FAYETTE COUNTY
BOARD OF EDUCATION

Fayetteville, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ended June 30, 2017

FAYETTE COUNTY BOARD OF EDUCATION
Fayetteville, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ended June 30, 2017

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

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

Fayette County Board of Education

TABLE OF CONTENTS

	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	38
Statement of Activities	39
Fund Financial Statements	
Governmental Funds	
Balance Sheet	40
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	41
Statement of Revenues, Expenditures, and Changes in Fund Balances	42
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances With the System-wide Statement of Activities	43
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) – General Fund	44
Proprietary Funds	
Statement of Net Position	45
Statement of Revenues, Expenses, and Changes in Net Position	46
Statement of Cash Flows	47

Fayette County Board of Education

TABLE OF CONTENTS - continued

	Page
FINANCIAL SECTION – continued	
Fiduciary Funds	
Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	49
Notes to Financial Statements	51
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability – TRS	84
Schedule of Contributions – TRS	85
Notes to Required Supplementary Information – TRS	86
Schedule of Proportionate Share of the Net Pension Liability – PSERS	87
Notes to Required Supplementary Information – PSERS	88
Combining Statements and Schedules	
Non-Major Governmental Funds	
Combining Balance Sheet – Non-Major Governmental Funds	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	93
Combining Balance Sheet – Non-Major Special Revenue Funds	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds	98
Schedules of Revenues and Expenditures – Budget and Actual	
School Nutrition Service – Special Revenue Fund	102
Title I – Special Revenue Fund	103
IDEA – Special Revenue Fund	104
Vocational Grants – Special Revenue Fund	105
Title II – Special Revenue Fund	106
Title III – Special Revenue Fund	107
JR ROTC – Special Revenue Fund	108
Sandy Creek GOSA – Special Revenue Fund	109
Lottery – Special Revenue Fund	110
Friends Mentoring Program – Special Revenue Fund	111
Other Grants – Special Revenue Fund	112
Community Education – Special Revenue Fund	113
After School Program – Special Revenue Fund	114
Donations – Special Revenue Fund	115
Auditorium Rentals – Special Revenue Fund	116
Principal Accounts – Special Revenue Fund	117
Debt Service Fund	118

Fayette County Board of Education

TABLE OF CONTENTS - continued

	Page
FINANCIAL SECTION – continued	
Statement of Changes in Assets and Liabilities – Agency Fund	121
Additional Financial Information	
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2008 Issue	124
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2012 Issue	125
Schedule of Expenditures by Object – Lottery Program	126
STATISTICAL SECTION (unaudited)	
Financial Trends:	
Net Position by Component	128
Changes in Net Position	130
Fund Balances of Governmental Funds	132
Changes in Fund Balances of Governmental Funds	134
Revenue Capacity:	
Assessed and Estimated Actual Value of Taxable Property	137
Direct and Overlapping Property Tax Rates	138
Property Tax Levies and Collections	140
Governmental Activities Tax Revenues by Source	142
Principal Taxpayers (Top Ten)	144
Debt Capacity:	
Ratios of Outstanding Debt by Type	145
Ratios of General Bonded Debt Outstanding	146
Direct and Overlapping Governmental Activities Debt	147
Legal Debt Margin Information	148
Operating Information:	
Operating Statistics	150
Teacher Salaries	151
School Building Information	152
System Employees	158
School Lunch and Breakfast Program	160
Demographic and Economic Information:	
Demographic and Economic Statistics	162
Major Employers	163



(This page intentionally left blank.)

INTRODUCTORY SECTION



(This page intentionally left blank.)

FAYETTE COUNTY BOARD OF EDUCATION

210 Stonewall Avenue West
P.O. Box 879
Fayetteville, Georgia 30214-0879
Phone: 770-460-3535
Fax: 770-460-8192

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

Board Members
Barry Marchman, Ph.D., Chair
Diane Basham, Vice Chair
Brian Anderson
Scott Hollowell
Leonard Presberg

"Where Excellence Counts"

December 15, 2017

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, 2017. 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, 2017. 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 under 20,000 students enrolled in the School System at the end of the 2016-2017 school year. Projected enrollment for the 2017-2018 school year is 20,000 students. The School System has five high schools. The oldest high school facility was built in 1981 but was renovated and expanded in 2005. The School System has five middle schools. The oldest middle school facility was built in 1979 but was renovated and expanded in 2001. The School System has fourteen (14) elementary schools. One of these facilities was built prior to 1970, nine were built between 1970 and 1999, and four were built after 2000. The newest facilities are a middle school that opened in school year 2007-2008 and an elementary school that opened the following year. A schedule of building information is provided in the Statistical Section of the CAFR.

Local economy

Fayette County continues to see significant signs of recovery and growth in many areas of the economy since the recession of 2008. Fayette is seeing increased activity and development in residential, business, industrial, arts and entertainment sectors of the economy. The county tax digest has returned to the level prior to the recession of 2008 and 2009. Economic activity has been strong indicated by the growth in local sales tax collections.

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 4.5% at June 2017. This rate is above the national average rate (seasonally adjusted) of 4.4% and slightly below the State of Georgia average rate (seasonally adjusted) of 4.8%. Although the local unemployment rate is somewhat higher than the statewide rate, the local labor force has grown about 3% in the last year and total employment is significantly higher with nearly 2,000 more Fayette County citizens employed according to data from the U. S. Department of Labor.

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)
- 11.1% increase for digest year 2017 (fiscal year 2018)

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 17.48% over the same time period resulting in a tax levy of $95.1 million. The change in the exemption amounts is reflective of the aging population of the county.

Investment in the film production industry continues to be a focal point 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, media hub and full post production support.

The development of a film production school in conjunction with the studio is well under way. The School System recently sold an under-utilized elementary school located adjacent to the studio property. This facility has been transformed to be part of the film educational element that industry leaders plan to develop and will be a major economic focus for the state. Through the state's university system and technical college system, a film academy collaborative effort has started with the purpose of certifying work ready employees and connecting employees with opportunities on film and entertainment production projects. The economic impact is not expected to be felt immediately; the potential growth of support businesses and new residents moving into the county could have a huge impact on the School System in the coming years. There have been strong indications of a resurgence of residential construction in the county that has contributed to increases in the tax digest.

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.

Another area of economic activity is the medical field. The hospital has 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. 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.

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 2017, the Fayette County School System received approximately $106.7 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. Most of this increase was targeted by the State to increase teacher pay, fund dual enrollment programs, maintain student school calendar days, and reduce furlough days for employees.

Long-term Financial Planning

Total fund balance of the general fund decreased to approximately 11% of budgeted operating expenditures and represents just over one and two-thirds of one month's expenditures. This amount is a little lower than the prior year's 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 was reduced in part from transfer of funds for future capital projects. The Board and administration feel that it is prudent to set aside local funds for capital projects in the near future that could include performing arts facilities, classroom additions at specific locations, and athletic facility improvements.

The School System has traditionally used general obligation bonds to finance construction of new schools. The 2005 and 2007 bond issuances provided funding for the construction of one middle school and two elementary schools. Based on recent population projections, the School System does not foresee the need to construct any schools in the near future. Furthermore, since enrollment has declined over the last several years, the School System addressed the issue of 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 indicates that the School System may see a reversal in the enrollment trend and will need to utilize 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 has initiated the process to renew the SPLOST with a referendum ballot in November 2017. The proceeds from the tax would be used to continue the programs in the first two SPLOST's. Collections would start after the current SPLOST has reached the referendum limit expected at the end of 2018. The anticipated revenues are $145 million.

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.

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.

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 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, 2016. 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.

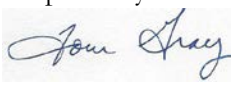
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements.

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, 2016. 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
Assistant Superintendent of Business
and Personnel Management



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, 2016.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Anthony N. Dragona, Ed.D., RSBA
President

John D. Musso, CAE, RSBA
Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fayette County
Board of Education
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

