim. The plan assumes certain risks of the School System in excess of the stated retentions up to certain customary coverage limits. The School System is required to make a financial contribution to the plan each year in an amount that is determined on the basis of actuarial projections of losses. There has been no significant reduction in insurance coverage from the coverage maintained in the prior year. Additionally, there were no settlements in excess of the insurance coverage in any of the past three years.

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

Workers' Compensation Claims

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

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE K – RISK MANAGEMENT – continued

Workers' Compensation Claims- continued

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

<u>Year Ended June 30,</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims Accrual</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
2019	\$ 1,415,000	\$ 524,390	\$ 524,390	\$ 1,415,000
2018	\$ 1,065,000	\$ 678,961	\$ 328,961	\$ 1,415,000

Unemployment Claims

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

<u>Year Ended June 30,</u>	<u>Beginning of Year Liability</u>	<u>Current Year Unemployment Accrual</u>	<u>Unemployment Paid</u>	<u>End of Year Liability</u>
2019	\$ -	\$ 7,040	\$ 7,040	\$ -
2018	\$ -	\$ 2,619	\$ 2,619	\$ -

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)	\$ 63,358
Office of Treasury and Fiscal Services	
Paid to the Public School Employees' Retirement System (PSERS)	309,259
	<u>\$ 372,617</u>

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

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.

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

Contributions. Per Title 47 of O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. 47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2019.

The School System’s contractually required contribution rate for the year ended June 30, 2019 was 20.90% of annual School System payroll (excluding payroll attributable to those personnel funded on behalf of the School System by the State). Employer contributions for the current fiscal year and the two preceding years are as follows:

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2019	100%	\$ 27,001,644
2018	100%	\$ 22,635,757
2017	100%	\$ 17,126,504

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE M – RETIREMENT PLANS – continued

Public School Employees' Retirement System (PSERS)

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

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

Upon retirement, the member will receive a monthly benefit of \$14.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request of the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions. The General Assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. 47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE M – RETIREMENT PLANS – continued

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

At June 30, 2017, the School System reported a liability for its proportionate share of the net pension liability for Teachers Retirement System (TRS) that reflected a reduction for support attributable to those personnel funded on behalf of the School System by the State of Georgia. The amount recognized by the School System as its proportionate share of the net pension liability, the related State of Georgia funding, and the total portion of the net pension liability that was associated with the School System were as follows:

School System's proportionate share of the net pension liability	\$ 209,901,630
State of Georgia's proportionate share of the net pension liability associated with the System	\$ <u>588,420</u>
Total	\$ <u><u>210,490,050</u></u>

The TRS net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 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, 2018.

At June 30, 2018, the School System's TRS proportion is 1.130805%, which was an increase of 0.086034% from its proportion measured as of June 30, 2017.

At June 30, 2019, 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 \$1,776,803.

The PSERS net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2017 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, 2018.

For the year ended June 30, 2019, the School System recognized pension expense of \$23,302,964 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 (\$383,910) for TRS and of \$411,395 for PSERS for support provided by the State of Georgia for certain support personnel.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

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, 2019, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 13,895,784	\$ 432,612
Changes in assumptions	3,167,340	-
Net difference between projected and actual earnings on pension plan investments	-	5,739,118
Changes in proportion and differences between School System contributions and proportionate share of contributions	15,208,275	1,149,919
School System contributions subsequent to the measurement date	27,001,644	-
Total	<u>\$ 59,273,043</u>	<u>\$ 7,321,649</u>

School System contributions subsequent to the measurement date of June 30, 2018 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, 2020. 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
2020	\$ 13,914,294
2021	9,579,471
2022	(1,981,335)
2023	2,940,702
2024	496,618
Thereafter	-

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE M – RETIREMENT PLANS – continued

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

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

Teachers Retirement System:

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

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

The actuarial assumptions used in the June 30, 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	(0.50) %
Domestic large stocks	39.80	9.00
Domestic mid stocks	3.70	12.00
Domestic small stocks	1.50	13.50
International developed market stocks	19.40	8.00
International emerging market stocks	5.60	12.00
Total	100.00 %	

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE M – RETIREMENT PLANS – continued

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

Public School Employees' Retirement System:

Inflation	2.75%
Salary increase	N/A
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) for the period after service retirements and for dependent beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	(0.50) %
Domestic large stocks	37.20	9.00
Domestic mid stocks	3.40	12.00
Domestic small stocks	1.40	13.50
International developed market stocks	17.80	8.00
International emerging market stocks	5.20	12.00
Alternative	5.00	10.50
Total	100.00 %	

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

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE M – RETIREMENT PLANS – continued

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

Discount rate. The discount rates used to measure the total TRS and PSERS pension liabilities were 7.50% and 7.30%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and PSERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expect rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School System's proportionate share of the TRS net pension liability to changes in the discount rate. The following represents the School Systems proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the School System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point higher (8.50%) and 1-percentage-point lower (6.50%) than the current rate:

	1% Decrease (6.5%)	Current Discount rate (7.5%)	1% Increase (8.5%)
System's proportionate share of the net pension liability	\$350,385,923	\$209,901,630	\$94,135,423

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS and PSERS financial report which is publically available at www.trsga.com/publications and www.ers.ga.gov/formspubs/formspubs.html.

Fayette County School System Supplemental Retirement Plan

Plan Description. The Fayette County School System Supplemental Retirement Plan (the "Plan") is a single employer defined contribution plan established and administered by the Fayette County Board of Education for those employees covered by PSERS who did not elect coverage under Social Security in 2002. The Plan provides retirement benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the Board. At June 30, 2019, there were 664 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, 2019, the School System's contribution to the Plan was approximately \$72,000.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE N – POSTEMPLOYMENT BENEFITS (OPEB)

School OPEB Fund

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

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

Contributions. As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB fund from the School System were \$6,159,808 for the year ended June 30, 2019. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2019, the School System reported a liability of \$143,479,598 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as of June 30, 2018 was determined using standard roll-forward techniques. The School System's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2018. At June 30, 2018, the School System's proportion was 1.128899%, which was an increase of 0.004161% from its proportion measured as of June 30, 2017.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE N – POSTEMPLOYMENT BENEFITS (OPEB) –continued

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

For the year ended June 30, 2019, the School System recognized OPEB expense of \$ 6,749,812. At June 30, 2019, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 3,263,596
Changes in assumptions	-	24,306,134
Net difference between projected and actual earnings on OPEB plan investments	194,128	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	8,538,453	5,322,159
School System contributions subsequent to the measurement date	6,159,808	-
Total	\$ <u>14,892,389</u>	\$ <u>32,891,889</u>

School System contributions subsequent to the measurement date of June 30, 2018 for \$6,159,808 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2020	\$ (4,630,244)
2021	(4,630,244)
2022	(4,630,244)
2023	(4,641,842)
2024	(3,984,831)
2025	(1,641,903)
Thereafter	-

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE N – POSTEMPLOYMENT BENEFITS (OPEB) –continued

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

Actuarial Assumptions. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018:

Inflation	2.75%
Salary increases	3.25 – 9.00%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.50%
Medicare Eligible	5.50%
Ultimate trend rate	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate Trend	
Pre-Medicare Eligible	2028
Medicare Eligible	2022

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

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2014.

The remaining actuarial assumptions (e.g., initial capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE N – POSTEMPLOYMENT BENEFITS (OPEB) –continued

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

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

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. During the fiscal year 2018, the School OPEB fund updated its investment strategy to a more long-term approach. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset class	Target allocation	Long-term expected real rate of return
Fixed Income	30.00 %	(0.50) %
Domestic Stocks – Large Cap	37.20	9.00 %
Domestic Stocks – Mid Cap	3.40	12.00 %
Domestic Stocks – Small Cap	1.40	13.50 %
International Stocks – Developed Mkt	17.80	8.00 %
International Stocks – Emerging Mkt	5.20	12.00 %
Alternatives	5.00	10.50 %
	100.00 %	

Discount rate. The discount rate has changed since the prior measurement date from 3.58% to 3.87%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.87% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.87% per the Bond Buyers Index). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2018. Therefore, the calculated discount rate of 3.87% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Fayette County Board of Education

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE N – POSTEMPLOYMENT BENEFITS (OPEB) –continued

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

Sensitivity of the School System’s proportionate share of the net OPEB liability to changes in the discount rate. The following represents the School Systems proportionate share of the net OPEB liability calculated using the discount rate of 3.87%, as well as what the School System’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point higher (4.87%) and 1-percentage-point lower (2.87%) than the current rate:

	<u>1% Decrease (2.87%)</u>	<u>Current Discount rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
System’s proportionate share of the net OPEB liability	\$167,539,183	\$143,479,598	\$124,078,060

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
System’s proportionate share of the net OPEB liability	\$120,624,453	\$143,479,598	\$172,687,632

NOTE O – NON-MONETARY TRANSACTIONS

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$509,000 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 THE BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE P – TAX ABATEMENTS

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

For the fiscal year ended June 30, 2019, Fayette County abated property taxes due to the School System that were levied on September 15, 2018 and due on November 15, 2018 totaling approximately \$1,152,000. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10 percent of the total amount abated:

- An 72 percent property tax abatement to a film studio. The abatement amounted to approximately \$759,000.
- A 50 percent property tax abatement to a chemical processing company. The abatement amounted to approximately \$206,000.

NOTE Q – COMMITMENTS AND CONTINGENCIES

Contracts

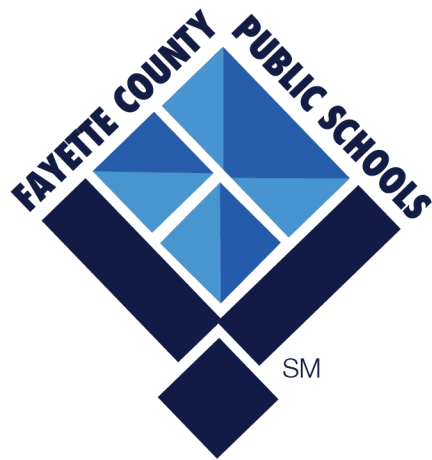
The School System has entered into various construction and renovation contracts that are in progress at year end. At year end, approximately \$9,733,000 remains to be paid on these contracts.

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.



Where Excellence and Creativity Merge

(This page intentionally left blank.)