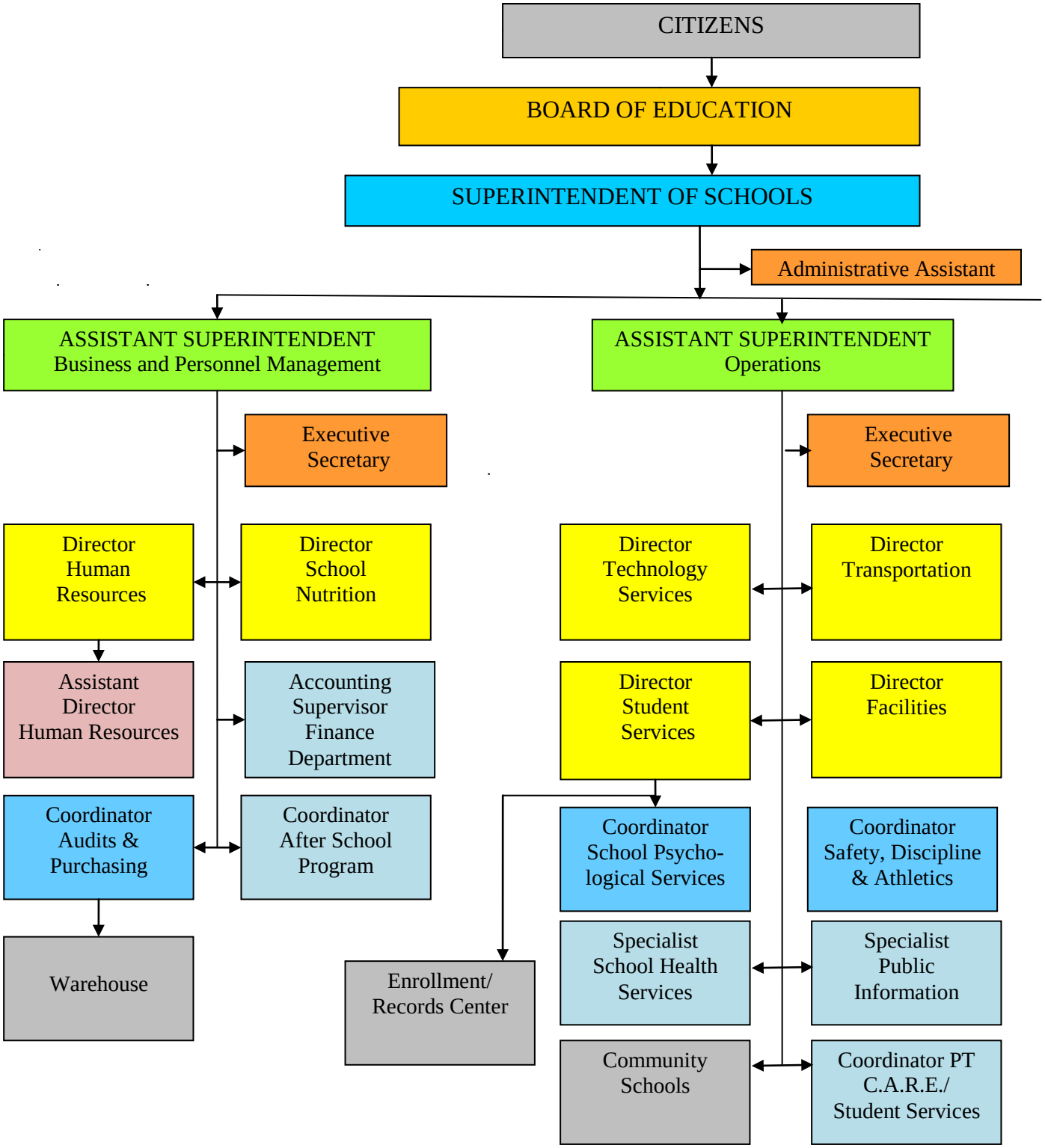
June 30, 2016

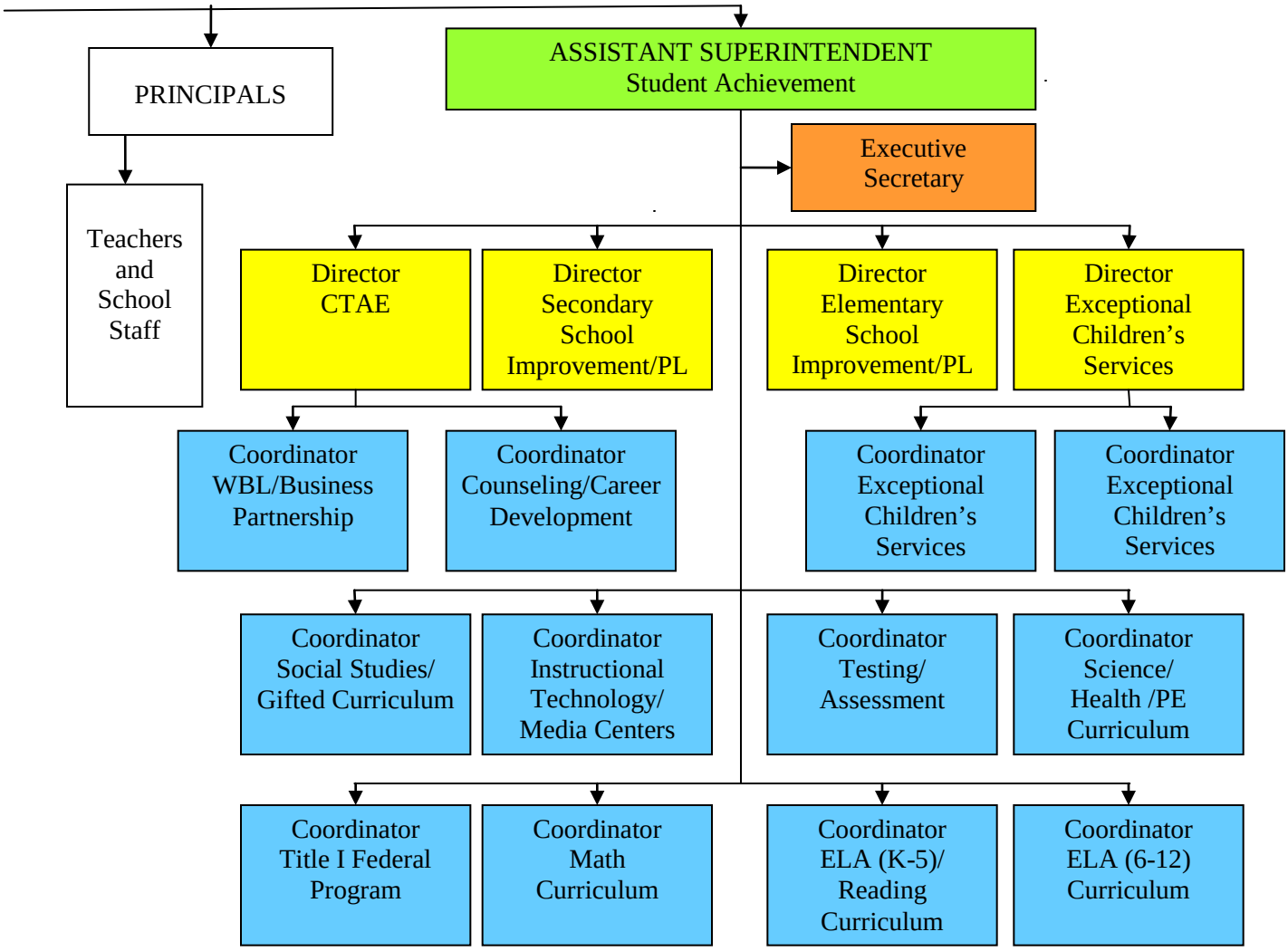
Executive Director/CEO

Fayette County Board of Education

ORGANIZATIONAL CHART

June 30, 2017




PRINCIPALS
ASSISTANT SUPERINTENDENT
Student Achievement
Executive Secretary
Teachers and School Staff
Director CTAE
Director Secondary School Improvement/PL
Director Elementary School Improvement/PL
Director Exceptional Children's Services
Coordinator WBL/Business Partnership
Coordinator Counseling/Career Development
Coordinator Exceptional Children's Services
Coordinator Exceptional Children's Services
Coordinator Social Studies/ Gifted Curriculum
Coordinator Instructional Technology/ Media Centers
Coordinator Testing/ Assessment
Coordinator Science/ Health /PE Curriculum
Coordinator Title I Federal Program
Coordinator Math Curriculum
Coordinator ELA (K-5)/ Reading Curriculum
Coordinator ELA (6-12) Curriculum

Fayette County Board of Education

LISTING OF PRINCIPAL OFFICIALS

June 30, 2017

BOARD MEMBERS

Mr. Barry Marchman, Chair, District 1

Ms. Diane Basham, Vice Chair, District 2

Mr. Leonard Presberg, District 4

Mr. Brian Anderson, District 5

Mr. Scott Hollowell, District 3

SUPERINTENDENT'S CABINET

Dr. Joseph C. Barrow, Jr., Superintendent

Dr. Terry Oatts, Assistant Superintendent of Curriculum and Instruction

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

Ms. Sharon Lunceford, Director of Technology

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

Ms. Erin Roberson, Director of Human Resources

Ms. Melinda Berry-Dreisbach, Public Information Specialist

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

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

Ms. Lisa Collins, Director of CTAE

Ms. Audrey Toney, Director of Student Services

Mr. Mike Satterfield, Director of Facility Services

Ms. Lisa Fine, High School Principal

Ms. Jade Bolton, Middle School Principal

Ms. Erinn Angelo, Elementary School Principal

Dr. Felecia Spicer, Elementary School Principal

Sam Sweat, Special Projects

FINANCIAL SECTION



(This page intentionally left blank.)

MAULDIN & JENKINS

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, 2017,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, 2017, 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 36) and the schedules of Fayette County Board of Education's proportionate share of the net pension liability and the schedules of Fayette County Board of Education's contributions (on pages 84 through 88) 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 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, 2017 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, 2017



(This page intentionally left blank.)

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, 2017. 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 2017 by $127,614,636 (net position).

- The School System's total net position increased by $9,787,545.

- At the end of fiscal 2017, the School System's governmental funds reported combined ending fund balances of $62,680,718, a decrease of $6,570,742 in comparison with the prior year. Of this total, $27,485,642 is available for spending at the School System's discretion (assigned and unassigned fund balance).

- At the end of fiscal 2017, unassigned fund balance for the General Fund was $20,381,367 or 10.72% of total General Fund expenditures.

- Total bonded debt for the School System decreased by $4,995,000, a result of the scheduled debt service payments on bonds issued in 2007 and 2013.

Overview of the Financial Statements

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

System-wide Financial Statements

The system-wide financial statements are designed to provide readers with a broad overview of the Fayette County School System's finances in a manner similar to a private-sector business. They include the statement of net position and the statement of activities found on pages 38 and 39 of this report.

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

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

Fund Financial Statements

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

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

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

The Fayette County School System maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund, and the Capital Projects SPLOST I and SPLOST II Funds, each of which are considered to be a major fund. Data from the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 92-101 of this report.

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

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

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

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the School System. Fiduciary funds are not reflected in the system-wide financial statements because the resources of those funds are not available to support the School System's own programs.

The basic fiduciary fund financial statements can be found on pages 48-49 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the system-wide and fund financial statements. Notes to the financial statements can be found on pages 51-81 of this report.

Other information – In addition to the basic financial statements and the notes that accompany them, this report includes r*equired 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. 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, 2017, the School System's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $127,614,636.

The following summarizes the components to the School System's net position at June 30, 2017 and 2016:

Fayette County School System's Net Position

	2017	2016
Current assets	$ 100,338,154	$ 111,371,729
Capital assets	272,690,482	256,529,958
Total assets	373,028,636	367,901,687
Deferred outflows of resources	59,175,855	20,282,954
Current liabilities	34,987,241	38,756,187
Noncurrent liabilities	262,303,258	208,487,181
Total liabilities	297,290,499	247,243,368
Deferred inflow of resources	7,299,356	23,114,185
Net position		
Net investment in capital assets	228,529,060	207,779,562
Restricted	31,851,204	32,124,998
Unrestricted	(132,765,628)	(122,077,469)
Total net position	$ 127,614,636	$ 117,827,091

The School System's current assets decreased approximately $11.03 million over the prior year. There was a $11.64 million decrease in balances held in bank deposits and investments resulting from the overall spending in excess of revenue inflows. Amounts receivable from other governments increased by $0.64 million. The receivable balance is effected by timing of drawdown requests of state and federal grants ($0.03 million increase) and the change in QBE earnings for July and August teachers' salaries ($0.61 million increase).

The School System's capital assets had a $16.16 million net increase. Depreciation of $12.73 million reduced the net book value of capital assets. Also, the School System expended $28.96 million in capital outlay, primarily related to the educational Special Purpose Local Option Sales Tax (SPLOST) approved in 2008 and renewed in 2012. Both SPLOST funds provide funding for textbooks and instructional materials, computers, technology upgrades, transportation, security, facility improvements, and general obligation debt reduction.

The School System's deferred outflows of resources increased $38.89 million. Deferred outflows consist of two components: pensions and loss on refunding of bonds. Actuarial assumptions are made in determining the total pension liability of the plan. As those assumptions change, changes in the liability calculation are recorded as either deferred outflows or deferred inflows of resources. The deferred outflows of resources are created by differences between projected and actual earnings on pension plan investments ($26.89 million), changes in the School Systems portion of the entire plan and differences between the School System's contributions and its proportionate share of contributions ($2.78 million), differences between expected and actual experience ($3.17 million) and changes in actuarial assumptions ($5.51 million). Furthermore, the TRS pension liability was measured as of June 30, 2016, 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 2017 were $1.00 million higher than in 2016 due to higher salaries. The deferred loss on refunding of bonds that occurred last year decreased $0.45 million as the loss is being amortized over the life of the refunding bonds.

Current liabilities of the School System decreased $3.77 million over the prior year. Accrued salaries and benefits increased $1.89 million as compared to the prior year, resulting from pay increases given during the year and the addition of 78 new positions. Annual changes in accounts payable (decrease of $5.34 million) are affected by the timing of payments at or near year end. Retainage payable on construction projects dropped $0.28 million. This change is based on the timing of projects and the type of projects in progress at year end. Accrued interest related to the School System's general obligation bonds payable decreased $0.05 million as payments were made during the year.

Non-current liabilities (which include the current portion of those liabilities) had net increase of $53.82 million. The most significant portion of this change is a $58.85 million increase in the net pension liability. The School System participates in the Teachers Retirement System of Georgia ("TRS"). As a result, the School System reports the amount of liabilities that represent benefits that employees have earned and that the School System has a present obligation to pay in the future. The net pension liability is the amount of the total pension liability (the promise of benefits for work already performed) in excess of the pension plan's net position. This liability is actuarially determined and is further explained in Note M on page 70. Bonds payable decreased by $5.00 million based on the payment schedule.

The deferred inflows of resources related to the TRS pension plan decreased by $15.81 million. As previously noted, changes in actuarial assumptions affect the calculation of deferred outflows and deferred inflows of resources. Total deferred inflows of $7.30 million relate to differences between expected and actual experience ($1.05 million) and changes in proportion and differences between the School System's contributions and proportionate share of contributions ($6.25 million) and represent an acquisition of resources that applies to future periods and will be recognized as revenue in those future periods.

The School System's net investment in capital assets (net of outstanding related debt used to acquire those capital assets and accumulated depreciation) equals 179.1% 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 $20.75 million from the prior year due to an increase in capital assets, net of depreciation, of $16.16 million, a decrease in bonds payable, net of amortization of discounts and premiums, of $5.04 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 $0.27 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, 2017, the School System reported a deficiency in its unrestricted net position of $132.77 million. This deficiency is attributable to recording pension liabilities and the related deferred outflows and inflows of revenues on the financial statements. If the adjustments related to pension obligations had not been recorded, the School System's unrestricted net position would be $31.62 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.

	2017	2016
Revenues:		
Program revenues		
Charges for services	$ 6,340,775	$ 6,039,971
Operating grants and contributions	108,175,326	103,718,783
Capital grants and contributions	5,281,541	4,141,350
General revenues		
Property taxes	97,124,554	92,982,798
Sales taxes	24,266,584	22,010,037
Other taxes	2,769,263	2,548,482
Interest and investment earnings	411,070	265,945
Gain on sale of assets	29,564	-
Other	317,816	499,601
Total revenues	244,716,493	232,206,967
Expenses:		
Instruction	153,170,007	133,734,324
Pupil services	12,928,329	9,528,601
Improvement of instructional services	5,391,077	4,887,298
Educational media services	3,643,719	3,717,116
Federal grants administration	207,276	194,211
General administration	1,367,169	1,609,711
School administration	14,197,794	12,895,687
Business administration	1,376,557	986,533
Maintenance and operation of facilities	14,347,021	13,786,812
Student transportation services	10,052,045	9,112,882
Central support services	5,734,947	4,489,646
Other support services	318,883	434,780
Community services	2,577,257	2,352,200
Food services	7,897,792	7,386,296
Interest expense	1,719,075	1,920,806
Total expenses	234,928,948	207,036,903
Change in net position	9,787,545	25,170,064
Net position, beginning of the year	117,827,091	92,657,027
Net position, end of year	$ 127,614,636	$ 117,827,091

Total revenues of the School System increased approximately $12.51 million, driven primarily by the following items:

- Property tax increased by $4.14 million over prior year as property values continued to rebound.
- Sales tax revenue increased by $2.26 million as the economy improved and consumer spending increased.

- Operating grants and contributions increased by $4.46 million. State funding increased by $4.66 million, primarily related to state QBE funding as discussed in more detail as it relates to the General Fund below. Federal grants revenue dropped $0.43 million and contributions from other sources increased by $0.26 million.

- The School System experienced an increase in revenue from capital grants and contributions in 2017 of $1.14 million. During 2017, the School System received $4.27 million in capital outlay reimbursements from the State, a $0.83 increase over the prior year. Additionally, the School System earned funding through a grant from the Governor's Office of Student Achievement for technology improvements. Revenue from this grant was $0.24 million less than in prior year. Additionally, in 2017 the School System received eRate reimbursement for a portion of the technology improvements ($0.47 million), donations related to the construction of athletic facility improvements ($0.12 million) and a grant for the purchase of kitchen equipment ($0.02 million).

Total expenses increased by $27.89 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 43. Significant changes in expenses are as follows:

- The most significant expense that effects the system-wide financial statements is pension expense. Pension expense increased $14.34 million over the prior year. Pension expense recognizes the changes in the net pension liability of the School System and the associated deferred outflows and inflows of resources. These amounts are actuarially determined each year and changes in assumptions and differences between expected and actual earnings on pension plan investments can have a significant impact on pension plan expense each year.

- Total salaries increased by approximately $6.78 million, resulting from an increase of 78 positions throughout the system, a 3.0% pay raise for all staff and a step raise for staff who had earned it based on years of experience.

- The School System is required to pay an employer match towards health insurance. The School System experienced an increase of approximately $1.58 million in health insurance cost due to the increase in staff and an increase in the employer rate for non-certificated staff. Compared to the prior year rates, the average cost per month per non-certificated participant increased $125 per month for the year.

- Textbook purchases funded through SPLOST proceeds increased $1.57 for two new textbook adoptions.

- Interest expense decreased $0.20 million, or 10.5%, as debt balances were paid down and the School System began to realize the benefit of the 2013 bond refunding.

- Depreciation of capital assets increased by $1.35 million over prior year.

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

- Instruction costs had a net increase of $19.44 million or 14.5%. Instruction cost is primarily personnel driven, meaning most costs within this category are for salary and benefits of teachers and paraprofessionals. Excluding pension costs, instruction increased approximately $4.98 million for salaries and benefits. Pension expense for instruction increased $10.66 million. Operating costs (non-payroll) increased $2.43 million and depreciation increased $1.37 million. The increase in operating cost was mostly due to the two textbook adoptions.