Required Supplementary Information

Fayette County Board of Education

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

	<u>2019</u>	<u>2018</u>
System's proportion of the net pension liability	1.130805%	1.044771%
System's proportionate share of the net pension liability	\$ 209,901,630	\$ 194,173,908
State of Georgia's proportionate share of the net pension liability associated with the School System	<u>588,420</u>	<u>1,777,871</u>
Total	<u>\$ 210,490,050</u>	<u>\$ 195,951,779</u>
School System's covered payroll	\$ 134,656,496	\$ 120,017,546
School System's proportionate share of the net pension liability as a percentage of its covered payroll	155.88%	161.79%
Plan fiduciary net position as a percentage of the total pension liability	80.27%	79.33%

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

<u>2017</u>	<u>2016</u>	<u>2015</u>
1.030252%	1.009596%	1.014565%
\$ 212,552,475	\$ 153,700,966	\$ 128,176,906
<u>3,443,539</u>	<u>2,502,827</u>	<u>1,956,073</u>
<u>\$ 215,996,014</u>	<u>\$ 156,203,793</u>	<u>\$ 130,132,979</u>
\$ 112,998,480	\$ 106,562,244	\$ 106,658,720
188.10%	144.24%	120.17%
76.06%	81.44%	84.03%

Fayette County Board of Education

Required Supplementary Information

Schedule of Contributions

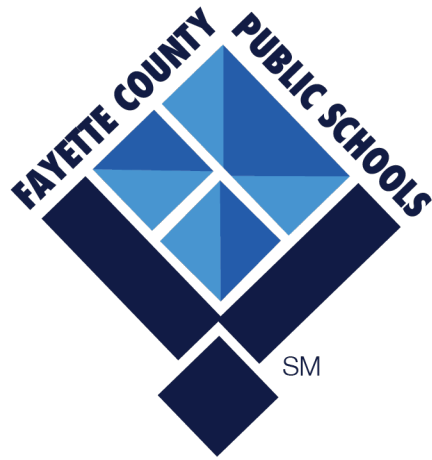
Teachers Retirement System of Georgia

For the Year Ended June 30

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 27,001,643	\$ 22,635,757
Contributions in relation to the contractually required contribution	\$ 27,001,643	\$ 22,635,757
Contribution deficiency (excess)	\$ -	\$ -
School System's covered payroll	\$ 129,194,469	\$ 134,656,496
Contributions as a percentage of covered payroll	20.90%	16.81%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	17,126,504	\$ 16,124,883	\$ 14,012,935
\$	17,126,504	\$ 16,124,883	\$ 14,012,935
\$	-	\$ -	\$ -
\$	120,017,546	\$ 112,998,480	\$ 106,562,244
	14.27%	14.27%	13.15%



Where Excellence and Creativity Merge

(This page intentionally left blank.)

Fayette County Board of Education

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

For the Year Ended June 30, 2019

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

On November 18, 2015, the TRS Board adopted recommended changes to the economic and demographic assumptions utilized by TRS. Primary among the changes were the updates to the rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

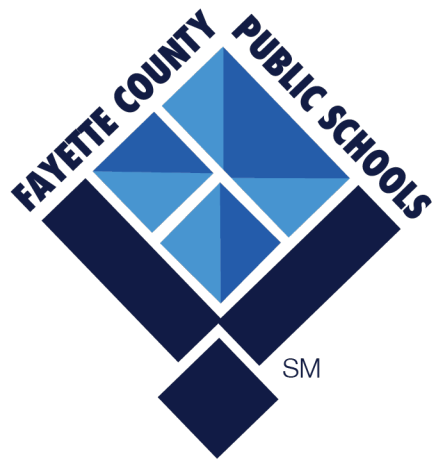
Fayette County Board of Education

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

	<u>2019</u>	<u>2018</u>
System's proportion of the net pension liability	0.00%	0.00%
System's proportionate share of the net pension liability	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability associated with the School System	<u>1,776,803</u>	<u>1,666,389</u>
Total	<u><u>\$ 1,776,803</u></u>	<u><u>\$ 1,666,389</u></u>
School System's covered-employee payroll	\$ 6,602,026	\$ 6,495,827
School System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.26%	85.69%

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

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.00%	0.00%	0.00%
\$ -	\$ -	\$ -
<u>2,151,946</u>	<u>1,414,807</u>	<u>1,282,001</u>
<u>\$ 2,151,946</u>	<u>\$ 1,414,807</u>	<u>\$ 1,282,001</u>
\$ 6,227,365	\$ 6,096,868	\$ 5,984,514
N/A	N/A	N/A
81.00%	87.00%	88.29%



Where Excellence and Creativity Merge

(This page intentionally left blank.)

Fayette County Board of Education

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA
For the Year Ended June 30, 2019**

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

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

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

Fayette County Board of Education

Required Supplementary Information

Schedule of Proportionate Share of the Net OPEB Liability

School OPEB Fund

For the Year Ended June 30

	<u>2019</u>	<u>2018</u>
System's proportion of the net OPEB liability	1.128899%	1.124738%
System's proportionate share of the net OPEB liability	\$ 143,479,598	\$ 158,025,236
School System's covered-employee payroll *	\$ 101,246,120	\$ 96,065,102
School System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	142%	164%
Plan fiduciary net position as a percentage of the total OPEB liability	2.93%	1.61%

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

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

Fayette County Board of Education

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 6,159,808	\$ 5,850,975	\$ 5,864,472
Contributions in relation to the contractually required contribution	\$ 6,159,808	\$ 5,850,975	\$ 5,864,472
Contribution deficiency (excess)	\$ -	\$ -	\$ -
 School System's covered-employee payroll *	 \$ 105,311,108	 \$ 101,246,120	 \$ 96,065,102
Contributions as a percentage of covered-employee payroll	5.85%	5.78%	6.10%

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

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

Fayette County Board of Education

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

For the Year Ended June 30, 2019

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

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

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

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

Combining Statements and Schedules

Fayette County Board of Education
NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

Lottery Fund was established to account for state lottery funds.

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

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

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

Fayette County Board of Education

NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED

SPECIAL REVENUE FUNDS - continued

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

Donations Fund was established to account for donations by various businesses and individuals for various specified purposes.

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

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

CAPITAL PROJECTS FUND

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

DEBT SERVICE FUND

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

Fayette County Board of Education

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS**

June 30, 2019

	Special Revenue Funds	Capital Projects SPLOST I Fund	Debt Service Fund	Total Non-Major Funds
ASSETS				
Cash	\$ 4,404,746	\$ 206,224	\$ 277,247	\$ 4,888,217
Investments	2,958	961,959	729,912	1,694,829
Due from other governments	795,090	-	-	795,090
Taxes receivable	-	-	119,278	119,278
Due from others	608	-	-	608
Inventory	<u>239,928</u>	<u>-</u>	<u>-</u>	<u>239,928</u>
Total assets	<u>\$ 5,443,330</u>	<u>\$ 1,168,183</u>	<u>\$ 1,126,437</u>	<u>\$ 7,737,950</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 45,109	\$ 34,465	\$ -	\$ 79,574
Unearned revenue	213,460	-	-	213,460
Salaries payable	816,179	-	-	816,179
Due to other funds	<u>495,620</u>	<u>-</u>	<u>-</u>	<u>495,620</u>
Total liabilities	1,570,368	34,465	-	1,604,833
Deferred Inflows				
Unavailable property tax revenue	<u>-</u>	<u>-</u>	<u>78,677</u>	<u>78,677</u>
Total deferred inflows	-	-	78,677	78,677
Fund balances				
Nonspendable	239,928	-	-	239,928
Restricted	662,703	1,133,718	1,047,760	2,844,181
Committed	<u>2,970,331</u>	<u>-</u>	<u>-</u>	<u>2,970,331</u>
Total fund balances	<u>3,872,962</u>	<u>1,133,718</u>	<u>1,047,760</u>	<u>6,054,440</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,443,330</u>	<u>\$ 1,168,183</u>	<u>\$ 1,126,437</u>	<u>\$ 7,737,950</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, 2019

	Special Revenue Funds	Capital Projects SPLOST I Fund	Debt Service Fund	Total Non-Major Funds
Revenues				
State funds	\$ 1,469,246	\$ -	\$ -	\$ 1,469,246
Federal funds	9,537,584	-	-	9,537,584
Local and other funds	<u>7,546,278</u>	<u>69,437</u>	<u>7,009,270</u>	<u>14,624,985</u>
Total revenues	<u>18,553,108</u>	<u>69,437</u>	<u>7,009,270</u>	<u>25,631,815</u>
Expenditures				
Current				
Instruction	5,820,198	-	-	5,820,198
Support services				
Pupil services	1,987,075	-	-	1,987,075
Improvement of instructional services	71,418	-	-	71,418
Instructional staff training	374,272	-	-	374,272
Educational media services	78,706	-	-	78,706
Federal grants administration	369,537	-	-	369,537
School administration	314,824	-	-	314,824
Maintenance and operation of facilities	78,706	-	-	78,706
Student transportation services	108,700	-	-	108,700
Community service	2,663,098	-	-	2,663,098
Food services	7,345,845	-	-	7,345,845
Capital outlay	-	3,540,447	-	3,540,447
Debt service				
Principal retirement	-	-	5,390,000	5,390,000
Interest and fees	<u>-</u>	<u>-</u>	<u>1,082,574</u>	<u>1,082,574</u>
Total expenditures	<u>19,212,379</u>	<u>3,540,447</u>	<u>6,472,574</u>	<u>29,225,400</u>
Deficiency of revenues under expenditures	(659,271)	(3,471,010)	536,696	(3,593,585)
Other financing sources				
Transfers in	<u>454,222</u>	<u>2,410,000</u>	<u>-</u>	<u>2,864,222</u>
Total other financing sources	<u>454,222</u>	<u>2,410,000</u>	<u>-</u>	<u>2,864,222</u>
Net change in fund balances	(205,049)	(1,061,010)	536,696	(729,363)
Fund balances, beginning of year	<u>4,078,011</u>	<u>2,194,728</u>	<u>511,064</u>	<u>6,783,803</u>
Fund balances, end of year	<u>\$ 3,872,962</u>	<u>\$ 1,133,718</u>	<u>\$ 1,047,760</u>	<u>\$ 6,054,440</u>

Fayette County Board of Education

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

June 30, 2019

	School Nutrition Service	Title I	IDEA	Vocational Grants
ASSETS				
Cash	\$ 1,112,602	\$ -	\$ -	\$ -
Investments	-	-	-	-
Due from other governments	-	197,920	540,773	2,495
Due from others	-	-	-	-
Inventory	239,928	-	-	-
Total assets	<u>\$ 1,352,530</u>	<u>\$ 197,920</u>	<u>\$ 540,773</u>	<u>\$ 2,495</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 1,488	\$ 3,531	\$ -
Unearned revenue	213,460	-	-	-
Salaries payable	247,159	38,056	248,728	-
Due to other funds	13,020	158,376	288,514	2,495
Total liabilities	<u>473,639</u>	<u>197,920</u>	<u>540,773</u>	<u>2,495</u>
Fund balances				
Nonspendable	239,928	-	-	-
Restricted	638,963	-	-	-
Committed	-	-	-	-
Total fund balances	<u>878,891</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,352,530</u>	<u>\$ 197,920</u>	<u>\$ 540,773</u>	<u>\$ 2,495</u>

Title II	Title III	Title IV	JR ROTC	Lottery
\$ -	\$ -	\$ -	\$ 30,865	\$ 126,950
-	-	-	-	-
40,467	8,780	3,510	1,145	-
-	-	-	-	-
-	-	-	-	-
<u>40,467</u>	<u>8,780</u>	<u>3,510</u>	<u>32,010</u>	<u>126,950</u>

\$ 20	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
16,691	2,831	-	32,010	126,950
<u>23,756</u>	<u>5,949</u>	<u>3,510</u>	<u>-</u>	<u>-</u>
<u>40,467</u>	<u>8,780</u>	<u>3,510</u>	<u>32,010</u>	<u>126,950</u>

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

<u>\$ 40,467</u>	<u>\$ 8,780</u>	<u>\$ 3,510</u>	<u>\$ 32,010</u>	<u>\$ 126,950</u>
------------------	-----------------	-----------------	------------------	-------------------

continued

Fayette County Board of Education

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

June 30, 2019

	Friends Mentoring Program	Other Grants	Community Education	After School Program
ASSETS				
Cash	\$ 18,388	\$ 5,352	\$ 326,402	\$ 1,329,884
Investments	-	-	-	-
Due from other governments	-	-	-	-
Due from others	-	-	-	608
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 18,388</u>	<u>\$ 5,352</u>	<u>\$ 326,402</u>	<u>\$ 1,330,492</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 8,266	\$ 63
Unearned revenue	-	-	-	-
Salaries payable	-	-	-	103,754
Due to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>8,266</u>	<u>103,817</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	18,388	5,352	-	-
Committed	-	-	318,136	1,226,675
	<u>-</u>	<u>-</u>	<u>318,136</u>	<u>1,226,675</u>
Total fund balances	<u>18,388</u>	<u>5,352</u>	<u>318,136</u>	<u>1,226,675</u>
Total liabilities and fund balances	<u>\$ 18,388</u>	<u>\$ 5,352</u>	<u>\$ 326,402</u>	<u>\$ 1,330,492</u>

Donation Funds	Auditorium Rentals	Principals' Fund	Total
\$ 84,502	\$ 115,053	\$ 1,254,748	\$ 4,404,746
2,958	-	-	2,958
-	-	-	795,090
			608
-	-	-	239,928
<u>\$ 87,460</u>	<u>\$ 115,053</u>	<u>\$ 1,254,748</u>	<u>\$ 5,443,330</u>

\$ 204	\$ 31,537	\$ -	\$ 45,109
-	-	-	213,460
-	-	-	816,179
-	-	-	495,620
<u>204</u>	<u>31,537</u>	<u>-</u>	<u>1,570,368</u>

-	-	-	239,928
-	-	-	662,703
<u>87,256</u>	<u>83,516</u>	<u>1,254,748</u>	<u>2,970,331</u>
<u>87,256</u>	<u>83,516</u>	<u>1,254,748</u>	<u>3,872,962</u>

<u>\$ 87,460</u>	<u>\$ 115,053</u>	<u>\$ 1,254,748</u>	<u>\$ 5,443,330</u>
------------------	-------------------	---------------------	---------------------

Fayette County Board of Education

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

Special Revenue Funds

For the year ended June 30, 2019

	School Nutrition Service	Title I	IDEA	Vocational Grants
Revenues				
State funds	\$ 174,918	\$ -	\$ -	\$ -
Federal funds	3,427,272	1,704,854	3,675,886	119,539
Local and other funds	3,255,175	-	-	-
Total revenues	<u>6,857,365</u>	<u>1,704,854</u>	<u>3,675,886</u>	<u>119,539</u>
Expenditures				
Current				
Instruction	-	995,468	1,943,414	119,539
Support services				
Pupil services	-	425,948	1,532,150	-
Improvement of instructional services	-	6,970	-	-
Instructional staff training	-	41,290	36,028	-
Educational media services	-	-	-	-
Federal grants administration	-	217,395	152,083	-
School administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	17,783	12,211	-
Community service	-	-	-	-
Food services	7,345,845	-	-	-
Total expenditures	<u>7,345,845</u>	<u>1,704,854</u>	<u>3,675,886</u>	<u>119,539</u>
Excess (deficiency) of revenues over (under) expenditures	(488,480)	-	-	-
Other financing sources				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(488,480)	-	-	-
Fund balances, beginning of year	<u>1,367,371</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 878,891</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title II	Title III	Title IV	JR ROTC	Lottery
\$ -	\$ -	\$ -	\$ -	\$ 1,294,328
288,993	101,797	86,239	133,004	-
-	-	-	-	-
<u>288,993</u>	<u>101,797</u>	<u>86,239</u>	<u>133,004</u>	<u>1,294,328</u>
-	27,487	65,676	377,652	1,503,902
-	28,977	-	-	-
-	37,313	20,563	-	-
288,934	8,020	-	-	-
-	-	-	-	-
59	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>288,993</u>	<u>101,797</u>	<u>86,239</u>	<u>377,652</u>	<u>1,503,902</u>
-	-	-	(244,648)	(209,574)
-	-	-	244,648	209,574
-	-	-	244,648	209,574
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued

Fayette County Board of Education

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED

Special Revenue Funds

For the year ended June 30, 2019

	Friends Mentoring Program	Other Grants	Community Education	After School Program
Revenues				
State funds	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Local and other funds	1,145	1,235	322,506	2,241,005
Total revenues	1,145	1,235	322,506	2,241,005
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Pupil services	-	-	-	-
Improvement of instructional services	-	-	-	-
Instructional staff training	-	-	-	-
Educational media services	-	-	-	-
Federal grants administration	-	-	-	-
School administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	-	-	-
Community service	3,955	637	345,086	1,983,875
Food services	-	-	-	-
Total expenditures	3,955	637	345,086	1,983,875
Excess (deficiency) of revenues over (under) expenditures	(2,810)	598	(22,580)	257,130
Other financing sources				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(2,810)	598	(22,580)	257,130
Fund balances, beginning of year	21,198	4,754	340,716	969,545
Fund balances, end of year	<u>\$ 18,388</u>	<u>\$ 5,352</u>	<u>\$ 318,136</u>	<u>\$ 1,226,675</u>

Donation Funds	Auditorium Rentals	Principals' Fund	Total
\$ -	\$ -	\$ -	\$ 1,469,246
-	-	-	9,537,584
<u>44,994</u>	<u>29,106</u>	<u>1,651,112</u>	<u>7,546,278</u>
<u>44,994</u>	<u>29,106</u>	<u>1,651,112</u>	<u>18,553,108</u>
-	-	787,060	5,820,198
-	-	-	1,987,075
6,572	-	-	71,418
-	-	-	374,272
-	-	78,706	78,706
-	-	-	369,537
-	-	314,824	314,824
-	-	78,706	78,706
-	-	78,706	108,700
37,324	56,104	236,117	2,663,098
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,345,845</u>
<u>43,896</u>	<u>56,104</u>	<u>1,574,119</u>	<u>19,212,379</u>
1,098	(26,998)	76,993	(659,271)
<u>-</u>	<u>-</u>	<u>-</u>	<u>454,222</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>454,222</u>
1,098	(26,998)	76,993	(205,049)
<u>86,158</u>	<u>110,514</u>	<u>1,177,755</u>	<u>4,078,011</u>
<u>\$ 87,256</u>	<u>\$ 83,516</u>	<u>\$ 1,254,748</u>	<u>\$ 3,872,962</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, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
State funds	\$ 185,000	\$ 185,000	\$ 174,918	\$ (10,082)
Federal funds	3,626,000	3,626,000	3,427,272	(198,728)
Local and other funds	<u>3,050,000</u>	<u>3,050,000</u>	<u>3,255,175</u>	<u>205,175</u>
Total revenues	<u>6,861,000</u>	<u>6,861,000</u>	<u>6,857,365</u>	<u>(3,635)</u>
Expenditures				
Current				
Food services	<u>6,861,000</u>	<u>6,861,000</u>	<u>7,345,845</u>	<u>(484,845)</u>
Total expenditures	<u>6,861,000</u>	<u>6,861,000</u>	<u>7,345,845</u>	<u>(484,845)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (488,480)</u>	<u>\$ (488,480)</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Federal funds	\$ 1,590,531	\$ 1,693,605	\$ 1,704,854	\$ 11,249
Total revenues	<u>1,590,531</u>	<u>1,693,605</u>	<u>1,704,854</u>	<u>11,249</u>
Expenditures				
Current				
Instruction	1,010,041	992,505	995,468	(2,963)
Support services				
Pupil services	291,163	399,552	425,948	(26,396)
Improvement of instructional services	8,441	5,884	6,970	(1,086)
Instructional staff training	30,292	49,878	41,290	8,588
Federal grant administration	218,605	222,397	217,395	5,002
Student transportation services	<u>31,989</u>	<u>23,389</u>	<u>17,783</u>	<u>5,606</u>
Total expenditures	<u>1,590,531</u>	<u>1,693,605</u>	<u>1,704,854</u>	<u>(11,249)</u>
Net change in fund balances	<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, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	\$ 4,175,402	\$ 4,421,621	\$ 3,675,886	\$ (745,735)
Total revenues	<u>4,175,402</u>	<u>4,421,621</u>	<u>3,675,886</u>	<u>(745,735)</u>
Expenditures				
Current				
Instruction	2,417,346	2,469,550	1,943,414	526,136
Support services				
Pupil services	1,510,368	1,712,091	1,532,150	179,941
Instructional staff training	76,000	51,500	36,028	15,472
Federal grant administration	150,688	172,780	152,083	20,697
General administration	2,700	700	-	700
Student transportation services	<u>18,300</u>	<u>15,000</u>	<u>12,211</u>	<u>2,789</u>
Total expenditures	<u>4,175,402</u>	<u>4,421,621</u>	<u>3,675,886</u>	<u>745,735</u>
Net change in fund balances	<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, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	\$ 114,400	\$ 119,539	\$ 119,539	\$ -
Total revenues	114,400	119,539	119,539	-
Expenditures				
Current				
Instruction	114,400	119,539	119,539	-
Total expenditures	114,400	119,539	119,539	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

Fayette County Board of Education

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

For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Federal funds	<u>\$ 339,690</u>	<u>\$ 338,630</u>	<u>\$ 288,993</u>	<u>\$ (49,637)</u>
Total revenues	<u>339,690</u>	<u>338,630</u>	<u>288,993</u>	<u>(49,637)</u>
Expenditures				
Current				
Support services				
Instructional staff training	339,390	338,330	288,934	49,396
Federal grant administration	<u>300</u>	<u>300</u>	<u>59</u>	<u>241</u>
Total expenditures	<u>339,690</u>	<u>338,630</u>	<u>288,993</u>	<u>49,637</u>
Net change in fund balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Fayette County Board of Education

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

For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	\$ 110,584	\$ 99,785	\$ 101,797	\$ 2,012
Total revenues	<u>110,584</u>	<u>99,785</u>	<u>101,797</u>	<u>2,012</u>
Expenditures				
Current				
Instruction	31,046	25,985	27,487	(1,502)
Support services				
Pupil services	29,885	23,872	28,977	(5,105)
Improvement of instructional services	36,595	37,335	37,313	22
Instructional staff training	6,000	12,593	8,020	4,573
Student transportation services	1,500	-	-	-
Other support services	5,558	-	-	-
Total expenditures	<u>110,584</u>	<u>99,785</u>	<u>101,797</u>	<u>(2,012)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fayette County Board of Education