- Pupil services increased $3.40 million or 35.7%. This increase resulted from an increase in salaries and benefits (excluding pension costs) of $1.90 million and an increase in pension expense of $0.97 million. Operating costs increased $0.52 million.

- Improvement of instructional services increased by $0.50 million or 10.3%. Most of the increase was attributable to an increase in pension expense ($0.29 million) and an increase in operating costs ($0.22 million.

- School administration increased by $1.30 million. Most of this change is related to the overall increase in pension expense ($1.00 million). Salaries and benefits (not related to pensions) increased $0.58 million as a result of pay raises and increased rates on health insurance.

- Central support services increased $1.25 million, or 27.7%. This increase resulted from a $0.57 increase in salaries and benefits (excluding pension costs), a $0.08 million increase in depreciation expense, a $0.16 million increase in pension expense and a $0.47 million increase in operating expenses.

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, 2017, the School System's governmental funds reported combined ending fund balances of $62,680,718, a decrease of $6,570,742 in comparison with the previous year. Approximately 32.5% ($20,381,367) of ending fund balance is made up of unassigned fund balance of the General Fund that is available for spending at the School System's discretion. Fund balances of special revenue funds and capital project funds are classified as restricted, committed or assigned. These categories are defined based on the level of limitations imposed on their use. Note A12 on pages 57 and 58 of provides a definition of the various categories of fund balance. Note I on pages 66 and 67 provide additional detail. Total fund balances for the governmental funds are as follows:

Fund Balances at June 30, 2017	
Nonspendable	$ 361,469
Restricted	$ 32,163,566
Committed	$ 2,670,041
Assigned	$ 7,104,275
Unassigned	$ 20,381,367

The *General Fund* is the chief operating fund of the School System. Its fund balance decreased $2.71 million over the prior year. Overall, revenues for the General Fund increased approximately $8.46 million compared to the prior year. This was a result of an increase of $3.76 million in state funds and an increase of $4.70 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 $1.50 million. This increase was due to an increase in the state base salary for teachers, despite a decrease in the number of full time equivalent (FTE) students (63 fewer). The School System earned $0.05 million more in indirect costs. Other earnings categories, including media and staff development, increased $0.02 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 2015 translated into a increase of local 5 mill share of $1.20 million and an decrease in state funding by the same amount. The amended formula adjustment, or austerity cut, decreased by $3.54 million, meaning more revenue. Categorical grants under QBE for transportation costs and nursing services increased slightly ($0.05 million). Additionally, QBE earnings recorded on the modified accrual basis within the fund level financial statements includes adjustments for an amount receivable from the state at year end to pay teachers' salaries for July and August. The change in this receivable from 2016 to 2017 as compared to the change from 2015 to 2016 created a decrease in revenue of $0.15 million. In total, QBE earnings increased $3.81 million over last year.

- Other state revenue related to grants and on-behalf payments dropped slightly by $0.05 million

- Property taxes increased by $4.63 million as the digest values increased by 4.66% showing economic recovery in the county. The digest increase was the result of increases in assessed values for real and personal property of 5.39% offset by exemptions increasing 9.05%.

- Ad valorem for automobiles was down $0.88 million as the state continued to transition to a sales tax based auto tag registration system. This decrease was partially offset by an increase in title ad valorem tax of $0.53 million. The net decrease was $0.35 million for automotive related tax revenue.

- Intangible and transfer taxes, both related to real estate transactions, were up $0.20 million.

- Rental revenue increased $0.22 million as the School System leased out unused facilities to three businesses.

- All other local revenue sources remained consistent.

Expenditures for the General Fund increased $11.78 million, or 6.61%, from 2016 and fluctuations from prior year are generally caused by the same circumstances as fluctuations of expenses at the system-wide level with several exceptions. The primary exception is the effect of the pension plan expense adjustment at the system-wide level as previously discussed. The only portion of pension cost that is reflected in the General Fund is current year employer contribution. The current year contribution has been removed from the system-wide statement of activities because those costs were incurred after the pension measurement date. The majority of the increase in expenditures in the General Fund is related to increases in salaries and benefits for the following items:

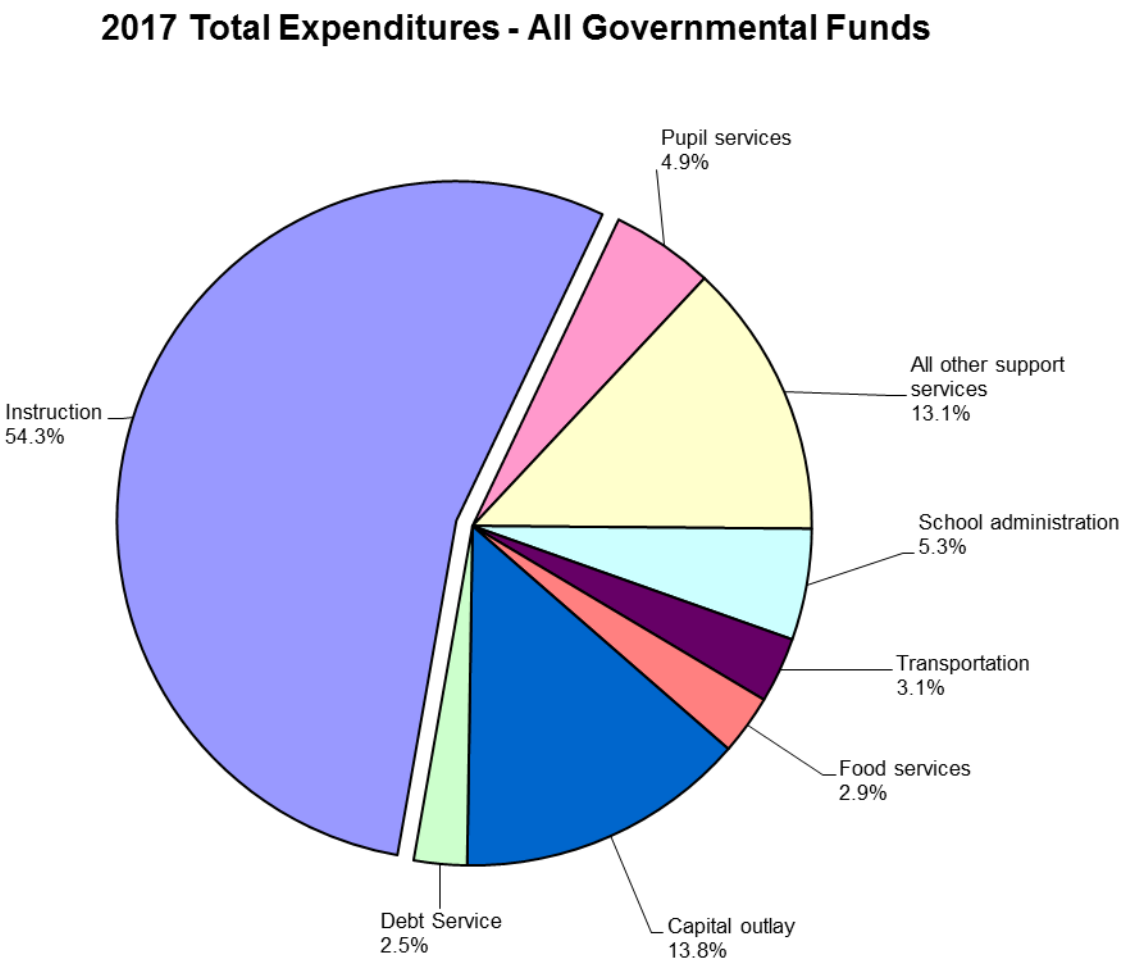
- an overall 3.0% pay raise and step increases,
- increases in the health insurance rates for non-certificated employees and TRS rates for all eligible employees,
- the addition of 50.77 instruction related positions and 16.30 support staff positions at the school level, and
- the addition of 11.00 central office positions to support school instruction and operations.

Overall, non-payroll related operating costs increased by $1.45 million. Significant operating expenditures with increases were purchases of software of $0.71 million, energy costs of $0.26 million, supplies of $0.28 million (including the effect of a $0.10 million positive inventory adjustment in the prior year), expendable computer equipment of $0.16 million, bus fuel purchases of $0.17 million, books and periodicals of $0.13 million and equipment purchases of $0.18 million. Areas with significant reductions of expenditures were legal fees ($0.45 million), repairs and maintenance ($0.21 million) and communications and internet service ($0.23 million).

Transfers from the General Fund decreased $4.56 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, $8.00 million was transferred to the local capital projects fund in anticipation of capital projects for additions and improvements of instructional and athletic facilities. In the current year, transfers from the General Fund for those projects were only $1.00 million. Additionally, transfers were made to the SPLOST 1 Fund to provide resources for the construction of a new auditorium at one of the high schools.

The *Debt Service Fund* is used to accumulate resources in order to pay current and future principal and interest amounts on bonded debt. Tax revenues had an increase of $0.33 million over 2016. During the year, $0.20 million of SPLOST proceeds were spent on debt service.

The *Capital Projects SPLOST I and SPLOST II Funds* are used to account for various projects funded through a one-cent local option sales tax for education as approved through voter referendum. During the year sales tax and interest earned for fiscal year 2017 was $24.40 million. Approximately $34.46 million was spent during the year, including a $0.20 million transfer to debt service to pay existing bonded debt. The remaining balance has been set aside to continue the projects as specified in the two SPLOST referendums.



Other governmental funds consist of non-major special revenue funds and a non-major capital project fund. The aggregate fund balance of these funds decreased by approximately $3.82 million compared to the prior year. Most of the decrease was in the capital project fund, resulting from the construction of athletic facility improvements at each high school (turf fields) and the net transfers out to SPLOST I to help to fund the construction of a performing arts center. In the special revenue funds, the School Nutrition Service had the largest decrease of fund balance of $0.31 million, and the After School Program had the largest increase of fund balance of $0.15 million.

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, 2017, the proprietary fund has a net position of approximately $1.12 million.

General Fund Budgetary Highlights

The School System's original budget was set based on preliminary state QBE allotments communicated by the State in May 2016. As in prior years, the State amended the QBE allotments during the year. Once the earnings sheets were finalized in March 2017, actual QBE earnings were approximately $344,500 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 had a negative revenue budget variance of $1.90 million. The increase in state revenue as noted above was offset by a shortage in local revenue of $2.25 million. The Board set a millage rate lower than originally anticipated when the budget was established with the knowledge that the School System had sufficient fund balance to cover the deficit. As a result, property tax collections were $2.11 million under budget. While title ad valorem tax (TAVT) came in slightly over budget by $0.35 million, automotive tax came in $1.00 million under budget. Over time, the TAVT will replace the automotive tax as the State transitions to an ad valorem tax initiated by the sale/purchase of a vehicle. Intangible taxes were over budget $0.25 million and transfer taxes were over budget $0.01 million. Interest earnings were $0.20 million over budget. The variance in all other local revenue sources was negligible.

Instruction makes up 66.9% of the general fund budget (including budgeted transfers). This functional area had a positive budget variance of $1.60 million or 1.2%. The other functional area that had the most significant budget variance was pupil services, with a negative budget variance of $0.91 million or 9.3%.

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 were higher than the budget by $1.43 million. Salaries were $0.38 million over budget and benefits were $1.04 million over budget. The overall variance for personnel was 0.83% of the personnel budget. The overall variance in personnel cost was the result of needing additional instructional positions for unplanned enrollment growth in specific locations.

Expenditures overall were $1.69 million under budget. Therefore, the net budget variance in non-payroll costs is a favorable variance of $2.74 million. Specific notable budget variances are as follows:

- Bus fuel prices have remained relatively low over the last year; however, the School System must purchase fuel at the market price. Actual cost was approximately $0.33 million lower than budget but above the prior year cost.

- Purchased professional services, including legal fees, were $0.91 million under budget.

- Electricity and natural gas costs were approximately $0.19 million under budget.

- Software purchases were $0.48 million less than budgeted.

- Insurance costs for the System were $0.17 million less than expected.

- Expenditures for internet services were $0.31 million less than expected.
- Supplies purchases were $0.31 million less than budgeted.
- Expendable equipment, including purchases of computers, was $0.44 million over budget.
- Repair and maintenance of facilities was $0.31 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 are not budgeted also.

During the year, the Board amended the budget by $2.50 million for additional transfers to capital projects. As a part of the original budget, administration also anticipated transferring $0.44 million to special revenue funds to make up the difference between actual cost and revenues received from state and federal grants. Only $0.35 million was required for this purpose.

Capital Assets and Debt Administration

Capital assets – The School System's balance of capital assets as of June 30, 2017 totals $272,690,482, 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 $16.16 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 twenty (20) buses and retrofitted 110 buses with air conditioning.
- New equipment was purchased for the transportation facility opened in the prior year, including a bus wash, two bus lifts, a tire balancer, filter cleaners and security gates.
- Renovation projects that included HVAC replacements were completed at three elementary schools during the year.
- A renovation project for roofing and HVAC replacement was completed at one high school.
- Construction of a new gymnasium at an elementary school was completed during 2017.
- Improvements of athletic facilities were made, including improvements at the baseball field of one high school, the installation of a new stadium scoreboard at one of the high schools, and the installation of a new gym floor at one elementary school.

- Technology upgrades related to instruction were made, including video conferencing systems, interactive flat panels, media center servers and CTAE lab improvements.

- Security camera systems were upgraded at one middle school and one high school.

- The construction of turf fields was completed at three of the five high schools in 2017. The remaining two fields will be completed in early fiscal year 2018.

- Science lab renovations that began at the end of fiscal year 2016 were completed at one high school and are expected to be complete at a second high school in fiscal year 2018.

- A major renovation project for one high school and one middle school was started in fiscal year 2016 and continued throughout 2017. The project will be completed in fiscal year 2018.