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

For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Federal funds	\$ 37,499	\$ 105,516	\$ 86,239	\$ (19,277)
Total revenues	<u>37,499</u>	<u>105,516</u>	<u>86,239</u>	<u>(19,277)</u>
Expenditures				
Current				
Instruction	26,499	74,900	65,676	9,224
Support services				
Improvement of instructional services	1,000	30,616	20,563	10,053
Instructional staff training	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>37,499</u>	<u>105,516</u>	<u>86,239</u>	<u>19,277</u>
Net change in fund balances	<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, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	\$ 140,000	\$ 140,000	\$ 133,004	\$ (6,996)
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>133,004</u>	<u>(6,996)</u>
Expenditures				
Current				
Instruction	<u>377,063</u>	<u>377,063</u>	<u>377,652</u>	<u>(589)</u>
Total expenditures	<u>377,063</u>	<u>377,063</u>	<u>377,652</u>	<u>(589)</u>
Deficiency of revenues under expenditures	(237,063)	(237,063)	(244,648)	(7,585)
Other financing sources				
Transfers in	<u>237,063</u>	<u>237,063</u>	<u>244,648</u>	<u>7,585</u>
Total other financing sources	<u>237,063</u>	<u>237,063</u>	<u>244,648</u>	<u>7,585</u>
Net change in fund balances	<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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
State funds	<u>\$ 1,225,000</u>	<u>\$ 1,225,000</u>	<u>\$ 1,294,328</u>	<u>\$ 69,328</u>
Total revenues	<u>1,225,000</u>	<u>1,225,000</u>	<u>1,294,328</u>	<u>69,328</u>
Expenditures				
Current				
Instruction	<u>1,567,154</u>	<u>1,567,154</u>	<u>1,503,902</u>	<u>63,252</u>
Total expenditures	<u>1,567,154</u>	<u>1,567,154</u>	<u>1,503,902</u>	<u>63,252</u>
Deficiency of revenues under expenditures	(342,154)	(342,154)	(209,574)	132,580
Other financing sources				
Transfers in	<u>342,154</u>	<u>342,154</u>	<u>209,574</u>	<u>(132,580)</u>
Total other financing sources	<u>342,154</u>	<u>342,154</u>	<u>209,574</u>	<u>(132,580)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fayette County Board of Education

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

For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	\$ 1,000	\$ 1,000	\$ 1,145	\$ 145
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,145</u>	<u>145</u>
Expenditures				
Current				
Community service	<u>5,000</u>	<u>5,000</u>	<u>3,955</u>	<u>1,045</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,955</u>	<u>1,045</u>
Net change in fund balances	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>	<u>\$ (2,810)</u>	<u>\$ 1,190</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, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,235</u>	<u>\$ 235</u>
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,235</u>	<u>235</u>
Expenditures				
Current				
Community service	<u>1,000</u>	<u>1,000</u>	<u>637</u>	<u>363</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>637</u>	<u>363</u>
Net change in fund balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 598</u></u>	<u><u>\$ 598</u></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, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 322,506</u>	<u>\$ 97,506</u>
Total revenues	<u>225,000</u>	<u>225,000</u>	<u>322,506</u>	<u>97,506</u>
Expenditures				
Current				
Community service	<u>385,726</u>	<u>385,726</u>	<u>345,086</u>	<u>40,640</u>
Total expenditures	<u>385,726</u>	<u>385,726</u>	<u>345,086</u>	<u>40,640</u>
Net change in fund balances	<u><u>\$ (160,726)</u></u>	<u><u>\$ (160,726)</u></u>	<u><u>\$ (22,580)</u></u>	<u><u>\$ 138,146</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, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	<u>\$ 2,042,342</u>	<u>\$ 2,042,342</u>	<u>\$ 2,241,005</u>	<u>\$ 198,663</u>
Total revenues	<u>2,042,342</u>	<u>2,042,342</u>	<u>2,241,005</u>	<u>198,663</u>
Expenditures				
Current				
Community service	<u>2,042,342</u>	<u>2,042,342</u>	<u>1,983,875</u>	<u>58,467</u>
Total expenditures	<u>2,042,342</u>	<u>2,042,342</u>	<u>1,983,875</u>	<u>58,467</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,130</u>	<u>\$ 257,130</u>

Fayette County Board of Education

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

For the year ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	\$ 50,000	\$ 50,000	\$ 44,994	\$ (5,006)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>44,994</u>	<u>(5,006)</u>
Expenditures				
Current				
Improvement of instructional services	-	-	6,572	(6,572)
Community service	<u>50,000</u>	<u>50,000</u>	<u>37,324</u>	<u>12,676</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>43,896</u>	<u>6,104</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,098</u>	<u>\$ 1,098</u>

Fayette County Board of Education

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

For the year ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 29,106</u>	<u>\$ (15,894)</u>
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>29,106</u>	<u>(15,894)</u>
Expenditures				
Current				
Community service	<u>45,000</u>	<u>45,000</u>	<u>56,104</u>	<u>(11,104)</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>56,104</u>	<u>(11,104)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,998)</u>	<u>\$ (26,998)</u>

Fayette County Board of Education

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

For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Local and other funds	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$ 1,651,112</u>	<u>\$ 51,112</u>
Total revenues	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,651,112</u>	<u>51,112</u>
Expenditures				
Current				
Instruction	800,000	800,000	787,060	12,940
Support services				
Educational media services	80,000	80,000	78,706	1,294
School administration	320,000	320,000	314,824	5,176
Maintenance and operation of facilities	80,000	80,000	78,706	1,294
Student transportation services	80,000	80,000	78,706	1,294
Community service	<u>240,000</u>	<u>240,000</u>	<u>236,117</u>	<u>3,883</u>
Total expenditures	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,574,119</u>	<u>25,881</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,993</u>	<u>\$ 76,993</u>

Fayette County Board of Education

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

For the year ended June 30, 2019

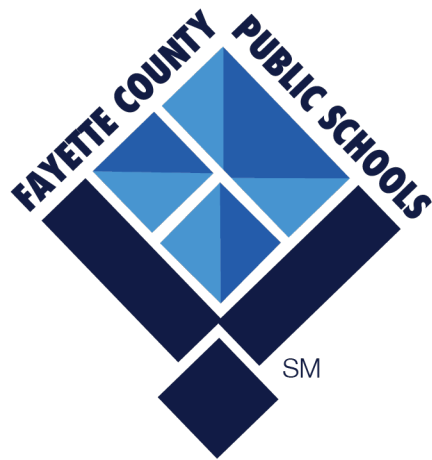
	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	\$ 6,474,424	\$ 6,474,424	\$ 7,009,270	\$ 534,846
Total revenues	<u>6,474,424</u>	<u>6,474,424</u>	<u>7,009,270</u>	<u>534,846</u>
Expenditures				
Debt services				
Principal retirement	5,390,000	5,390,000	5,390,000	-
Interest and fees	<u>2,229,216</u>	<u>2,229,216</u>	<u>1,082,574</u>	<u>1,146,642</u>
Total expenditures	<u>7,619,216</u>	<u>7,619,216</u>	<u>6,472,574</u>	<u>1,146,642</u>
Excess (deficiency) of revenues over (under) expenditures	(1,144,792)	(1,144,792)	536,696	1,681,488
Other financing sources				
Transfers in	<u>1,144,792</u>	<u>1,144,792</u>	<u>-</u>	<u>(1,144,792)</u>
Total other financing sources	<u>1,144,792</u>	<u>1,144,792</u>	<u>-</u>	<u>(1,144,792)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536,696</u>	<u>\$ 536,696</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.



Where Excellence and Creativity Merge

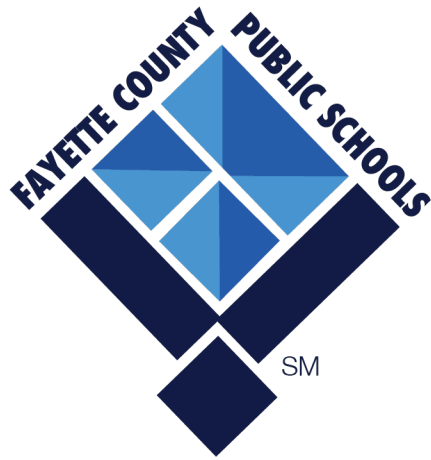
(This page intentionally left blank.)

Fayette County Board of Education

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the year ended June 30, 2019

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
ASSETS				
Cash	<u>\$ 1,806,722</u>	<u>\$ 4,891,175</u>	<u>\$ 4,940,224</u>	<u>\$ 1,757,673</u>
LIABILITIES				
Due to student groups	<u>\$ 1,806,722</u>	<u>\$ 4,891,175</u>	<u>\$ 4,940,224</u>	<u>\$ 1,757,673</u>



Where Excellence and Creativity Merge

(This page intentionally left blank.)

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, 2019**

Project	Original Estimated Cost	Current Estimated Cost	Prior Years' Expenditures	Current Year's Expenditures
Debt service payments on bonded debt (Series 1999, 2001 and 2005)	\$ 38,000,000	\$ 25,461,911	\$ 25,461,911	\$ -
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	17,000,000	34,000,000	29,342,442	3,015,945
Acquisition of miscellaneous new equipment, fixtures and furnishings the school system, including technology infrastructure, equipment and software, safety and security equipment	47,500,000	47,000,000	45,982,284	524,502
Acquisition of textbooks	2,500,000	6,111,906	6,111,906	-
Acquisition of school buses and transportation and maintenance equipment	<u>10,000,000</u>	<u>11,797,132</u>	<u>11,797,132</u>	<u>-</u>
	<u>\$ 115,000,000</u>	<u>\$ 124,370,949</u>	<u>\$ 118,695,675</u>	<u>\$ 3,540,447</u>

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

FAYETTE COUNTY BOARD OF EDUCATION

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2012 ISSUE
FOR THE YEAR ENDED JUNE 30, 2019**

Project	Original Estimated Cost	Current Estimated Cost	Prior Years' Expenditures	Current Year's Expenditures
Debt service payments on previously issued bonded debt	\$ 10,000,000	\$ 2,500,000	\$ -	\$ -
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	35,000,000	90,000,000	63,000,603	5,463,417
Acquisition of miscellaneous new equipment, fixtures and furnishings for the school system, including technology infrastructure, equipment and software, safety and security equipment	42,000,000	37,700,000	23,622,186	7,425,728
Acquisition of textbooks and instructional materials	10,000,000	10,000,000	6,142,922	2,582,158
Acquisition of school buses and transportation and maintenance equipment	<u>10,000,000</u>	<u>10,000,000</u>	<u>6,261,447</u>	<u>714,222</u>
	<u>\$ 107,000,000</u>	<u>\$ 150,200,000</u>	<u>\$ 99,027,158</u>	<u>\$ 16,185,525</u>

NOTE: \$2,500,000 was transferred out of the 2012 Issue (SPLOST II) into the 2008 Issue (SPLOST I) and the 2017 Issue (SPLOST III) for like approved projects. Expenditures related to the transfer are reported in the SPLOST I and SPLOST III schedules.

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 are primarily state grants.

FAYETTE COUNTY BOARD OF EDUCATION

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 ISSUE
FOR THE YEAR ENDED JUNE 30, 2019**

Project	Original Estimated Cost	Current Estimated Cost	Prior Years' Expenditures	Current Year's Expenditures
Debt service payments on previously issued bonded debt	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities, and acquisition, constuction and equipping new school buildings and school system facilities	74,000,000	84,000,000	6,693,923	24,064,710
Acquisition of miscellaneous new equipment, fixtures and furnishings for the school system, including technology infrastructure, equipment and software, safety and security equipment	50,000,000	50,000,000	-	-
Acquisition of textbooks and instructional materials	8,000,000	8,000,000	-	862,172
Acquisition of school buses and transportation and maintenance equipment	8,000,000	8,000,000	-	-
Payment of interest on general obligation debt issued related to the SPLOST referendum.	-	31,593,504	-	1,145,568
	<u>\$ 145,000,000</u>	<u>\$ 186,593,504</u>	<u>\$ 6,693,923</u>	<u>\$ 26,072,450</u>

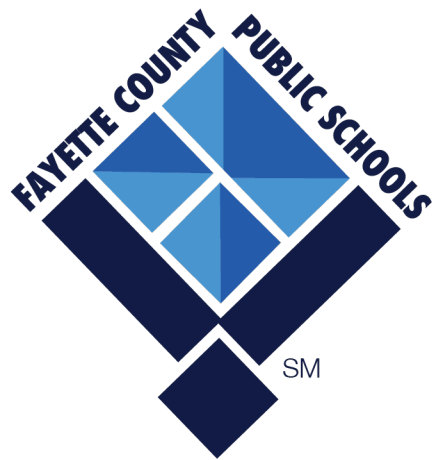
The amounts included in current estimated cost above, as well as prior years' and current year's expenditures include costs funded from non-SPLOST revenues. Those revenue sources include state grants, proceeds from the issuance of bonds, proceeds from the sale of capital assets and transfers from other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

FAYETTE COUNTY BOARD OF EDUCATION

**SCHEDULE OF EXPENDITURES BY OBJECT
LOTTERY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019**

Expenditures

Operating costs	
Salaries	\$ 1,044,969
Employee benefits	438,933
Supplies and materials	9,935
Supplies and materials related to technology	528
Expendable equipment	9,120
Expendable computer equipment	177
Books and periodicals	<u>240</u>
 Total expenditures	 \$ <u>1,503,902</u>



Where Excellence and Creativity Merge

(This page intentionally left blank.)

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.

Contents	Page
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>	142
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>	151
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>	159
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>	164
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>	176



Where Excellence and Creativity Merge

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

	Fiscal Year			
	<u>2019</u>	<u>2018 (a)</u>	<u>2017</u>	<u>2016</u>
Governmental Activities				
Net investment in capital assets	\$ 257,204,103	\$ 241,976,851	\$ 228,529,060	\$ 207,779,562
Restricted	22,440,593	38,634,281	31,851,204	32,124,998
Unrestricted	<u>(274,387,632)</u>	<u>(296,315,785)</u>	<u>(132,765,628)</u>	<u>(122,077,469)</u>
Total governmental activities net position	<u>\$ 5,257,064</u>	<u>\$ (15,704,653)</u>	<u>\$ 127,614,636</u>	<u>\$ 117,827,091</u>

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

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

2015 (b)	2014	2013	2012	2011	2010
\$ 186,432,779	\$ 168,187,655	\$ 178,523,433	\$ 175,064,622	\$ 172,653,135	\$ 169,508,268
41,198,421	41,020,287	37,659,348	31,257,451	26,335,635	8,971,932
<u>(134,974,173)</u>	<u>33,633,101</u>	<u>13,941,511</u>	<u>13,339,704</u>	<u>20,608,820</u>	<u>28,213,735</u>
<u>\$ 92,657,027</u>	<u>\$ 242,841,043</u>	<u>\$ 230,124,292</u>	<u>\$ 219,661,777</u>	<u>\$ 219,597,590</u>	<u>\$ 206,693,935</u>

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

Expenses	Fiscal Year			
	2019	2018	2017	2016
Governmental Activities				
Instruction	\$ 161,132,453	\$ 163,610,768	\$ 153,170,007	\$ 133,734,324
Support Services				
Pupil services	14,080,968	13,114,016	12,928,329	9,528,601
Improvement of instructional services	6,000,450	5,290,805	5,391,077	4,887,298
Instructional staff training	853,772	616,771	-	-
Educational media services	3,684,678	3,633,729	3,643,719	3,717,116
Federal administration	365,904	348,877	207,276	194,211
General administration	1,478,192	1,445,888	1,367,169	1,609,711
School administration	14,454,380	14,401,931	14,197,794	12,895,687
Business administration	1,325,334	1,369,710	1,376,557	986,533
Maintenance and operation of facilities	15,745,710	15,148,633	14,347,021	13,786,812
Student transportation services	10,503,034	10,386,171	10,052,045	9,112,882
Central support services	6,303,585	6,324,444	5,734,947	4,489,646
Other support services	232,354	244,308	318,883	434,780
Community services	2,595,096	2,653,207	2,577,257	2,352,200
Food services	7,850,877	7,870,165	7,897,792	7,386,296
Interest expense	2,149,912	2,024,416	1,719,075	1,920,806
Total governmental activities expenses	<u>\$ 248,756,699</u>	<u>\$ 248,483,839</u>	<u>\$ 234,928,948</u>	<u>\$ 207,036,903</u>
Program Revenues				
Charges for services				
Instruction	\$ 525,915	\$ 604,556	\$ 648,477	\$ 398,758
Support services	2,592,617	2,318,595	2,507,129	2,518,716
Food services	3,255,175	3,098,054	3,185,169	3,122,497
Operating grants and contributions	117,866,092	113,434,586	108,175,326	103,718,783
Capital grants and contributions	2,086,921	5,322,847	5,281,541	4,141,350
Total governmental activities program revenues	<u>\$ 126,326,720</u>	<u>\$ 124,778,638</u>	<u>\$ 119,797,642</u>	<u>\$ 113,900,104</u>
NET EXPENSE	<u>\$ (122,429,979)</u>	<u>\$ (123,705,201)</u>	<u>\$ (115,131,306)</u>	<u>\$ (93,136,799)</u>
General Revenues				
Governmental Activities				
Taxes:				
Property taxes	\$ 111,456,435	\$ 105,841,173	\$ 97,124,554	\$ 92,982,798
Intangible taxes	2,005,048	1,864,957	2,025,242	1,819,958
Transfer taxes	791,752	710,710	709,199	711,559
Other taxes	22,970	19,884	34,822	16,965
Sales tax, capital outlay and debt service	26,822,957	26,050,684	24,266,584	22,010,037
Interest and investment earnings	1,643,314	851,458	411,070	265,945
Gain on sale of assets	221,550	1,722,271	29,564	-
Other	427,670	289,004	317,816	499,601
Extraordinary items	-	-	-	-
Total governmental activities general revenues	<u>\$ 143,391,696</u>	<u>\$ 137,350,141</u>	<u>\$ 124,918,851</u>	<u>\$ 118,306,863</u>
Change in Net Position	<u>\$ 20,961,717</u>	<u>\$ 13,644,940</u>	<u>\$ 9,787,545</u>	<u>\$ 25,170,064</u>

2015	2014	2013	2012	2011	2010
\$ 126,035,930	\$ 123,283,652	\$ 126,989,501	\$ 138,166,002	\$ 140,677,264	\$ 138,121,383
8,982,470	8,940,118	9,446,688	9,361,037	9,331,883	5,132,093
4,233,092	3,919,268	4,059,005	4,396,525	4,229,846	4,331,092
-	-	-	-	-	-
3,031,063	3,078,138	3,435,491	3,714,750	3,757,201	3,620,838
-	-	-	-	-	-
1,664,955	1,778,299	1,676,637	1,328,258	1,192,086	1,162,135
11,092,787	11,570,184	12,982,540	13,925,349	13,192,469	12,788,338
865,120	872,724	1,067,217	937,222	1,139,105	1,078,060
13,133,822	12,683,045	13,854,947	16,157,767	16,161,495	14,884,267
8,620,521	8,820,745	8,687,580	9,031,403	8,073,549	7,710,847
3,658,754	2,830,478	2,700,778	3,402,613	4,140,542	4,434,557
225,350	491,443	276,311	303,373	290,337	282,244
2,292,410	2,137,412	2,311,865	2,385,232	2,194,891	2,401,650
7,090,152	7,495,355	7,534,165	8,078,108	7,925,808	7,709,527
2,242,423	3,154,736	3,466,114	3,898,053	4,557,031	5,022,769
<u>\$ 193,340,443</u>	<u>\$ 191,055,597</u>	<u>\$ 198,488,839</u>	<u>\$ 215,085,692</u>	<u>\$ 216,863,507</u>	<u>\$ 208,679,800</u>
\$ 390,482	\$ 391,846	\$ 365,145	\$ 455,409	\$ 335,649	\$ 392,228
2,399,442	2,238,940	2,141,197	2,220,197	2,181,465	2,330,335
3,204,349	3,565,762	3,624,379	3,911,898	3,943,587	4,120,152
98,522,267	96,557,210	94,197,669	91,800,116	102,475,842	99,837,085
4,805,599	132,000	1,270,878	228,659	1,213,372	398,221
<u>\$ 109,322,139</u>	<u>\$ 102,885,758</u>	<u>\$ 101,599,268</u>	<u>\$ 98,616,279</u>	<u>\$ 110,149,915</u>	<u>\$ 107,078,021</u>
\$ (84,018,304)	\$ (88,169,839)	\$ (96,889,571)	\$ (116,469,413)	\$ (106,713,592)	\$ (101,601,779)
\$ 87,023,400	\$ 84,458,044	\$ 84,722,620	\$ 94,275,592	\$ 99,163,635	\$ 115,268,389
1,533,959	1,288,192	1,813,025	1,392,564	1,331,459	1,273,783
518,915	427,724	346,278	288,711	266,814	265,509
15,647	15,611	-	-	-	-
21,094,300	20,241,186	19,968,392	20,009,700	18,259,865	18,802,125
125,297	85,588	93,786	78,268	108,504	121,947
-	-	-	-	-	-
485,388	420,342	671,912	488,765	486,970	533,005
-	(6,050,097)	-	-	-	-
<u>\$ 110,796,906</u>	<u>\$ 100,886,590</u>	<u>\$ 107,616,013</u>	<u>\$ 116,533,600</u>	<u>\$ 119,617,247</u>	<u>\$ 136,264,758</u>
<u>\$ 26,778,602</u>	<u>\$ 12,716,751</u>	<u>\$ 10,726,442</u>	<u>\$ 64,187</u>	<u>\$ 12,903,655</u>	<u>\$ 34,662,979</u>

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

	Fiscal Year			
	2019	2018	2017	2016
General Fund				
Nonspendable	\$ 214,009	\$ 134,250	\$ 224,118	\$ 140,206
Committed	-	-	-	-
Assigned	-	1,162,743	-	-
Unassigned	23,832,068	23,187,383	20,381,367	23,171,077
Unreserved	-	-	-	-
Total General Fund	<u>\$ 24,046,077</u>	<u>\$ 24,484,376</u>	<u>\$ 20,605,485</u>	<u>\$ 23,311,283</u>
All other governmental funds				
Nonspendable	\$ 239,938	\$ 229,048	\$ 137,351	\$ 381,893
Restricted	22,800,924	39,145,345	32,163,566	32,473,696
Committed	2,970,331	2,684,688	2,670,041	2,446,594
Assigned	10,179,613	6,360,212	7,104,275	10,637,994
Reserved	-	-	-	-
Unreserved, reported in:				
Special projects funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 36,190,806</u>	<u>\$ 48,419,293</u>	<u>\$ 42,075,233</u>	<u>\$ 45,940,177</u>

Note: Includes all governmental fund types.