- Other projects still in progress at year end include the construction of a multi-purpose building at two high schools, the construction of an auditorium at a high school, the construction of a new gymnasium at an elementary school, and the construction of ticket booths and concession stands at five high schools.

Additional information on the School System's capital assets can be found in Note G on page 64 of this report.

Long-term debt – As of June 30, 2017, the School System had total bonded debt of $47,869,972 from the 2013 bond issuance. This bonded debt is payable from an ad valorem tax on all taxable property within the School District, without limit as to rate or amount.

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

State statues 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 $444,504,926 which is significantly in excess of the School System's outstanding general obligation debt.

Additional information on the School System's long-term debt can be found in Note H on pages 65 and 66 of this report.

Economic Factors and Next Year's Budgets and Rates

In preparing the fiscal year 2018 budget, School System administration had to consider several factors that would impact the 2018 revenues as compared to the previous year:

- School System enrollment has declined over several years but seems to be leveling off, which impacts earnings of State funding. The School System assumed a flat enrollment.

- State QBE revenues include funding increases to partially fund teacher pay raises and increases in TRS contribution cost.

- The tax digest was expected to increase between 5% and 7%. In fiscal year 2017, the Board reduced the maintenance and operations (M&O) millage rate to 19.75, the first M&O millage rate decrease in seven years. The millage rate was expected to be reduced again for fiscal year 2018.

In developing the 2018 budget, the administration faced known increases in health insurance costs for classified employees ($0.30 million) and significant increases to the employer contributions for the Teachers' Retirement System (TRS) ($3.1 million). Additionally, the State passed a 2% increase to the state teacher pay scale. Even though the School System is currently operating under state waivers and is not required to pay based on the state pay scale, the School System believes that the State pay increase should be applied to its teachers. Additionally, the School System believes that all employees should receive a raise, not just certified staff. Based on the performance of 2017 and the prospects of continued improvements in the economy, the administration believes the School System can provide additional resources strategically in efforts to improve classroom instruction and student achievement.

The administration's main 2018 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.) provide a 2% cost of living increase for all employees and provide step-increases for those employees who have earned it based on length of employment service at a cost of $6.3 million.

The 2018 budget includes 11.36 additional positions in the schools that will directly affect instruction, costing nearly $1.0 million. These positions included classroom teachers, paraprofessionals and behavioral specialists.

In addition to instructional staff, the School System has budgeted for an increase in custodial staff and has restructured technology operations to include a Chief Technology Officer to oversee the technology services and instructional technology departments.

The overall payroll budget was increased $9.7 million to account for a 2% cost of living increase, salary scale step increases, the required increase in the employer TRS contribution rate, and an increase in the employer portion of health insurance for classified employees.

One major initiative being continued that the School System feels is cost neutral is the Center of Innovation (COI) that focuses on career and technical education. The School System has partnered with a state level technical college to offer students opportunities to learn about the career aspects in emergency medical responder, patient care fundamentals, allied health, sports medicine, and culinary arts. These classes also provide students opportunities to earn college credit and industry certifications.

During 2018, 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 renovations. The School System is utilizing additional funding sources for some projects in conjunction with SPLOST proceeds when funds are available.

Furthermore, in November 2017, the voters of Fayette County approved a third SPLOST referendum to continue the one-cent educational sales tax which is set to expire in March 2019 for an additional five years. This approval will allow system administration to plan large facility improvement projects for the next several years.

Major capital projects in the planning phase or currently in progress include a new elementary school gym, multipurpose buildings for instruction and athletics, a performing arts facility at one high school, and renovations at two high schools, two middle schools and three elementary schools.

Capital expenditures are also planned that continue to focus on providing students with improved technology and learning environments in the classrooms. The School System is replacing and upgrading student devices including computers, tablets, notebooks, and other hand held devices. In addition, the School System is implementing a "connected classroom" concept where students have access to interact through technology with teachers and other students, including one-to-one device deployment in grades 3 through 12. Along with this technology focus, the School System is phasing in flexible furniture to create unique and flowing classroom spaces that integrate the technology and allow for individual, small group, or classroom environments in any classroom setting.

Overall the economic outlook for the county and local area is positive. The influx of the film industry 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 2017 the sales tax increased 9%, showing strong retail growth for the near future. Another factor affecting the local economic growth is in the healthcare arena with expansion of the local hospital and auxiliary services in that industry.

Requests for Information

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

Basic Financial Statements

Fayette County Board of Education

STATEMENT OF NET POSITION

June 30, 2017

	Governmental Activities
ASSETS	
Cash	$ 12,663,526
Investments	68,000,126
Due from other governments	14,784,558
Taxes receivable	4,525,090
Due from others	3,385
Prepaid items	79,248
Inventory	282,221
Capital assets, not being depreciated:	
Land	14,665,111
Construction in progress	17,043,391
Capital assets, net of accumulated depreciation:	
Buildings	208,400,023
Trucks and autos	11,173,463
Other equipment	21,408,494
Total assets	373,028,636
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	55,467,305
Deferred loss on refunding	3,708,550
Total deferred outflows of resources	59,175,855
LIABILITIES	
Accounts payable	7,444,078
Accrued interest	403,773
Salaries and benefits payable	26,189,202
Retainage payable	867,985
Unearned revenue	82,203
Noncurrent liabilities:	
Due within one year	5,515,962
Due in more than one year	
Accrued compensated absences	704,849
Claims payable	865,000
Bonds payable	42,664,972
Net pension liability	212,552,475
Total liabilities	297,290,499
DEFERRED INFLOWS OF RESOURCES	
Pensions	7,299,356
Total deferred inflows of resources	7,299,356
NET POSITION	
Net investment in capital assets	228,529,060
Restricted for:	
Capital projects	30,024,255
Grant purposes	1,826,949
Unrestricted	(132,765,628)
TOTAL NET POSITION	$ 127,614,636

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

STATEMENT OF ACTIVITIES

For the year ended June 30, 2017

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities:					
Instruction	$ 153,170,007	$ 648,477	$ 84,952,492	$ -	$ (67,569,038)
Support services					
Pupil services	12,928,329	-	1,995,078	-	(10,933,251)
Improvement of instructional services	5,391,077	-	856,026	-	(4,535,051)
Educational media services	3,643,719	-	2,168,307	-	(1,475,412)
Federal grants administration	207,276		199,122		(8,154)
General administration	1,367,169	-	2,270,104	-	902,935
School administration	14,197,794	-	4,395,681	-	(9,802,113)
Business administration	1,376,557	-	17,888	-	(1,358,669)
Maintenance and operation of facilities	14,347,021	-	5,193,040	4,393,232	(4,760,749)
Student transportation services	10,052,045	-	1,767,262	-	(8,284,783)
Central support services	5,734,947	-	333,594	868,309	(4,533,044)
Other support services	318,883	-	53,205	-	(265,678)
Community services	2,577,257	2,507,129	274,651	-	204,523
Food services	7,897,792	3,185,169	3,698,876	20,000	(993,747)
Interest expense	1,719,075	-	-	-	(1,719,075)
Total governmental activities	$ 234,928,948	$ 6,340,775	$ 108,175,326	$ 5,281,541	(115,131,306)
General revenues					
Taxes					
Property taxes, levied for general purposes					91,274,404
Property taxes, levied for debt service					5,850,150
Intangible taxes, general purposes					1,896,445
Intangible taxes, debt service					128,797
Transfer taxes, general purposes					664,084
Transfer taxes, debt service					45,115
Other taxes, general purposes					34,822
Sales tax, capital outlay and debt service					24,266,584
Interest and investment earnings					411,070
Gain on sale of assets					29,564
Other					317,816
Total general revenues					124,918,851
Change in net position					9,787,545
Net position - beginning of year					117,827,091
Net position - end of year					$ 127,614,636

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2017

	Major Governmental Funds					
	General	Debt Service Fund	Capital Projects SPLOST I Fund	Capital Projects SPLOST II Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 2,133,287	$ 256,326	$ 2,184,403	$ 338,567	$ 5,517,358	$ 10,429,941
Investments	30,288,790	7,237	1,406,453	26,296,891	10,000,464	67,999,835
Due from other governments	13,743,164	-	-	-	1,041,394	14,784,558
Taxes receivable	2,057,521	116,526	-	2,351,043	-	4,525,090
Due from other funds	621,619	-	4,790,323	-	-	5,411,942
Due from others	2,790	-		-	595	3,385
Prepaid items	79,248	-	-	-	-	79,248
Inventory	144,870	-	-	-	137,351	282,221
Total assets	$ 49,071,289	$ 380,089	$ 8,381,179	$ 28,986,501	$ 16,697,162	$ 103,516,220
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 435,370	$ -	$ 175,095	$ 6,474,333	$ 306,362	$ 7,391,160
Salaries and benefits payable	24,732,625	-	-	-	1,456,577	26,189,202
Due to other funds	2,390,323	-	-	-	3,021,619	5,411,942
Retainage payable	-	-	5,143	688,854	173,988	867,985
Unearned revenue	82,203	-	-	-	-	82,203
Total liabilities	27,640,521	-	180,238	7,163,187	4,958,546	39,942,492
Deferred Inflows						
Unavailable property tax revenue	825,283	67,727	-	-	-	893,010
Total deferred inflows	825,283	67,727	-	-	-	893,010
Fund Balances:						
Nonspendable	224,118	-	-	-	137,351	361,469
Restricted	-	312,362	8,200,941	21,823,314	1,826,949	32,163,566
Committed	-	-	-	-	2,670,041	2,670,041
Assigned	-	-	-	-	7,104,275	7,104,275
Unassigned	20,381,367	-	-	-	-	20,381,367
Total fund balances	20,605,485	312,362	8,200,941	21,823,314	11,738,616	62,680,718
Total liabilities, deferred inflows and fund balances	$ 49,071,289	$ 380,089	$ 8,381,179	$ 28,986,501	$ 16,697,162	$ 103,516,220

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

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

June 30, 2017

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

Total fund balances - governmental funds	$	62,680,718
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in governmental funds.		272,690,482
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.		893,010
Deferred losses on refunding of debt are reported in governmental activities and amortized over the life of the new debt.		3,708,550
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.		(212,552,475)
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		55,467,305
Deferred inflows of pension related items		(7,299,356)
Internal service funds are used to charge the costs of workers' compensation claims to the individual funds. The assets and liabilities of the internal service fund are included in the statement of net position.		1,115,958
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		(47,869,972)
Accrued interest on bonds		(403,773)
Compensated absences payable		(815,811)
Net position of governmental activities	$	127,614,636

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

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

For the year ended June 30, 2017

	Major Governmental Funds					
	General	Debt Service Fund	Capital Projects SPLOST I Fund	Capital Projects SPLOST II Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
State funds	$ 95,732,360	$ -	$ 1,971,520	2,763,817	$ 1,487,493	$ 101,955,190
Federal funds	-	-	-	-	8,883,979	8,883,979
Local and other funds	95,472,120	6,063,198	482,664	24,386,498	7,619,851	134,024,331
Total revenues	191,204,480	6,063,198	2,454,184	27,150,315	17,991,323	244,863,500
Expenditures						
Current						
Instruction	129,057,906	-	-	2,144,240	5,405,857	136,608,003
Support services						
Pupil services	10,700,084	-	-	-	1,618,530	12,318,614
Improvement of instructional services	4,656,468	-	-	-	462,095	5,118,563
Educational media services	3,098,590	-	-	-	75,584	3,174,174
Federal grants administration	-				199,122	199,122
General administration	1,215,239	-	-	-	97,906	1,313,145
School administration	13,016,617	-	-	-	302,337	13,318,954
Business administration	1,341,217	-	-	-	-	1,341,217
Maintenance and operation of facilities	14,191,478	-	-	-	75,584	14,267,062
Student transportation services	7,720,169	-	-	-	137,321	7,857,490
Central support services	4,788,118	-	-	-	-	4,788,118
Other support services	273,905	-	-	-	42,892	316,797
Community service	-	-	-	-	2,543,418	2,543,418
Food services	91,124	-	-	-	7,090,416	7,181,540
Capital outlay	-	-	5,641,660	26,471,526	2,710,267	34,823,453
Debt Service						
Principal retirement	-	4,995,000	-	-	-	4,995,000
Interest and fees	-	1,363,572	-	-	-	1,363,572
Total expenditures	190,150,915	6,358,572	5,641,660	28,615,766	20,761,329	251,528,242
Excess (deficiency) of revenues over (under) expenditures	1,053,565	(295,374)	(3,187,476)	(1,465,451)	(2,770,006)	(6,664,742)
Other financing sources (uses)						
Sale of general capital assets	94,000	-	-	-	-	94,000
Transfers in	-	203,000	4,900,000	-	1,353,363	6,456,363
Transfers out	(3,853,363)	-	(203,000)	-	(2,400,000)	(6,456,363)
Total other financing sources (uses)	(3,759,363)	203,000	4,697,000	-	(1,046,637)	94,000
Net change in fund balances	(2,705,798)	(92,374)	1,509,524	(1,465,451)	(3,816,643)	(6,570,742)
Fund balances, beginning of year	23,311,283	404,736	6,691,417	23,288,765	15,555,259	69,251,460
Fund balances, end of year	$ 20,605,485	$ 312,362	$ 8,200,941	$ 21,823,314	$ 11,738,616	$ 62,680,718

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

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

For the year ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (6,570,742)
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 ($28,956,310) exceeds depreciation ($12,731,350).		16,224,960
Governmental funds report proceeds from the sale of capital assets. In the statement of activities, the proceeds are netted against the net depreciated value of those assets and a gain or loss on the sale is recorded.		(64,436)
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	4,995,000	
Amortization on bond discounts and premiums	43,495	
Amortization on deferred loss on bond refunding	(449,521)	
		4,588,974
Because some property taxes will not be collected for several months after the School System's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable tax revenues decreased by this amount this year.		(408,341)
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.		(3,063)
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.		50,523
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. Actuarially determined amounts exceeded contributions by this amount.		(3,694,261)
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.		(336,069)
Change in net position of governmental activities		$ 9,787,545