A Reflects implementation of GASB Statement No. 54

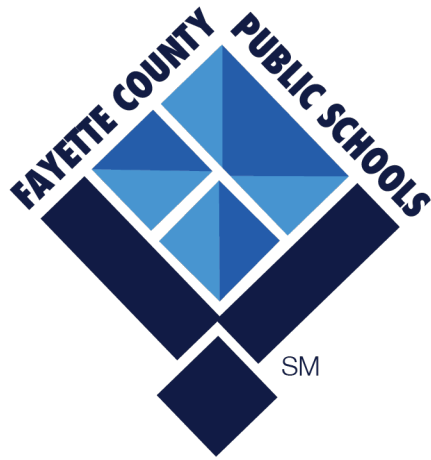
2015	2014	2013	2012	2011 (A)	2010
\$ 4,788	\$ 4,788	\$ 4,788	\$ 30,575	\$ 38,475	\$ -
989,886	791,710	580,481	399,052	230,102	-
-	-	-	14,197,281	16,435,948	-
26,378,632	22,751,211	14,505,398	2,190,268	9,632,929	-
-	-	-	-	-	17,288,019
<u>\$ 27,373,306</u>	<u>\$ 23,547,709</u>	<u>\$ 15,090,667</u>	<u>\$ 16,817,176</u>	<u>\$ 26,337,454</u>	<u>\$ 17,288,019</u>
\$ 193,570	\$ 180,376	\$ 192,252	\$ 491,954	\$ 259,836	\$ -
42,088,724	47,746,430	41,646,462	35,325,484	30,318,985	-
3,879,580	3,620,207	3,223,019	2,630,664	2,442,754	-
1,061,510	1,062,101	1,106,021	1,523,608	1,625,873	-
-	-	-	-	-	3,453,437
-	-	-	-	-	4,117,102
-	-	-	-	-	21,596,282
<u>\$ 47,223,384</u>	<u>\$ 52,609,114</u>	<u>\$ 46,167,754</u>	<u>\$ 39,971,710</u>	<u>\$ 34,647,448</u>	<u>\$ 29,166,821</u>

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

	Fiscal Year			
	2019	2018	2017	2016
Revenues				
State funds	\$ 108,867,070	\$ 107,770,068	\$ 101,955,190	\$ 97,281,667
Federal funds	9,537,584	8,844,154	8,883,979	9,333,571
Local and other funds	151,305,061	143,907,959	134,024,331	125,892,498
Total revenues	269,709,715	260,522,181	244,863,500	232,507,736
Expenditures				
Current				
Instruction	150,618,898	143,669,255	136,608,003	128,658,329
Support services				
Pupil services	14,238,355	12,856,592	12,318,614	9,974,713
Improvement of instructional services	5,871,893	5,123,315	5,118,563	4,844,095
Instructional staff training	857,759	616,771	-	-
Educational media services	3,581,681	3,383,542	3,174,174	2,907,278
Federal grants administration	369,537	345,363	199,122	194,211
General administration	1,475,381	1,422,399	1,313,145	1,650,868
School administration	14,148,506	13,897,843	13,318,954	12,661,688
Business administration	1,358,046	1,402,529	1,341,217	1,036,771
Maintenance and operation of facilities	14,916,288	14,933,616	14,267,062	13,726,106
Student transportation services	8,332,088	8,059,463	7,857,490	7,298,564
Central support services	5,408,329	4,875,470	4,788,118	4,001,455
Other support services	231,027	218,711	316,797	438,951
Community service	2,663,613	2,608,831	2,543,418	2,433,128
Food services	7,408,398	7,108,972	7,181,540	6,740,655
Capital outlay	43,600,120	54,872,825	34,823,453	34,966,996
Debt Service				
Principal retirement	5,390,000	5,205,000	4,995,000	4,189,955
Interest and fees	2,228,142	1,467,337	1,363,572	2,129,203
Bond issuance cost	-	-	-	-
Total expenditures	282,698,061	282,067,834	251,528,242	237,852,966
Excess (deficiency) of revenues over (under) expenditures	(12,988,346)	(21,545,653)	(6,664,742)	(5,345,230)
Other financing sources (uses)				
Sale of assets	221,550	3,282,300	94,000	-
Premium (discount) on issuance of bonds	-	3,668,604	-	-
Capital lease	-	-	-	-
Issuance of bonds/ refunding bonds	-	25,000,000	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	221,550	31,950,904	94,000	-
Net change in fund balances	(12,766,796)	10,405,251 ¹	(6,570,742)	(5,345,230)
Debt service as a percentage of noncapital expenditures	3.2%	2.8%	2.9%	3.0%

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

2015	2014	2013	2012	2011	2010
\$ 90,599,947	\$ 85,914,380	\$ 84,529,941	\$ 80,886,999	\$ 86,636,341	\$ 77,735,483
11,102,101	8,535,870	8,743,298	8,884,415	14,515,896	20,439,527
119,121,400	115,419,650	116,232,262	125,728,896	130,272,481	144,926,435
220,823,448	209,869,900	209,505,501	215,500,310	231,424,718	243,101,445
122,793,512	115,453,676	119,740,956	129,513,425	126,536,594	129,413,149
9,541,931	8,941,466	9,450,764	9,378,670	9,305,224	5,133,136
4,296,463	3,740,483	3,969,031	4,220,893	4,132,770	4,303,987
-	-	-	-	-	-
2,997,463	2,870,088	3,219,739	3,497,711	3,540,744	3,406,581
-	-	-	-	-	-
1,702,605	1,707,173	1,646,537	1,299,766	1,155,654	1,162,559
11,260,039	10,909,670	12,555,692	13,384,943	12,772,049	12,502,590
956,902	861,971	1,070,562	944,784	1,112,059	1,064,214
13,150,553	12,393,833	12,356,626	13,733,068	13,790,653	13,920,860
7,306,948	7,441,448	7,495,887	7,886,610	7,153,794	7,078,540
3,316,811	2,570,756	2,374,312	2,614,046	3,181,093	3,605,247
229,642	491,443	276,311	303,373	297,832	282,244
2,359,127	2,137,436	2,299,935	2,376,826	2,177,702	2,387,429
6,427,196	6,707,814	6,658,939	7,207,059	7,030,245	6,810,308
24,978,776	6,318,135	7,758,864	9,151,831	12,914,799	8,612,189
8,585,520	9,206,900	9,815,716	9,496,943	11,062,504	18,766,832
2,480,093	3,264,945	4,346,095	4,686,378	4,042,368	3,009,514
-	323,414	-	-	-	81,061
222,383,581	195,340,651	205,035,966	219,696,326	220,206,084	221,540,440
(1,560,133)	14,529,249	4,469,535	(4,196,016)	11,218,634	21,561,005
-	5,170,000	-	-	-	-
-	-	-	-	-	1,118,947
-	-	-	-	3,311,428	127,103
-	53,240,000	-	-	-	24,800,000
-	(58,040,847)	-	-	-	(25,830,762)
-	369,153	-	-	3,311,428	215,288
(1,560,133)	14,898,402	4,469,535	(4,196,016)	14,530,062	21,776,293
5.5%	6.5%	7.1%	6.6%	6.9%	10.1%



Where Excellence and Creativity Merge

(This page intentionally left blank.)

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				
2019	6,034,277	92,942	77,951	1,131,602	5,073,568	19.500	15,512,925	40%
2018	5,712,341	122,973	76,918	1,033,520	4,878,712	19.500	14,780,580	40%
2017	5,086,160	166,111	75,650	918,934	4,408,987	19.750	13,319,803	40%
2016	4,761,779	218,903	74,640	842,707	4,212,615	20.000	12,638,305	40%
2015	4,311,654	296,890	74,580	748,672	3,934,452	20.000	11,707,810	40%
2014	4,210,089	354,671	74,510	736,562	3,902,708	20.000	11,598,175	40%
2013	4,190,197	333,992	72,396	684,150	3,912,435	20.000	11,491,463	40%
2012	4,685,363	320,053	72,841	720,582	4,357,675	20.000	12,695,643	40%
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%

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				
2019	6,034,277	92,942	77,951	1,096,526	5,108,644	1.350	15,512,925	40%
2018	5,712,341	122,973	76,918	997,280	4,914,952	1.350	14,780,580	40%
2017	5,086,160	166,111	75,650	882,872	4,445,049	1.350	13,319,803	40%
2016	4,761,779	218,903	74,640	805,577	4,249,745	1.350	12,638,305	40%
2015	4,311,654	296,890	74,580	711,210	3,971,914	1.450	11,707,810	40%
2014	4,210,089	354,671	74,510	696,952	3,942,318	1.450	11,598,175	40%
2013	4,190,197	333,992	72,396	642,828	3,953,757	1.450	11,491,463	40%
2012	4,685,363	320,053	72,841	677,754	4,400,503	1.650	12,695,643	40%
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%

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
2019	19.500	1.350	20.850	4.392	4.392	3.070	0.456
2018	19.500	1.350	20.850	4.509	4.509	3.070	0.456
2017	19.750	1.350	21.100	4.917	4.917	3.070	0.456
2016	20.000	1.350	21.350	5.171	5.171	3.070	0.456
2015	20.000	1.450	21.450	5.602	5.602	3.070	0.456
2014	20.000	1.450	21.450	5.714	5.714	3.070	0.456
2013	20.000	1.450	21.450	5.645	5.645	3.030	0.450
2012	20.000	1.650	21.650	5.645	5.645	2.500	0.450
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

Source: Georgia Department of Revenue

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

Overlapping Governments

E911 (3) District Millage	City of Fayetteville Millage	City of Tyrone Millage	City of Brooks Millage	City of Peachtree City Millage	City of Peachtree City Debt Service	State Millage
0.210	5.646	2.889	0.680	6.232	0.176	-
0.210	3.874	2.889	0.723	6.232	0.027	-
0.210	3.874	2.889	0.799	6.756	0.309	-
0.210	3.874	2.889	0.840	6.756	0.314	0.050
0.210	3.874	2.889	0.899	6.756	0.332	0.100
0.210	3.926	2.889	0.940	6.756	0.332	0.150
0.207	3.882	2.889	0.929	6.756	0.422	0.200
0.207	3.441	2.889	0.816	6.384	0.399	0.250
-	3.240	2.889	0.789	6.384	0.399	0.250
-	2.988	2.889	0.730	5.134	0.399	0.250

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

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

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
-	103,295,147	97.6%
527,829	99,049,280	97.3%
547,020	92,004,632	98.8%
818,097	88,500,417	98.3%
756,045	83,776,342	99.2%
1,010,824	83,770,516	100.0%
1,102,109	83,981,638	100.0%
2,730,162	94,344,177	99.9%
2,085,148	97,338,695	99.9%
4,316,541	111,846,578	99.9%

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

Fiscal Year	Property Tax	Auto Title/ Ad Valorem	Intangible Tax	Transfer Tax	Special Purpose Local Option Sales Tax
2019	\$ 109,791,095	\$ 1,665,340	\$ 2,005,048	\$ 791,752	\$ 26,822,957
2018	97,054,882	8,786,291	1,864,957	710,710	26,050,684
2017	88,579,167	8,545,387	2,025,242	709,199	24,266,584
2016	84,025,850	8,956,949	1,819,958	711,558	22,010,037
2015	77,946,865	9,076,535	1,533,959	518,915	21,094,300
2014	75,056,047	9,401,997	1,288,192	427,724	20,241,186
2013	76,450,608	8,272,012	1,813,025	346,278	19,968,392
2012	86,806,456	7,469,136	1,392,564	273,132	20,009,700
2011	91,741,352	7,422,283	1,331,459	266,814	18,259,865
2010	107,637,996	7,630,393	1,273,783	265,509	18,802,125

Other Taxes		Total	
\$	22,970	\$	141,099,162
	19,884		134,487,408
	34,822		124,160,401
	16,965		117,541,317
	15,647		110,186,221
	15,611		106,430,757
	-		106,850,315
	15,579		115,966,567
	-		119,021,773
	-		135,609,806

**Fayette County Board of Education
Principal Taxpayers (Top Ten)
June 30, 2019 and Nine Years Ago**

Taxpayer	FY 2019			FY 2009		
	Assessed	Rank	Percentage of Total Assessed Valuation	Assessed	Rank	Percentage of Total Assessed Valuation
Wencor LLC	\$ 28,909,796	1	0.47%			
Coweta Fayette EMC	26,613,685	2	0.43%	25,684,178	3	0.49%
Brent Scarbrough & Co. Inc.	20,979,295	3	0.34%			
Walmart Stores Inc.	20,682,435	4	0.33%			
Georgia Power Company	17,813,249	5	0.29%	10,403,027	7	0.20%
Hoshizaka America	16,495,749	6	0.27%			
Fayette County Development Authority	15,875,504	7	0.26%			0.00%
Cooper Lighting LLC	14,214,284	8	0.23%			
Pinewood Atlanta LLC	14,070,827	9	0.23%			
Atlanta Gas Light Co.	13,455,123	10	0.22%	11,877,153	6	0.23%
NCR Corporation				34,221,404	1	0.65%
DDRTC Fayette Pavilion I & II				28,788,204	2	0.55%
DDRTC Fayette Pavilion III & IV				17,378,720	4	0.33%
BellSouth				14,186,588	5	0.27%
Summit Properties Partnerships				9,865,200	8	0.19%
CP Venture Five -APC LLC				8,863,560	9	0.17%
KRG Kedron Village LLC				8,608,064	10	0.16%
Other Taxpayers	6,016,060,081		96.95%	5,108,512,902		96.78%
	<u>\$ 6,205,170,028</u>		<u>100.00%</u>	<u>\$ 5,278,389,000</u>		<u>100.00%</u>

Source: Fayette County Tax Commissioner

Note: Amounts for FY 2019 relate to tax year 2018.

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	Certificates	Capital						
Bonds (1)	of Participation	Leases						
2019	\$ 65,248,220	\$ -	\$ -	\$ 65,248,220	NA	NA		
2018	71,213,687	-	-	71,213,687	0.99%	627.16		
2017	47,869,972	-	-	47,869,972	0.70%	425.02		
2016	52,908,467	-	-	52,908,467	0.82%	475.21		
2015	57,160,274	-	-	57,160,274	0.93%	518.68		
2014	65,805,944	-	-	65,805,944	1.13%	602.52		
2013	66,463,730	455,000	763,755	67,682,485	1.25%	626.32		
2012	74,031,558	890,000	2,860,622	77,782,180	1.45%	724.80		
2011	81,352,277	1,300,000	4,910,785	87,563,062	1.71%	817.19		
2010	90,578,648	1,690,000	3,329,429	95,598,077	1.99%	893.96		

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 176.

(3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 176.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Less: Amounts Available in Debt Service Fund (2)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (3)</u>	<u>Per Capita (4)</u>
2019	\$ 65,248,220	\$ -	\$ 65,248,220	0.42%	NA
2018	71,213,687	-	71,213,687	0.48%	627.16
2017	47,869,972	-	47,869,972	0.36%	425.02
2016	52,908,467	-	52,908,467	0.42%	475.21
2015	57,160,274	-	57,160,274	0.49%	518.68
2014	65,805,944	-	65,805,944	0.57%	602.52
2013	66,463,730	-	66,463,730	0.58%	615.05
2012	74,031,558	-	74,031,558	0.58%	689.85
2011	81,352,277	-	81,352,277	0.62%	759.23
2010	88,670,800	-	88,670,800	0.62%	829.18

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

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

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

(3) See the Schedule of Assessed and Estimated Actual Value of Taxable Property on page 151 for property tax data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 176.

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, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Peachtree City	\$ 3,433,811	100%	\$ 3,433,811
Fayette County	-	100%	<u>28,673,759</u>
Total Overlapping Debt			32,107,570
Fayette County Board of Education, direct debt			<u>65,248,220</u>
Total Direct and Overlapping Debt			<u><u>\$ 97,355,790</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 2019

Assessed value 2018 tax digest				\$ 5,108,644,302
Limit of bonded indebtedness, 10% of net assessed taxable property value				510,864,430
Amount of debt applicable to the debt limit General obligation bonds, net of original issuance discounts and premiums				<u>65,248,220</u>
Legal Debt Margin				<u>\$ 445,616,210</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt limit	\$ 510,864,430	\$ 491,495,247	\$ 444,504,926
Total debt applicable to limit	<u>65,248,220</u>	<u>71,213,687</u>	<u>47,869,972</u>
Legal debt margin	<u>\$ 445,616,210</u>	<u>\$ 420,281,569</u>	<u>\$ 396,634,954</u>
 Total debt applicable as a percentage of debt limit	 12.8%	 14.5%	 10.8%

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 424,974,542	\$ 397,191,396	\$ 394,231,773	\$ 395,375,655	\$ 440,050,269	\$ 462,186,375	\$ 506,500,006
<u>52,908,467</u>	<u>57,160,274</u>	<u>65,805,944</u>	<u>66,918,730</u>	<u>74,921,558</u>	<u>82,652,277</u>	<u>92,268,648</u>
<u>\$ 372,066,075</u>	<u>\$ 340,031,122</u>	<u>\$ 328,425,829</u>	<u>\$ 328,456,925</u>	<u>\$ 365,128,711</u>	<u>\$ 379,534,098</u>	<u>\$ 414,231,358</u>
12.4%	14.4%	16.7%	16.9%	17.0%	17.9%	18.2%

**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>
2019	\$ 208,723,090	20,377	\$ 10,243.07	4.0%	1,484	13.60
2018	198,752,997	20,177	9,850.47	4.1%	1,454	13.83
2017	190,150,915	20,104	9,458.36	7.3%	1,438	14.07
2016	178,395,251	20,238	8,814.87	6.6%	1,410	14.36
2015	167,402,295	20,242	8,270.05	6.0%	1,327	15.25
2014	158,003,155	20,243	7,805.32	-5.4%	1,304	15.58
2013	167,709,003	20,318	8,254.21	-5.6%	1,423	14.41
2012	179,379,327	20,506	8,747.65	5.7%	1,483	14.24
2011	174,862,115	21,120	8,279.46	3.3%	1,483	14.62
2010	173,796,697	21,683	8,015.34	-5.3%	1,493	14.77

Source: School System records

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

Fiscal Year		Minimum Salary	Maximum Salary	Statewide Base
2019		\$ 38,147	\$ 88,308	\$ 34,092
2018		38,147	88,308	34,092
2017		37,399	86,576	33,424
2016		36,309	84,054	33,424
2015		35,597	82,405	33,424
2014		34,723	80,383	33,424
2013	(a)	33,809	78,267	33,424
2012		34,723	80,383	33,424
2011		34,723	80,383	33,424
2010		33,161	76,766	33,424

Source: School System records

(a) Reflects a reduced work year of 185 days

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Elementary				
Braclinn (1989)				
Square feet	73,986	73,986	73,986	73,986
Capacity	675	675	675	675
Enrollment	529	552	529	547
Brooks (1962) ⁽¹⁾				
Square feet	60,413	60,413	60,413	60,413
Capacity	-	-	-	-
Enrollment	-	-	-	-
Robert J. Burch (1989)				
Square feet	73,146	73,146	73,146	73,146
Capacity	675	675	675	675
Enrollment	586	568	530	548
Crabapple Lane (2004)				
Square feet	94,179	94,179	94,816	94,816
Capacity	800	800	800	800
Enrollment	614	621	619	652
Fayetteville Intermediate (1974) ⁽¹⁾				
Square feet	67,482	67,482	67,482	67,482
Capacity	-	-	-	-
Enrollment	-	-	-	-
Fayetteville/Hood Avenue (1970) ⁽²⁾				
Square feet	73,176	73,176	73,176	73,176
Capacity	575	575	575	575
Enrollment	468	466	482	465
Huddleston (1979)				
Square feet	79,694	79,694	79,694	79,694
Capacity	625	625	625	625
Enrollment	612	601	627	627
Inman (2009)				
Square feet	86,172	86,172	86,172	86,172
Capacity	663	663	663	663
Enrollment	690	648	652	626

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.

2015	2014	2013	2012	2011	2010
73,986	73,986	73,986	73,986	73,986	73,986
675	675	675	675	675	675
549	542	443	471	493	544
60,413	60,413	60,413	60,413	60,413	60,413
-	-	525	525	525	525
-	-	243	298	307	313
73,146	73,146	73,146	73,146	73,146	73,146
675	675	675	675	675	675
583	531	557	576	634	664
94,816	94,816	94,816	94,816	94,816	94,816
800	800	800	800	800	800
637	637	536	508	535	554
67,482	67,482	67,482	67,482	67,482	67,482
-	-	550	550	550	550
-	-	395	389	421	455
73,176	73,176	73,176	73,176	73,176	73,176
575	575	575	575	575	575
483	590	370	365	394	404
79,694	79,694	79,694	79,694	79,694	79,694
625	625	625	625	625	625
634	645	590	562	565	590
86,172	86,172	86,172	86,172	86,172	86,172
663	663	663	663	663	663
585	512	467	490	507	546

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Elementary - continued				
Kedron (1995)				
Square feet	87,734	87,734	87,734	87,734
Capacity	725	725	725	725
Enrollment	679	627	597	593
Cleveland (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	507	450	487	502
S. H. Minter (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	779	742	726	743
North Fayette (1980)				
Square feet	78,174	78,174	78,174	75,785
Capacity	750	750	750	750
Enrollment	638	625	618	628
Oak Grove (1986)				
Square feet	71,040	71,040	71,040	71,040
Capacity	725	725	725	725
Enrollment	529	534	501	464
Peachtree City (1968)				
Square feet	80,945	80,945	80,945	62,732
Capacity	625	625	625	525
Enrollment	490	486	511	494
Peoples (1998)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	756	725	721	682
Spring Hill (1996)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	712	718	700	741
Tyrone (1980) ⁽¹⁾				
Square feet	59,580	59,580	59,580	59,580
Capacity	-	-	-	-
Enrollment	-	-	-	-
Middle				
Fayette (1986) ⁽¹⁾				
Square feet	135,649	135,649	135,649	135,649
Capacity	-	-	-	-
Enrollment	-	-	-	-

2015	2014	2013	2012	2011	2010
87,734	87,734	87,734	87,734	87,734	87,734
725	725	725	725	725	725
573	582	518	560	586	597
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
545	538	547	523	542	556
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
765	772	599	593	593	613
75,785	75,785	75,785	75,785	75,785	75,785
750	750	750	750	750	750
597	574	478	478	458	478
71,040	71,040	71,040	71,040	71,040	71,040
725	725	725	725	725	725
464	497	556	521	514	516
62,732	62,732	62,732	62,732	62,732	62,732
525	525	525	525	525	525
526	523	509	509	490	467
94,655	94,655	94,655	94,655	94,655	94,655
800	800	800	800	800	800
648	657	589	618	669	699
94,655	94,655	94,655	94,655	94,655	94,655
800	800	800	800	800	800
712	598	497	512	518	542
59,580	59,580	59,580	59,580	59,580	59,580
-	-	450	450	450	450
-	-	337	344	346	338
135,649	135,649	135,649	135,649	135,649	135,649
-	-	1,125	1,125	1,125	1,125
-	-	696	720	751	791