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual (Budget basis)	Variance
Revenues				
State funds	$ 94,255,210	$ 94,255,210	$ 94,611,598	$ 356,388
Local and other funds	97,726,136	97,726,136	95,472,120	(2,254,016)
Total revenues	191,981,346	191,981,346	190,083,718	(1,897,628)
Expenditures				
Current				
Instruction	130,657,161	130,657,161	129,057,906	1,599,255
Support services				
Pupil services	9,790,413	9,790,413	10,700,084	(909,671)
Improvement of instructional services	4,994,146	4,994,146	4,656,468	337,678
Educational media services	2,951,136	2,951,136	3,098,590	(147,454)
General administration	1,813,121	1,813,121	1,215,199	597,922
School administration	12,883,563	12,883,563	13,016,617	(133,054)
Business administration	1,284,642	1,284,642	1,328,938	(44,296)
Maintenance and operation of facilities	14,544,475	14,544,475	13,968,246	576,229
Student transportation services	7,848,028	7,848,028	7,552,441	295,587
Central support services	4,564,829	4,564,829	4,773,144	(208,315)
Other support services	-	-	269,327	(269,327)
Food services	-	-	6,631	(6,631)
Total expenditures	191,331,514	191,331,514	189,643,591	1,687,923
Excess of revenues over expenditures	649,832	649,832	440,127	(209,705)
Other financing sources (uses)				
Sale of general capital assets	-	-	94,000	94,000
Transfers out	(1,500,000)	(4,000,000)	(3,853,363)	146,637
Total other financing sources (uses)	(1,500,000)	(4,000,000)	(3,759,363)	240,637
Net change in fund balances	$ (850,168)	$ (3,350,168)	$ (3,319,236)	$ 30,932

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2017

	Governmental Activities-- Internal Service Workers' Compensation Fund
ASSETS	
Current Assets:	
Cash	$ 2,233,585
Investments	291
Total assets	2,233,876
LIABILITIES	
Current Liabilities:	
Accounts payable	52,918
Claims payable	200,000
Total current liabilities	252,918
Noncurrent Liabilities:	
Claims payable	865,000
Total noncurrent liabilities	865,000
Total liabilities	1,117,918
NET POSITION	
Unrestricted	1,115,958
Total net position	$ 1,115,958

The accompanying notes are an integral part of this statement.

Fayette County Board of Education
Proprietary Funds

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended June 30, 2017

	Governmental Activities-- Internal Service Workers' Compensation Fund
Operating revenues	
Local and other funds	$ 570,000
Total operating revenues	570,000
Operating expenses	
Administration	187,083
Claims	718,990
Total operating expenses	906,073
Operating loss	(336,073)
Nonoperating revenues	
Interest	4
Change in net position	(336,069)
Net position, beginning of year	1,452,027
Net position, end of year	$ 1,115,958

The accompanying notes are an integral part of this statement.

Fayette County Board of Education
Proprietary Funds

STATEMENT OF CASH FLOWS

For the year ended June 30, 2017

	Governmental Activities-- Internal Service Workers' Compensation Fund
Cash flows from operating activities:	
Cash received from interfund services	$ 570,000
Cash paid to suppliers	(911,079)
Net cash used by operating activities	(341,079)
Net decrease in cash	(341,079)
Cash at beginning of year	2,574,664
Cash at end of year	$ 2,233,585
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (336,073)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in assets and liabilities:	
Accounts payable	(5,006)
Net cash used by operating activities	$ (341,079)

The accompanying notes are an integral part of this statement.

Fayette County Board of Education
Fiduciary Funds

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2017

	David Phillips Memorial Private-Purpose Trust Fund	Agency Fund Club and Class Funds
ASSETS		
Cash	$ -	$ 1,797,185
Investments	9,540	-
Total assets	9,540	1,797,185
LIABILITIES		
Due to student groups	-	1,797,185
NET POSITION		
Restricted for scholarships	$ 9,540	$ -

The accompanying notes are an integral part of this statement.

Fayette County Board of Education
Fiduciary Funds

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended June 30, 2017

	David Phillips Memorial Private-Purpose Trust Fund
ADDITIONS	
Interest	$ 54
Total additions	54
Change in net position	54
NET POSITION, beginning of year	9,486
NET POSITION, end of year	$ 9,540

The accompanying notes are an integral part of this statement.



(This page intentionally left blank.)

Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

4. Basis of Presentation – Fund Financial Statements

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

The School System reports the following major governmental funds:

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

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

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

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

The School System does not report any enterprise funds.

Additionally, the School System reports the following fund types:

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

4. Basis of Presentation – Fund Financial Statements - continued

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

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

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

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

Further, certain activity occurs during the year involving transfers of resources between funds. In 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.

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.

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 invenotires 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

9. Capital Assets- continued

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

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

10. Compensated Absences

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

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

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of resources that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to the items related to changes in net pension liability 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 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

11. Deferred Outflows/Inflows of Resources - continued

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

12. Fund Balance Policy and Flow Assumptions

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

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

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

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.

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. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

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	$	(2,705,798)
Adjustments for:		
State QBE revenue		(613,438)
State paid employee benefit revenue		(507,324)
State paid employee benefit expenditures		507,324
Budget Basis Net Change in Fund Balances	$	(3,319,236)

NOTE C – DEPOSTS AND INVESTMENTS

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

NOTE C – DEPOSTS AND INVESTMENTS – continued

At June 30, 2017, the School System had the following investments:

Investment Type	Maturities	Rating	Fair Value
Georgia Fund 1	26 day weighted average	AAAf	$ 68,009,666

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.

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.

NOTE C – DEPOSTS AND INVESTMENTS – continued

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, 2017, 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, 2016, based on property values assessed as of January 1, 2016, and were considered past due if not paid on or before November 15, 2016, 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 2016 were levied at 19.75 mills for operations and 1.35 mills for school bonds.

Tax revenues, at the fund reporting level, amounted to $94,240,225 for maintenance and operations and $6,061,933 for school bonds.

A one percent Special Purpose Local Option Sales Tax (SPLOST) is to be used for capital outlay for educational purposes and for debt service. The State of Georgia collects the tax on behalf of the School System. Collection on the tax authorized under the 2008 referendum (SPLOST I) terminated on March 31, 2014. Collection of the tax authorized under the 2012 referendum will terminate once a total of $107,000,000 has been collected or on March 31, 2019, whichever occurs first.

SPLOST tax revenues, at the fund reporting level, amounted to $24,266,584 for the year ended June 30, 2017.

NOTE E – TAXES RECEIVABLE - continued

At June 30, 2017, taxes receivable, at the fund reporting level, consisted of the following:

- $893,010 (net of $460,035 in allowances for doubtful accounts) in delinquent property taxes receivable was recognized as receivable and as deferred inflows,
- $1,014,648 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,
- $2,351,043 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,
- and $266,389 of intangible recording and real estate transfer taxes.

NOTE F – INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2017, interfund receivables and payables consisted of the following:

	RECEIVABLE FUNDS		
	General Fund	SPLOST I	Total
PAYABLE FUNDS			
General Fund	$ -	$ 2,390,323	$ 2,390,323
Nonmajor Funds:			
Nutrition Service	10,412	-	10,412
Title I	82,880	-	82,880
IDEA	347,852	-	347,852
Vocational Grants	69,426	-	69,426
Title II	22,512	-	22,512
Title III	7,039	-	7,039
GOSA	8,918	-	8,918
Regular Capital Projects	72,580	2,400,000	2,472,580
	$ 621,619	$ 4,790,323	$ 5,411,942

Interfund balances resulted from the time lag between receiving and recognizing certain revenues and meeting temporary cash flow requirements. The amount owed to the SPLOST I fund from the General Fund relates to a budget amendment for transfer of fund balance to partially fund a capital project to be paid for from multiple sources.

NOTE G – CAPITAL ASSETS

The following is a summary of capital asset activity for the fiscal year ending June 30, 2017:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Capital assets, not being depreciated					
Land	$ 14,665,111	$ -	$ -	$ -	$ 14,665,111
Construction in progress	17,177,429	25,266,895	-	(25,400,935)	17,043,391
Total capital assets, not being depreciated	31,842,540	25,266,895	-	(25,400,932)	31,708,502
Capital asset, being depreciated					
Buildings and improvements	339,076,935	153,352	(184,983)	15,874,970	354,920,274
Autos and trucks	21,738,154	2,522,936	(1,441,374)	-	22,819,716
Other equipment	36,542,225	1,013,127	-	9,525,963	47,081,315
Total capital assets, being depreciated	397,357,314	3,689,415	(1,626,357)	25,400,933	424,821,325
Less accumulated depreciation for:					
Buildings and improvements	(138,976,829)	(7,663,969)	120,547	-	(146,520,251)
Autos and trucks	(11,240,952)	(1,846,675)	1,441,374	-	(11,646,253)
Other equipment	(22,452,115)	(3,220,706)	-	-	(25,672,821)
Total accumulated depreciation	(172,669,896)	(12,731,350)	1,561,921	-	(183,839,325)
Total capital assets being depreciated, net	224,687,418	(9,041,935)	(64,436)	25,400,933	240,981,980
Governmental activities capital assets, net	$ 256,529,958	$ 16,224,960	$ (64,436)	$ -	$ 272,690,482

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

Instruction	$ 8,351,121
Support services	
Pupil services	1,577
Improvement of instructional services	188,510
Educational media services	214,702
General administration	30,444
School administration	570,002
Business administration	1,823
Maintenance and operations of facilities	88,687
Student transportation services	1,978,170
Central support services	603,775
Community service	13,951
Food services	688,588
Total depreciation	$ 12,731,350

NOTE H – LONG-TERM DEBT

General Obligation Bonds

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

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

At June 30, 2017 $17,080,000 of the defeased bonds from Series 2007 remain outstanding. The defeased bonds from Series 2005 were called and paid in fiscal year 2016.

General obligation bonds consist of the following as of June 30, 2017:

Series	Coupon Rate	Maturities	Balance
2013	2.53%	2014 to 2026	$ 47,869,972

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

	Principal	Interest	Total
2018	$ 5,205,000	$ 1,211,110	$ 6,416,110
2019	5,390,000	1,079,424	6,469,424
2020	5,590,000	943,057	6,533,057
2021	5,785,000	801,630	6,586,630
2022	6,005,000	655,269	6,660,269
2023-2026	19,894,972	1,048,303	20,943,275
Total	$ 47,869,972	$ 5,738,793	$ 53,608,765

NOTE H – LONG-TERM DEBT – continued

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	$ 52,864,972	$ -	$ (4,995,000)	$ 47,869,972	$ 5,205,000
Plus premium on issuance of bonds	43,495	-	(43,495)	-	-
Total bonds payable	52,908,467	-	(5,038,495)	47,869,972	5,205,000
Claims payable	1,065,000	718,990	(718,990)	1,065,000	200,000
Accrued compensated absences payable	812,748	1,133,267	(1,130,204)	815,811	110,962
Net pension liability	153,700,966	74,976,392	(16,124,883)	212,552,475	-
	$ 208,487,181	$ 76,828,649	$ (23,012,572)	$ 262,303,258	$ 5,515,962

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

NOTE I - FUND BALANCES

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

General Fund:	
Prepaid items	$ 79,248
Inventory	144,870
Nonmajor Special Revenue Funds:	
School Nutrition Service Fund inventory	137,351
Total Nonspendable Fund Balance	$ 361,469

NOTE I - FUND BALANCES – continued

Restricted – The following balances are restricted for:

Debt Service Fund: used to account for tax proceeds and debt service payments on general obligation debt	$ 312,362
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	8,200,941
Capital Projects-SPLOST II Fund: used to account for sales tax proceeds collected under the 2012 SPLOST referendum and the cost of capital projects financed with those SPLOST proceeds	21,823,314
Nonmajor Special Revenue Funds:	
School Nutrition Services Fund – used to account for activity of the school lunch program	1,802,288
Friends Mentoring Program Fund– used to account for proceeds of grant from Department of Human Resources	20,497
Other Grants Fund– used to account for various grant awards	4,164
Total Restricted Fund Balance	$ 32,163,566

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	$ 456,529
After School Program Fund – used to account for the activities of after school programs	907,446
Donations Fund – used to account for resources provided by donations	87,769
Auditorium Rentals Fund – used to account for resources generated by auditorium facility rentals	106,197
Principals' Fund – used to account for resources generated by schools for various school activities and needs	1,112,100
Total Committed Fund Balance	$ 2,670,041

Assigned – The following fund balances are assigned to:

Nonmajor Capital Project Funds:	
Regular Capital Project Fund – to account for amounts intended to be spent on capital outlay	$ 7,104,275
Total Assigned Fund Balance	$ 7,104,275

NOTE J – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2017 consisted of the following amounts:

	TRANSFERS OUT			
	Major Funds		Non-major Fund	
	General Fund	SPLOST I	Regular Capital Projects	Total
TRANSFERS IN				
SPLOST I	$ 2,500,000	$	$ 2,400,000	$ 4,900,000
Debt Service Fund	-	203,000	-	203,000
Nonmajor Funds:				
Regular Capital Projects	1,000,000	-	-	1,000,000
JR ROTC	198,328	-	-	198,328
Lottery	155,035	-	-	155,035
	$ 3,853,363	$ 203,000	$ 2,400,000	$ 6,456,363

As authorized by the SPLOST referendum, a portion of SPLOST receipts are to be used toward principal and interest payments on certain general obligation debt. During the year, $203,000 of SPLOST receipts was transferred to the Debt Service Fund in order to make these debt service payments.

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

NOTE K – RISK MANAGEMENT

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

Risk Pool

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

NOTE K – RISK MANAGEMENT - continued

Risk Pool - continued

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

Workers' Compensation Claims

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

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

Year Ended June 30,	Beginning of Year Liability	Current Year Claims Accrual	Claims Paid	End of Year Liability
2017	$ 1,065,000	$ 718,990	$ 718,990	$ 1,065,000
2016	$ 1,065,000	$ 761,536	$ 761,536	$ 1,065,000

Unemployment Claims

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

Year Ended June 30,	Beginning of Year Liability	Current Year Unemployment Accrual	Unemployment Paid	End of Year Liability
2017	$ -	$ 9,818	$ 9,818	$ -
2016	$ -	$ 3,306	$ 3,306	$ -

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)	$	193,567
Office of Treasury and Fiscal Services		
Paid to the Public School Employees' Retirement System (PSERS)		313,757
	$	507,324

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 2017.

NOTE M – RETIREMENT PLANS – continued

Teachers Retirement System (TRS)- continued

The School System's contractually required contribution rate for the year ended June 30, 2017 was 14.27% of annual School System payroll.

Employer contributions for the current fiscal year and the two preceding years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2017	100%	$ 17,126,504
2016	100%	$ 16,124,883
2015	100%	$ 14,012,935

Public School Employees' Retirement System (PSERS)

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

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.

NOTE M – RETIREMENT PLANS – continued

Public School Employees' Retirement System (PSERS) - continued

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

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

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

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

School System's proportionate share of the net pension liability	$ 212,552,475
State of Georgia's proportionate share of the net pension liability associated with the System	$ 3,443,539
Total	$ 215,996,014

The TRS net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 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, 2016.

At June 30, 2016, the School System's TRS proportion is 1.030252%, which was an increase of 0.020656% from its proportion measured as of June 30, 2015.

At June 30, 2017, 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 $2,151,946.

NOTE M – RETIREMENT PLANS – continued

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

The PSERS net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School System was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2016.

For the year ended June 30, 2017, the School System recognized pension expense of $20,820,765 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 $386,305 for TRS and of $352,785 for PSERS for support provided by the State of Georgia for certain support personnel.

At June 30, 2017, 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	$ 3,166,459	$ 1,051,073
Changes in assumptions	5,509,067	-
Net difference between projected and actual earnings on pension plan investments	26,888,763	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	2,776,512	6,248,283
School System contributions subsequent to the measurement date	17,126,504	-
Total	$ 55,467,305	$ 7,299,356

NOTE M – RETIREMENT PLANS – continued

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

School System contributions subsequent to the measurement date of June 30, 2016 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, 2018. 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
2018	$ 2,199,334
2019	2,199,324
2020	14,975,181
2021	11,122,279
2022	545,327
Thereafter	-

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2015, 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-200 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward on year for males) for service requirements and dependent beneficiaries. The RP-2000 Disabled Mortality tavle 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, 2015 valuations were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

NOTE M – RETIREMENT PLANS – continued

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

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.

Public School Employees' Retirement System:

Inflation	2.75%
Salary increase	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2015 valuations were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

NOTE M – RETIREMENT PLANS – continued

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

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.

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

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

	1% Decrease (6.5%)	Current Discount rate (7.5%)	1% Increase (8.5%)
System's proportionate share of the net pension liability	$330,840,549	$212,552,475	$115,161,744

NOTE M – RETIREMENT PLANS – continued

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

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, 2017, there were 896 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, 2017, the School System's contribution to the Plan was approximately $85,000.

NOTE N – POSTEMPLOYMENT BENEFITS

Plan Description. The Georgia School Personnel Post-employment Health Benefit Fund ("School OPEB Fund") is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers eligible former employees of public school systems, libraries and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Insurance Plan administered by the Department of Community Health. The Official Code of Georgia Annotated ("O.C.G.A.") assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health. Additional information about the School OPEB Fund is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This report can be obtained from the Georgia Department of Audits and Accounts.

NOTE N – POSTEMPLOYMENT BENEFITS – continued

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

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

The combined active and retiree contribution rates established by the Board of Community Health for employers participating in the School OPEB Fund are as follows for the fiscal year ended June 30, 2017:

Employee Group	Months Paid	Rate per Month	Coverage Period
Certificated (teachers)	July 2016 – June 2017	$945.00	August 2016 – July 2017
Non-certificated	July 2016 – December 2016	$746.20	August 2016 – January 2017
	January 2017 – June 2017	$846.20	Februay 2017 – July 2017

No additional contribution was required by the Board of Community Health for fiscal year 2017 nor was contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board of Community Health in accordance with the state plan for other postemployment benefits and are subject to appropriation.

NOTE N – POSTEMPLOYMENT BENEFITS – continued

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

Fiscal Year	Percentage Contributed	Required Contribution
2017	100%	$ 21,014,092
2016	100%	$ 18,895,044
2015	100%	$ 17,234,824

NOTE O – NON-MONETARY TRANSACTIONS

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately $615,000 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenues when received and as expenditures when used.

NOTE P – TAX ABATEMENTS

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

For the fiscal year ended June 30, 2017, Fayette County abated property taxes due to the School System that were levied on September 15, 2016 and due on November 15, 2016 totaling approximately $1,215,000. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10 percent of the total amount abated:

- An 85 percent property tax abatement to a film studio. The abatement amounted to approximately $610,000.

- A 70 percent property tax abatement to a chemical processing company. The abatement amounted to approximately $320,000.

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 $25,260,000 remains to be paid on these contracts.

Grant Programs

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

Litigation

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

NOTE R – NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2017, the School System adopted Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires governments tht enter into tax abatement agreements to disclose the following information; (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by a government, other than abated taxes, as part of a tax abatement agreement. See Note P for further disclosure of tax abatements in accordance with this standard.

NOTE R – NEW ACCOUNTING PRONOUNCEMENTS -continued

In fiscal year 2017, the School System adopted Governmental Accounting Standards Board (GASB) Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73. This statement addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions fo GASB Statements No. 67 and 68. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) classification of payments made by employers to statisfy employee (plan members) contribution requirements. The adoption of this statement does not have a significant impact on the School System's financial statements.

NOTE S – SUBSEQUENT EVENTS

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 aprogram of workers' compensation self-insurance for its member organization. As a member, the School Sysmtem 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 Causalty Corporation to provide coverage for potential losses sustained by the GSBA-WCF in excess of $400,000 per occurance, up to the statutory limit.

The School System will remain self-insured on all workers' compensation claims incurred prior to October 1, 2017.



(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

	2017	2016	2015
System's proportion of the net pension liability	1.030252%	1.009596%	1.014565%
System's proportionate share of the net pension liability	$ 212,552,475	$ 153,700,966	$ 128,176,906
State of Georgia's proportionate share of the net pension liability associated with the School System	3,443,539	2,502,827	1,956,073
Total	$ 215,996,014	$ 156,203,793	$ 130,132,979
School System's covered-employee payroll	$ 112,998,480	$ 106,562,244	$ 106,658,720
School System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	188.10%	144.24%	120.17%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	81.44%	84.03%

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

Fayette County Board of Education

Required Supplementary Information
Schedule of Contributions
Teachers Retirement System of Georgia
For the Year Ended June 30

	2017	2016	2015
Contractually required contribution	$ 17,126,504	$ 16,124,883	$ 14,012,935
Contributions in relation to the contractually required contribution	$ 17,126,504	$ 16,124,883	$ 14,012,935
Contribution deficiency (excess)	$ -	$ -	$ -
School System's covered-employee payroll	$ 120,017,546	$ 112,998,480	$ 106,562,244
Contributions as a percentage of covered payroll	14.27%	14.27%	13.15%

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

Fayette County Board of Education

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS RETIREMENT SYSTEM OF GEORGIA
For the Year Ended June 30, 2017

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).

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2017 reported in that schedule:

Valuation date	June 30, 2014
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	Five-year smoothed market
Inflation rate	3.00%
Salary increases	3.75-7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Fayette County Board of Education

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

	2017	2016	2015
System's proportion of the net pension liability	0.00%	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	2,151,946	1,414,807	1,282,001
Total	$ 2,151,946	$ 1,414,807	$ 1,282,001
School System's covered-employee payroll	$ 6,495,827	$ 6,227,365	$ 6,096,868
School System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	81.00%	87.00%	88.29%

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

Fayette County Board of Education

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA
For the Year Ended June 30, 2017

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).

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2017 reported in that schedule:

Valuation date	June 30, 2014
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	25 years
Asset valuation method	Five-year smoothed market
Inflation rate	3.00%
Salary increases	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Cost-of-living adjustments	1.50% semi-annually

Combining Statements and Schedules

Fayette County Board of Education

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

Sandy Creek GOSA Fund was established to account for state funds from the Governor's Office of Student Achievement for professional development related to computer science curricula.

Lottery Fund was established to account for state lottery funds.

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

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

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

Fayette County Board of Education

NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED

SPECIAL REVENUE FUNDS - continued

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

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

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

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

CAPITAL PROJECTS FUND

The Capital Projects Funds are used to account for resources provided for the acquisition or construction of major capital facilities. The School System has one non-major capital projects fund (Regular Capital Projects) that is used to account for locally funded construction and renovation projects.

Fayette County Board of Education

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2017

	Special Revenue Funds	Regular Capital Projects Fund	Total Non-Major Funds
ASSETS			
Cash	$ 5,517,358	$ -	$ 5,517,358
Investments	4,784	9,995,680	10,000,464
Due from other governments	1,041,394	-	1,041,394
Due from others	595	-	595
Inventory	137,351	-	137,351
Total assets	$ 6,701,482	$ 9,995,680	$ 16,697,162
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 61,525	$ 244,837	$ 306,362
Retainage payable	-	173,988	173,988
Salaries payable	1,456,577	-	1,456,577
Due to other funds	549,039	2,472,580	3,021,619
Total liabilities	2,067,141	2,891,405	4,958,546
Fund balances			
Nonspendable	137,351	-	137,351
Restricted	1,826,949	-	1,826,949
Committed	2,670,041	-	2,670,041
Assigned	-	7,104,275	7,104,275
Total fund balances	4,634,341	7,104,275	11,738,616
Total liabilities and fund balances	$ 6,701,482	$ 9,995,680	$ 16,697,162

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, 2017

	Special Revenue Funds	Regular Capital Projects Fund	Total Non-Major Funds
Revenues			
State funds	$ 1,487,493	$ -	$ 1,487,493
Federal funds	8,883,979	-	8,883,979
Local and other funds	7,240,243	379,608	7,619,851
Total revenues	17,611,715	379,608	17,991,323
Expenditures			
Current			
Instruction	5,405,857	-	5,405,857
Support services			
Pupil services	1,618,530	-	1,618,530
Improvement of instructional services	462,095	-	462,095
Educational media services	75,584	-	75,584
Federal grants administration	199,122	-	199,122
General administration	97,906	-	97,906
School administration	302,337	-	302,337
Maintenance and operation of facilities	75,584	-	75,584
Student transportation services	137,321	-	137,321
Other support services	42,892	-	42,892
Community service	2,543,418	-	2,543,418
Food services	7,090,416	-	7,090,416
Capital outlay	-	2,710,267	2,710,267
Total expenditures	18,051,062	2,710,267	20,761,329
Deficiency of revenues under expenditures	(439,347)	(2,330,659)	(2,770,006)
Other financing sources (uses)			
Transfers in	353,363	1,000,000	1,353,363
Transfers out	-	(2,400,000)	(2,400,000)
Total other financing sources (uses)	353,363	(1,400,000)	(1,046,637)
Net change in fund balances	(85,984)	(3,730,659)	(3,816,643)
Fund balances, beginning of year	4,720,325	10,834,934	15,555,259
Fund balances, end of year	$ 4,634,341	$ 7,104,275	$ 11,738,616

Fayette County Board of Education

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

June 30, 2017

	School Nutrition Service	Title I	IDEA	Vocational Grants
ASSETS				
Cash	$ 2,354,208	$ -	$ -	$ -
Investments	-	-	-	-
Due from other governments	-	83,112	802,800	69,426
Due from others	-	-	-	-
Inventory	137,351	-	-	-
Total assets	$ 2,491,559	$ 83,112	$ 802,800	$ 69,426
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 44,402	$ 232	$ 1,890	$ -
Salaries payable	497,106	-	453,058	-
Due to other funds	10,412	82,880	347,852	69,426
Total liabilities	551,920	83,112	802,800	69,426
Fund balances				
Nonspendable	137,351	-	-	-
Restricted	1,802,288	-	-	-
Committed	-	-	-	-
Total fund balances	1,939,639	-	-	-
Total liabilities and fund balances	$ 2,491,559	$ 83,112	$ 802,800	$ 69,426

Title II	Title III	JR ROTC	Sandy Creek GOSA
$ -	$ -	$ 52,150	$ -
-	-	-	-
55,055	14,665	5,308	11,028
-	-	-	-
-	-	-	-
$ 55,055	$ 14,665	$ 57,458	$ 11,028
$ 3,739	$ 70	$ -	$ 2,110
28,804	7,556	57,458	-
22,512	7,039	-	8,918
55,055	14,665	57,458	11,028
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
$ 55,055	$ 14,665	$ 57,458	$ 11,028

continued

Fayette County Board of Education

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

June 30, 2017

	Lottery	Friends Mentoring Program	Other Grants	Community Education
ASSETS				
Cash	$ 226,440	$ 20,497	$ 4,164	$ 463,938
Investments	-	-	-	-
Due from other governments	-	-	-	-
Due from others	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 226,440	$ 20,497	$ 4,164	$ 463,938
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ -	$ -	$ 7,409
Salaries payable	226,440	-	-	-
Due to other funds	-	-	-	-
Total liabilities	226,440	-	-	7,409
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	20,497	4,164	-
Committed	-	-	-	456,529
Total fund balances	-	20,497	4,164	456,529
Total liabilities and fund balances	$ 226,440	$ 20,497	$ 4,164	$ 463,938