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Middle continued				
Bennett's Mill (2008)				
Square feet	158,653	158,653	158,653	158,653
Capacity	1,475	1,475	1,475	1,475
Enrollment	980	1,000	929	970
J. C. Booth (1979)				
Square feet	139,581	139,581	139,581	139,581
Capacity	1,175	1,175	1,175	1,175
Enrollment	1,194	1,205	1,191	1,216
Flat Rock (1989)				
Square feet	137,879	137,879	137,879	137,879
Capacity	1,012	1,012	1,012	1,012
Enrollment	803	791	783	721
Rising Starr (1996)				
Square feet	156,846	156,846	156,846	156,846
Capacity	1,175	1,175	1,175	1,175
Enrollment	966	906	933	973
Whitewater (1989)				
Square feet	137,879	137,879	137,879	137,879
Capacity	1,050	1,050	1,050	1,050
Enrollment	871	897	906	938
High				
Fayette County (1998)				
Square feet	293,238	293,238	259,536	259,536
Capacity	1,725	1,725	1,725	1,725
Enrollment	1,299	1,297	1,271	1,288
McIntosh (1981)				
Square feet	273,809	273,809	273,809	273,809
Capacity	1,625	1,625	1,625	1,625
Enrollment	1,674	1,654	1,618	1,630
Sandy Creek (1990)				
Square feet	248,280	248,280	248,280	248,280
Capacity	1,475	1,475	1,475	1,475
Enrollment	1,099	1,093	1,163	1,175
Starr's Mill (1998)				
Square feet	231,796	231,796	231,796	231,796
Capacity	1,650	1,650	1,650	1,650
Enrollment	1,376	1,382	1,416	1,387
Whitewater (2004)				
Square feet	279,822	279,822	279,822	279,822
Capacity	1,475	1,475	1,475	1,475
Enrollment	1,382	1,428	1,412	1,404

2015	2014	2013	2012	2011	2010
158,653	158,653	158,653	158,653	158,653	158,653
1,475	1,475	1,475	1,475	1,475	1,175
984	984	594	598	607	625
139,581	139,581	139,581	139,581	139,581	139,581
1,175	1,175	1,175	1,175	1,175	1,175
1,209	1,201	1,052	1,025	1,021	1,018
137,879	137,879	137,879	137,879	137,879	137,879
1,012	1,012	1,012	1,012	1,012	1,012
753	820	854	824	839	826
156,846	156,846	156,846	156,846	156,846	156,846
1,175	1,175	1,175	1,175	1,175	1,175
976	965	1,035	1,039	1,039	1,103
137,879	137,879	137,879	137,879	137,879	137,879
1,050	1,050	1,050	1,050	1,050	1,050
955	981	739	817	818	855
259,536	259,536	259,536	259,536	259,536	259,536
1,725	1,725	1,725	1,725	1,725	1,725
1,302	1,236	1,255	1,280	1,360	1,431
273,809	270,793	270,793	270,793	270,793	270,793
1,625	1,625	1,625	1,625	1,625	1,625
1,600	1,640	1,587	1,578	1,636	1,621
248,280	248,280	248,280	248,280	248,280	248,280
1,475	1,475	1,475	1,475	1,475	1,475
1,149	1,160	1,167	1,157	1,178	1,240
231,796	231,796	231,796	231,796	231,796	231,796
1,650	1,650	1,650	1,650	1,650	1,650
1,385	1,472	1,500	1,480	1,555	1,508
279,822	279,822	279,822	279,822	279,822	279,822
1,475	1,475	1,475	1,475	1,475	1,475
1,415	1,369	1,380	1,453	1,533	1,623

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Position				
Administrators	107	104	101	105
Teachers	1,484	1,454	1,438	1,410
Media	24	24	24	24
Counselors	53	50	50	49
Clerical	128	134	132	132
Paraprofessionals	340	323	322	307
Custodians	131	131	131	131
Lunchroom	116	122	122	122
Other Areas*	<u>355</u>	<u>347</u>	<u>363</u>	<u>327</u>
 Total employees	 <u><u>2,738</u></u>	 <u><u>2,689</u></u>	 <u><u>2,683</u></u>	 <u><u>2,607</u></u>

Source: School System records

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

Updated numbers for 2018.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
92	91	103	101	100	100
1,327	1,304	1,423	1,483	1,483	1,493
24	24	28	28	28	28
48	47	57	58	58	58
133	128	152	156	157	160
270	211	303	296	320	320
130	132	152	171	171	177
157	157	157	178	178	174
<u>386</u>	<u>395</u>	<u>419</u>	<u>432</u>	<u>420</u>	<u>428</u>
<u><u>2,567</u></u>	<u><u>2,489</u></u>	<u><u>2,794</u></u>	<u><u>2,903</u></u>	<u><u>2,915</u></u>	<u><u>2,938</u></u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Lunch Meals Served				
Free	518,405	517,218	536,863	592,273
Reduced	123,609	111,098	118,922	120,370
Paid	<u>785,270</u>	<u>723,689</u>	<u>769,069</u>	<u>775,991</u>
Total	<u><u>1,427,284</u></u>	<u><u>1,352,005</u></u>	<u><u>1,424,854</u></u>	<u><u>1,488,634</u></u>
Daily Average	8,052	7,889	7,976	8,325
Student Price	\$2.75 - \$2.90	\$2.75 - \$2.90	\$2.65 - \$2.75	\$2.55 - \$2.65
Breakfast Meals Served				
Free	151,444	144,544	147,136	167,262
Reduced	26,594	22,247	23,274	21,664
Paid	<u>57,169</u>	<u>47,849</u>	<u>51,415</u>	<u>48,388</u>
Total	<u><u>235,207</u></u>	<u><u>214,640</u></u>	<u><u>221,825</u></u>	<u><u>237,314</u></u>
Daily Average	1,343	1,264	1,247	1,345
Student Price	\$1.60	\$1.60	\$1.45 - \$1.50	\$1.45 - \$1.50
Total Meals Served				
Free	669,849	661,762	683,999	759,535
Reduced	150,203	133,345	142,196	142,034
Paid	<u>842,439</u>	<u>771,538</u>	<u>820,484</u>	<u>824,379</u>
Total	<u><u>1,662,491</u></u>	<u><u>1,566,645</u></u>	<u><u>1,646,679</u></u>	<u><u>1,725,948</u></u>
Daily Average	9,395	9,153	9,223	9,670

Source: School System records

2015	2014	2013	2012	2011	2010
582,919	551,946	541,183	561,152	544,183	487,840
116,582	111,599	112,478	116,127	102,357	126,018
824,822	755,131	802,143	920,006	975,988	1,063,608
<u>1,524,323</u>	<u>1,418,676</u>	<u>1,455,804</u>	<u>1,597,285</u>	<u>1,622,528</u>	<u>1,677,466</u>
8,544	8,260	8,262	8,899	9,150	9,449
\$2.45 - \$2.55	\$2.35 - \$2.45	\$2.25 - \$2.35	\$2.15 - \$2.35	\$2.10 - \$2.25	\$2.05 - \$2.15
157,122	148,968	133,860	116,773	112,236	101,422
19,523	17,617	18,599	15,550	14,370	17,014
44,331	40,650	36,800	29,779	33,602	27,857
<u>220,976</u>	<u>207,235</u>	<u>189,259</u>	<u>162,102</u>	<u>160,208</u>	<u>146,293</u>
1,260	1,231	1,101	923	932	853
\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.35 - \$1.45	\$1.35 - \$1.45	\$1.35 - \$1.45
740,041	700,914	675,043	677,925	656,419	589,262
136,105	129,216	131,077	131,677	116,727	143,032
869,153	795,781	838,943	949,785	1,009,590	1,091,465
<u>1,745,299</u>	<u>1,625,911</u>	<u>1,645,063</u>	<u>1,759,387</u>	<u>1,782,736</u>	<u>1,823,759</u>
9,804	9,491	9,363	9,822	10,082	10,302

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

<u>Fiscal Year</u>	<u>Estimated Population ⁽¹⁾</u>	<u>Personal Income (in \$1,000) ⁽¹⁾</u>	<u>Per Capita Personal Income ⁽¹⁾</u>	<u>School Enrollment</u>	<u>Unemployment Rate ⁽²⁾</u>
2019	NA	NA	NA	20,377	3.5%
2018	113,549	7,206,314	63,515	20,177	3.9%
2017	112,629	6,833,950	60,677	20,104	4.4%
2016	111,336	6,490,296	58,295	20,238	5.1%
2015	110,203	6,142,242	55,736	20,242	5.7%
2014	109,217	5,798,267	53,089	20,243	6.6%
2013	108,063	5,418,991	50,147	20,318	7.5%
2012	107,316	5,360,984	49,955	20,506	8.2%
2011	107,151	5,121,968	47,801	21,120	8.6%
2010	106,938	4,797,136	44,859	21,683	8.3%

Source ⁽¹⁾ Bureau of Economic Analysis, U.S. Department of Commerce, Table CAINC 1, updated November 14, 2019, with new statistics for 2018 and revised statistics for years 2010-2017.

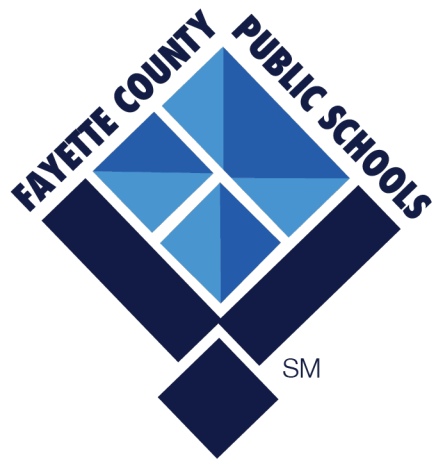
⁽²⁾ Bureau of Labor Statistics, U.S. Department of Labor, for June of each year, updated with data extracted from BLS website on November 15, 2019.

NA Data not available.

**Fayette County Board of Education
Major Employers
June 30, 2019 and Nine Years Ago**

Employer	2019			2010		
	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment
Piedmont Fayette Hospital	1,700	1	3.04%	930	2	2.01%
Panasonic Automotive Systems	800	2	1.43%	1,200	1	2.59%
Eaton Lighting Solutions	650	3	1.16%			
Walmart SuperCenter	427	4	0.76%			
Walmart, Fayetteville	400	5	0.71%			
Hoshizaki America Inc	400	5	0.71%	425	5	0.92%
Ply Gem Industries Inc.	250	7	0.45%			
Gerresheimer Peachtree City LP	250	7	0.45%			
Concordia Nursing & Rehab Center	210	9	0.38%			
Publix	200	10	0.36%			
Cooper Lighting				650	3	1.41%
NCR Corp. Center of Excellence				550	4	1.19%
World Airways				275	6	0.59%
TDK Components				210	7	0.45%
APAC -Georgia				200	8	0.43%
FAA Tracon				190	9	0.41%
Alenco, Inc				181	10	0.39%
Total	5,287		9.45%	4,811		10.39%

Source: Fayette County



Where Excellence and Creativity Merge

(This page intentionally left blank.)