After School Program	Donation Funds	Auditorium Rentals	Principals' Fund	Total
$ 1,093,069	$ 84,553	$ 106,239	$ 1,112,100	$ 5,517,358
-	4,784	-	-	4,784
-	-	-	-	1,041,394
595				595
-	-	-	-	137,351
$ 1,093,664	$ 89,337	$ 106,239	$ 1,112,100	$ 6,701,482
$ 63	$ 1,568	$ 42	$ -	$ 61,525
186,155	-	-	-	1,456,577
-	-	-	-	549,039
186,218	1,568	42	-	2,067,141
-	-	-	-	137,351
-	-	-	-	1,826,949
907,446	87,769	106,197	1,112,100	2,670,041
907,446	87,769	106,197	1,112,100	4,634,341
$ 1,093,664	$ 89,337	$ 106,239	$ 1,112,100	$ 6,701,482

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, 2017

	School Nutrition Service	Title I	IDEA	Vocational Grants
Revenues				
State funds	$ 177,546	$ -	$ -	$ -
Federal funds	3,418,225	1,423,360	3,377,500	112,741
Local and other funds	3,185,169	-	-	-
Total revenues	6,780,940	1,423,360	3,377,500	112,741
Expenditures				
Current				
Instruction	-	840,199	1,939,981	109,411
Support services				
Pupil services	-	255,441	1,324,585	-
Improvement of instructional services	-	45,152	-	3,330
Educational media services	-	-	-	-
Federal grants administration	-	190,293	8,777	-
General administration	-	-	93,477	-
School administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	51,057	10,680	-
Other support services	-	41,218	-	-
Community service	-	-	-	-
Food services	7,090,416	-	-	-
Total expenditures	7,090,416	1,423,360	3,377,500	112,741
Excess (deficiency) of revenues over (under) expenditures	(309,476)	-	-	-
Other financing sources				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(309,476)	-	-	-
Fund balances, beginning of year	2,249,115	-	-	-
Fund balances, end of year	$ 1,939,639	$ -	$ -	$ -

Title II	Title III	JR ROTC	Sandy Creek GOSA
$ -	$ -	$ -	$ 74,415
291,019	125,406	135,728	-
-	-	-	-
291,019	125,406	135,728	74,415
-	40,229	334,056	-
-	38,504	-	-
290,967	44,999	-	74,415
-	-	-	-
52	-		
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	1,674	-	-
-	-	-	-
-	-	-	-
291,019	125,406	334,056	74,415
-	-	(198,328)	-
-	-	198,328	-
-	-	198,328	-
-	-	-	-
-	-	-	-
$ -	$ -	$ -	$ -

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, 2017

	Lottery	Friends Mentoring Program	Other Grants	Community Education
Revenues				
State funds	$ 1,235,532	$ -	$ -	$ -
Federal funds	-	-	-	-
Local and other funds	-	3,650	2,223	373,753
Total revenues	1,235,532	3,650	2,223	373,753
Expenditures				
Current				
Instruction	1,386,138	-	-	-
Support services				
Pupil services	-	-	-	-
Improvement of instructional services	-	-	-	-
Educational media services	-	-	-	-
Federal grants administration	-	-	-	-
General administration	4,429	-	-	-
School administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	-	-	-
Other support services	-	-	-	-
Community service	-	4,177	1,651	314,748
Food services	-	-	-	-
Total expenditures	1,390,567	4,177	1,651	314,748
Excess (deficiency) of revenues over (under) expenditures	(155,035)	(527)	572	59,005
Other financing sources				
Transfers in	155,035	-	-	-
Total other financing sources	155,035	-	-	-
Net change in fund balances	-	(527)	572	59,005
Fund balances, beginning of year	-	21,024	3,592	397,524
Fund balances, end of year	$ -	$ 20,497	$ 4,164	$ 456,529

After School Program	Donation Funds	Auditorium Rentals	Principals' Fund	Total
$ -	$ -	$ -	$ -	$ 1,487,493
-	-	-	-	8,883,979
2,054,547	48,373	78,829	1,493,699	7,240,243
2,054,547	48,373	78,829	1,493,699	17,611,715
-	-	-	755,843	5,405,857
-	-	-	-	1,618,530
-	3,232	-	-	462,095
-	-	-	75,584	75,584
-	-	-	-	199,122
-	-	-	-	97,906
-	-	-	302,337	302,337
-	-	-	75,584	75,584
-	-	-	75,584	137,321
-	-	-	-	42,892
1,908,788	52,437	34,864	226,753	2,543,418
-	-	-	-	7,090,416
1,908,788	55,669	34,864	1,511,685	18,051,062
145,759	(7,296)	43,965	(17,986)	(439,347)
-	-	-	-	353,363
-	-	-	-	353,363
145,759	(7,296)	43,965	(17,986)	(85,984)
761,687	95,065	62,232	1,130,086	4,720,325
$ 907,446	$ 87,769	$ 106,197	$ 1,112,100	$ 4,634,341

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, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
State funds	$ 174,500	$ 174,500	$ 177,546	$ 3,046
Federal funds	3,650,000	3,650,000	3,418,225	(231,775)
Local and other funds	2,700,000	2,700,000	3,185,169	485,169
Total revenues	6,524,500	6,524,500	6,780,940	256,440
Expenditures				
Current				
Food services	6,524,500	6,524,500	7,090,416	(565,916)
Total expenditures	6,524,500	6,524,500	7,090,416	(565,916)
Net change in fund balances	$ -	$ -	$ (309,476)	$ (309,476)

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 1,588,638	$ 1,653,246	$ 1,423,360	$ (229,886)
Total revenues	1,588,638	1,653,246	1,423,360	(229,886)
Expenditures				
Current				
Instruction	825,976	1,034,269	840,199	194,070
Support services				
Pupil services	5,782	335,210	255,441	79,769
Improvement of instructional services	190,493	35,614	45,152	(9,538)
Federal grant administration	195,741	185,439	190,293	(4,854)
Student transportation services	53,772	62,714	51,057	11,657
Other support services	316,874	-	41,218	(41,218)
Total expenditures	1,588,638	1,653,246	1,423,360	229,886
Net change in fund balances	$ -	$ -	$ -	$ -

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 4,106,193	$ 3,966,486	$ 3,377,500	$ (588,986)
Total revenues	4,106,193	3,966,486	3,377,500	(588,986)
Expenditures				
Current				
Instruction	2,758,443	2,459,307	1,939,981	519,326
Support services				
Pupil services	1,213,650	1,368,978	1,324,585	44,393
Improvement of instructional services	5,000	-	-	-
Federal grant administration	109,500	116,700	8,777	107,923
General administration	6,850	2,800	93,477	(90,677)
Student transportation services	12,750	18,701	10,680	8,021
Total expenditures	4,106,193	3,966,486	3,377,500	588,986
Net change in fund balances	$ -	$ -	$ -	$ -

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 111,924	$ 112,741	$ 112,741	$ -
Total revenues	111,924	112,741	112,741	-
Expenditures				
Current				
Instruction	84,445	109,411	109,411	-
Support services				
Improvement of instructional services	27,479	3,330	3,330	-
Total expenditures	111,924	112,741	112,741	-
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, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 338,844	$ 325,252	$ 291,019	$ (34,233)
Total revenues	338,844	325,252	291,019	(34,233)
Expenditures				
Current				
Instruction	10,000	8,000	-	8,000
Support services				
Improvement of instructional services	328,844	316,752	290,967	25,785
Federal grant administration	-	500	52	448
Total expenditures	338,844	325,252	291,019	34,233
Net change in fund balances	$ -	$ -	$ -	$ -

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 124,665	$ 134,029	$ 125,406	$ (8,623)
Total revenues	124,665	134,029	125,406	(8,623)
Expenditures				
Current				
Instruction	23,506	47,828	40,229	7,599
Support services				
Pupil services	31,949	34,583	38,504	(3,921)
Improvement of instructional services	58,827	45,600	44,999	601
Student transportation services	6,077	570	-	570
Other support services	4,306	5,448	1,674	3,774
Total expenditures	124,665	134,029	125,406	8,623
Net change in fund balances	$ -	$ -	$ -	$ -

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 138,000	$ 132,000	$ 135,728	$ 3,728
Total revenues	138,000	132,000	135,728	3,728
Expenditures				
Current				
Instruction	315,000	338,000	334,056	3,944
Total expenditures	315,000	338,000	334,056	3,944
Deficiency of revenues under expenditures	(177,000)	(206,000)	(198,328)	7,672
Other financing sources				
Transfers in	177,000	206,000	198,328	(7,672)
Total other financing sources	177,000	206,000	198,328	(7,672)
Net change in fund balances	$ -	$ -	$ -	$ -

Fayette County Board of Education

Sandy Creek GOSA
Special Revenue Fund
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
State funds	$ -	$ 98,000	$ 74,415	$ (23,585)
Total revenues	-	98,000	74,415	(23,585)
Expenditures				
Current				
Support services				
Improvement of instructional services	-	98,000	74,415	23,585
Total expenditures	-	98,000	74,415	23,585
Net change in fund balances	$ -	$ -	$ -	$ -

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
State funds	$ 975,000	$ 1,200,000	$ 1,235,532	$ 35,532
Total revenues	975,000	1,200,000	1,235,532	35,532
Expenditures				
Current				
Instruction	1,150,000	1,420,000	1,386,138	33,862
Support services				
General administration	-	-	4,429	(4,429)
Total expenditures	1,150,000	1,420,000	1,390,567	29,433
Deficiency of revenues under expenditures	(175,000)	(220,000)	(155,035)	64,965
Other financing sources				
Transfers in	175,000	220,000	155,035	(64,965)
Total other financing sources	175,000	220,000	155,035	(64,965)
Net change in fund balances	$ -	$ -	$ -	$ -

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, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 1,000	$ 1,000	$ 3,650	$ 2,650
Total revenues	1,000	1,000	3,650	2,650
Expenditures				
Current				
Community service	5,000	5,000	4,177	823
Total expenditures	5,000	5,000	4,177	823
Net change in fund balances	$ (4,000)	$ (4,000)	$ (527)	$ 3,473

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 1,000	$ 1,000	$ 2,223	$ 1,223
Total revenues	1,000	1,000	2,223	1,223
Expenditures				
Current				
Community service	1,000	1,000	1,651	(651)
Total expenditures	1,000	1,000	1,651	(651)
Net change in fund balances	$ -	$ -	$ 572	$ 572

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 375,000	$ 375,000	$ 373,753	$ (1,247)
Total revenues	375,000	375,000	373,753	(1,247)
Expenditures				
Current				
Community service	375,000	375,000	314,748	60,252
Total expenditures	375,000	375,000	314,748	60,252
Net change in fund balances	$ -	$ -	$ 59,005	$ 59,005

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, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 1,972,935	$ 1,972,935	$ 2,054,547	$ 81,612
Total revenues	1,972,935	1,972,935	2,054,547	81,612
Expenditures				
Current				
Community service	1,972,935	1,972,935	1,908,788	64,147
Total expenditures	1,972,935	1,972,935	1,908,788	64,147
Net change in fund balances	$ -	$ -	$ 145,759	$ 145,759

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 50,000	$ 50,000	$ 48,373	$ (1,627)
Total revenues	50,000	50,000	48,373	(1,627)
Expenditures				
Current				
Improvement of instructional services	-	-	3,232	(3,232)
Community service	50,000	50,000	52,437	(2,437)
Total expenditures	50,000	50,000	55,669	(5,669)
Net change in fund balances	$ -	$ -	$ (7,296)	$ (7,296)

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 30,000	$ 45,000	$ 78,829	$ 33,829
Total revenues	30,000	45,000	78,829	33,829
Expenditures				
Current				
Community service	30,000	45,000	34,864	10,136
Total expenditures	30,000	45,000	34,864	10,136
Net change in fund balances	$ -	$ -	$ 43,965	$ 43,965

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 1,600,000	$ 1,600,000	$ 1,493,699	$ (106,301)
Total revenues	1,600,000	1,600,000	1,493,699	(106,301)
Expenditures				
Current				
Instruction	800,000	800,000	755,843	44,157
Support services				
Educational media services	80,000	80,000	75,584	4,416
School administration	320,000	320,000	302,337	17,663
Maintenance and operation of facilities	80,000	80,000	75,584	4,416
Student transportation services	80,000	80,000	75,584	4,416
Community service	240,000	240,000	226,753	13,247
Total expenditures	1,600,000	1,600,000	1,511,685	88,315
Net change in fund balances	$ -	$ -	$ (17,986)	$ (17,986)

Fayette County Board of Education

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 6,002,000	$ 6,002,000	$ 6,063,198	$ 61,198
Total revenues	6,002,000	6,002,000	6,063,198	61,198
Expenditures				
Debt services				
Principal retirement	4,995,000	4,995,000	4,995,000	-
Interest and fees	1,372,682	1,372,682	1,363,572	9,110
Total expenditures	6,367,682	6,367,682	6,358,572	9,110
Deficiency of revenues under expenditures	(365,682)	(365,682)	(295,374)	70,308
Other financing sources				
Transfers in	100,000	100,000	203,000	103,000
Total other financing sources	100,000	100,000	203,000	103,000
Net change in fund balances	$ (265,682)	$ (265,682)	$ (92,374)	$ 173,308

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.



(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, 2017

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash	$ 1,654,662	$ 4,714,770	$ 4,572,247	$ 1,797,185
LIABILITIES				
Due to student groups	$ 1,654,662	$ 4,714,770	$ 4,572,247	$ 1,797,185



(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, 2017

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	$ 25,258,911	$ 203,000
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	17,000,000	34,000,000	23,153,977	479,708
Acquisition of miscellaneous new equipment, fixtures and furnishings the school system, including technology infrastructure, equipment and software, safety and security equipment	47,500,000	46,000,000	40,164,133	5,161,952
Acquisition of textbooks	2,500,000	6,111,906	6,111,906	-
Acquisition of school buses and transportation and maintenance equipment	10,000,000	11,797,132	11,797,132	-
	$ 115,000,000	$ 123,370,949	$ 106,486,059	$ 5,844,660

Total expenditures	$ 5,641,660
Transfers to debt service fund	203,000
	$ 5,844,660

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

FAYETTE COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2012 ISSUE
FOR THE YEAR ENDED JUNE 30, 2017

Project	Original Estimated Cost	Current Estimated Cost	Prior Years' Expenditures	Current Year's Expenditures
Debt service payments on bonded debt	$ 10,000,000	$ 2,500,000	$ -	$ -
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	35,000,000	65,000,000	24,505,188	22,461,041
Acquisition of miscellaneous new equipment, fixtures and furnishings for the school system, including technology infrastructure, equipment and software, safety and security equipment	42,000,000	37,000,000	-	1,221,436
Acquisition of textbooks and instructional materials	10,000,000	10,000,000	311,228	2,144,239
Acquisition of school buses and transportation and maintenance equipment	10,000,000	10,000,000	1,625,649	2,789,050
	$ 107,000,000	$ 124,500,000	$ 26,442,065	$ 28,615,766

FAYETTE COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES BY OBJECT
LOTTERY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2017

Expenditures	
Operating costs	
Salaries	$ 984,101
Employee benefits	377,919
Supplies and materials	22,152
Supplies and materials related to technology	928
Expendable equipment	5,267
Expendable computer equipment	200
Total expenditures	$ 1,390,567

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 128

These schedules contain trend information to help the reader understand how the School System's financial performance and well-being have changed over time.

Revenue Capacity 137

These schedules contain information to help the reader assess the School System's most significant local revenue source, the property tax.

Debt Capacity 145

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.

Operating Information 150

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.

Demographic and Economic Information 162

Theses schedules offer demographic and economic indications to help the reader understand the environment within which the School System's financial activities take place.

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

	Fiscal Year			
	2017	**2016**	**2015 (a)**	**2014**
Governmental Activities				
Net investment in capital assets	$ 228,529,060	$ 207,779,562	$ 186,432,779	$ 168,187,655
Restricted	31,851,204	32,124,998	41,198,421	41,020,287
Unrestricted	(132,765,628)	(122,077,469)	(134,974,173)	33,633,101
Total governmental activities net position	$ 127,614,636	$ 117,827,091	$ 92,657,027	$ 242,841,043

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

2013	2012	2011	2010	2009	2008
$ 178,523,433	$ 175,064,622	$ 172,653,135	$ 169,508,268	$ 158,499,410	$ 150,461,882
37,659,348	31,257,451	26,335,635	8,971,932	11,911,480	19,677,495
13,941,511	13,339,704	20,608,820	28,213,735	1,620,066	(13,255,093)
$ 230,124,292	$ 219,661,777	$ 219,597,590	$ 206,693,935	$ 172,030,956	$ 156,884,284

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

	Fiscal Year			
Expenses	**2017**	**2016**	**2015**	**2014**
Governmental Activities				
Instruction	$ 153,170,007	$ 133,734,324	$ 126,035,930	$ 123,283,652
Support Services				
Pupil services	12,928,329	9,528,601	8,982,470	8,940,118
Improvement of instructional services	5,391,077	4,887,298	4,233,092	3,919,268
Educational media services	3,643,719	3,717,116	3,031,063	3,078,138
Federal administration	207,276	194,211	-	-
General administration	1,367,169	1,609,711	1,664,955	1,778,299
School administration	14,197,794	12,895,687	11,092,787	11,570,184
Business administration	1,376,557	986,533	865,120	872,724
Maintenance and operation of facilities	14,347,021	13,786,812	13,133,822	12,683,045
Student transportation services	10,052,045	9,112,882	8,620,521	8,820,745
Central support services	5,734,947	4,489,646	3,658,754	2,830,478
Other support services	318,883	434,780	225,350	491,443
Community services	2,577,257	2,352,200	2,292,410	2,137,412
Food services	7,897,792	7,386,296	7,090,152	7,495,355
Other non-instructional services	-	-	-	-
Interest expense	1,719,075	1,920,806	2,242,423	3,154,736
Total governmental activities expenses	$ 234,928,948	$ 207,036,903	$ 193,340,443	$ 191,055,597
Program Revenues				
Charges for services				
Instruction	$ 648,477	$ 398,758	$ 390,482	$ 391,846
Support services	2,507,129	2,518,716	2,399,442	2,238,940
Food services	3,185,169	3,122,497	3,204,349	3,565,762
Other non-instructional services	-	-	-	-
Operating grants and contributions	108,175,326	103,718,783	98,522,267	96,557,210
Capital grants and contributions	5,281,541	4,141,350	4,805,599	132,000
Total governmental activities program revenues	$ 119,797,642	$ 113,900,104	$ 109,322,139	$ 102,885,758
NET EXPENSE	$ (115,131,306)	$ (93,136,799)	$ (84,018,304)	$ (88,169,839)
General Revenues				
Governmental Activities				
Taxes:				
Property taxes	$ 97,124,554	$ 92,982,798	$ 87,023,400	$ 84,458,044
Intangible taxes	2,025,242	1,819,958	1,533,959	1,288,192
Transfer taxes	709,199	711,559	518,915	427,724
Other taxes	34,822	16,965	15,647	15,611
State reimbursement of homestead exemption, general purpose	-	-	-	-
Sales tax, capital outlay and debt service	24,266,584	22,010,037	21,094,300	20,241,186
Interest and investment earnings	411,070	265,945	125,297	85,588
Gain on sale of assets	29,564	-	-	-
Other	317,816	499,601	485,388	420,342
Extraordinary items	-	-	-	(6,050,097)
Total governmental activities general revenues	$ 124,918,851	$ 118,306,863	$ 110,796,906	$ 100,886,590
Change in Net Positon	$ 9,787,545	$ 25,170,064	$ 26,778,602	$ 12,716,751

2013	2012	2011	2010	2009	2008
$ 126,989,501	$ 138,166,002	$ 140,677,264	$ 138,121,383	$ 146,934,039	$ 150,943,576
9,446,688	9,361,037	9,331,883	5,132,093	5,139,847	5,273,876
4,059,005	4,396,525	4,229,846	4,331,092	4,495,310	4,893,730
3,435,491	3,714,750	3,757,201	3,620,838	4,122,924	4,413,871
-	-	-	-	-	-
1,676,637	1,328,258	1,192,086	1,162,135	1,180,835	1,463,251
12,982,540	13,925,349	13,192,469	12,788,338	13,521,964	13,856,589
1,067,217	937,222	1,139,105	1,078,060	969,569	1,199,535
13,854,947	16,157,767	16,161,495	14,884,267	15,880,952	16,159,214
8,687,580	9,031,403	8,073,549	7,710,847	8,273,658	8,616,819
2,700,778	3,402,613	4,140,542	4,434,557	4,517,985	4,446,113
276,311	303,373	290,337	282,244	326,650	227,472
2,311,865	2,385,232	2,194,891	2,401,650	2,978,945	3,143,072
7,534,165	8,078,108	7,925,808	7,709,527	8,568,176	8,053,566
-	-	-	-	-	2,311,561
3,466,114	3,898,053	4,557,031	5,022,769	5,694,228	6,433,790
$ 198,488,839	$ 215,085,692	$ 216,863,507	$ 208,679,800	$ 222,605,082	$ 231,436,035
$ 365,145	$ 455,409	$ 335,649	$ 392,228	$ 314,311	$ 200,639
2,141,197	2,220,197	2,181,465	2,330,335	2,572,638	3,016,894
3,624,379	3,911,898	3,943,587	4,120,152	4,476,338	4,465,461
-	-	-	-	-	2,226,598
94,197,669	91,800,116	102,475,842	99,837,085	100,129,904	107,519,664
1,270,878	228,659	1,213,372	398,221	3,614,327	1,549,115
$ 101,599,268	$ 98,616,279	$ 110,149,915	$ 107,078,021	$ 111,107,518	$ 118,978,371
$ (96,889,571)	$ (116,469,413)	$ (106,713,592)	$ (101,601,779)	$ (111,497,564)	$ (112,457,664)
$ 84,722,620	$ 94,275,592	$ 99,163,635	$ 115,268,389	$ 115,084,744	$ 104,382,015
1,813,025	1,392,564	1,331,459	1,273,783	1,623,315	2,149,764
346,278	288,711	266,814	265,509	340,522	578,761
-	-	-	-	-	-
-	-	-	-	3,768,591	3,537,233
19,968,392	20,009,700	18,259,865	18,802,125	4,488,524	-
93,786	78,268	108,504	121,947	470,896	2,450,562
-	-	-	-	-	-
671,912	488,765	486,970	533,005	867,644	553,682
-	-	-	-	-	-
$ 107,616,013	$ 116,533,600	$ 119,617,247	$ 136,264,758	$ 126,644,236	$ 113,652,017
$ 10,726,442	$ 64,187	$ 12,903,655	$ 34,662,979	$ 15,146,672	$ 1,194,353

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

	Fiscal Year			
	2017	**2016**	**2015**	**2014**
General Fund				
Nonspendable	$ 224,118	$ 140,206	$ 4,788	$ 4,788
Committed	-	-	989,886	791,710
Assigned	-	-	-	-
Unassigned	20,381,367	23,171,077	26,378,632	22,751,211
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	$ 20,605,485	$ 23,311,283	$ 27,373,306	$ 23,547,709
All other governmental funds				
Nonspendable	$ 137,351	$ 381,893	$ 193,570	$ 180,376
Restricted	32,163,566	32,473,696	42,088,724	47,746,430
Committed	2,670,041	2,446,594	3,879,580	3,620,207
Assigned	7,104,275	10,637,994	1,061,510	1,062,101
Reserved	-	-	-	-
Unreserved, reported in:				
Special projects funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	$ 42,075,233	$ 45,940,177	$ 47,223,384	$ 52,609,114

Note: Includes all governmental fund types.

A Reflects implementation of GASB Statement No. 54

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

[2] Increase in fund balance in this period was due to the issuance of general obligation bonds during the period for capital projects.

2013	2012	2011 (A)	2010	2009	2008
$ 4,788	$ 30,575	$ 38,475	$ -	$ -	$ -
580,481	399,052	230,102	-	-	-
-	14,197,281	16,435,948	-	-	-
14,505,398	2,190,268	9,632,929	-	-	-
-	-	-	-	-	-
-	-	-	17,288,019	4,509,616	1,678,283
$ 15,090,667	$ 16,817,176	$ 26,337,454	$ 17,288,019	$ 4,509,616	$ 1,678,283
$ 192,252	$ 491,954	$ 259,836	$ -	$ -	$ -
41,646,462	35,325,484	30,318,985	-	-	-
3,223,019	2,630,664	2,442,754	-	-	-
1,106,021	1,523,608	1,625,873	-	-	-
-	-	-	3,453,437	2,635,889	2,298,020
-	-	-	4,117,102	3,099,256	2,638,343
-	-	-	21,596,282	14,433,786	18,850,160
$ 46,167,754	$ 39,971,710	$ 34,647,448	$ 29,166,821	$ 20,168,931	$ 23,786,523

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

	Fiscal Year			
	2017	**2016**	**2015**	**2014**
Revenues				
State funds	$ 101,955,190	$ 97,281,667	$ 90,599,947	$ 85,914,380
Federal funds	8,883,979	9,333,571	11,102,101	8,535,870
Local and other funds	134,024,331	125,892,498	119,121,400	115,419,650
Total revenues	244,863,500	232,507,736	220,823,448	209,869,900
Expenditures				
Current				
Instruction	136,608,003	128,658,329	122,793,512	115,453,676
Support services				
Pupil services	12,318,614	9,974,713	9,541,931	8,941,466
Improvement of instructional services	5,118,563	4,844,095	4,296,463	3,740,483
Educational media services	3,174,174	2,907,278	2,997,463	2,870,088
Federal grants administration	199,122	194,211		
General administration	1,313,145	1,650,868	1,702,605	1,707,173
School administration	13,318,954	12,661,688	11,260,039	10,909,670
Business administration	1,341,217	1,036,771	956,902	861,971
Maintenance and operation of facilities	14,267,062	13,726,106	13,150,553	12,393,833
Student transportation services	7,857,490	7,298,564	7,306,948	7,441,448
Central support services	4,788,118	4,001,455	3,316,811	2,570,756
Other support services	316,797	438,951	229,642	491,443
Community service	2,543,418	2,433,128	2,359,127	2,137,436
Food services	7,181,540	6,740,655	6,427,196	6,707,814
Other non-instructional services	-	-	-	-
Capital outlay	34,823,453	34,966,996	24,978,776	6,318,135
Debt Service				
Principal retirement	4,995,000	4,189,955	8,585,520	9,206,900
Interest and fees	1,363,572	2,129,203	2,480,093	3,264,945
Bond issuance cost	-	-	-	323,414
Total expenditures	251,528,242	237,852,966	222,383,581	195,340,651
Excess (deficiency) of revenues over (under) expenditures	(6,664,742)	(5,345,230)	(1,560,133)	14,529,249
Other financing sources (uses)				
Sale of assets	94,000	-	-	5,170,000
Premium (discount) on issuance of bonds	-	-	-	-
Capital lease	-	-	-	-
Refunding bonds	-	-	-	53,240,000
Payment to refunded bond escrow agent	-	-	-	(58,040,847)
Total other financing sources (uses)	94,000	-	-	369,153
Net change in fund balances	(6,570,742)	(5,345,230)	(1,560,133)	14,898,402
Debt service as a percentage of noncapital expenditures	2.9%	3.0%	5.5%	6.5%

[1] Negative change in total fund balance is the result of spending proceeds of previously issued debt on large capital projects.

[2] Positive change in total fund balance is the result of the issuance of general obligation debt.

2013	2012	2011	2010	2009	2008
$ 84,529,941	$ 80,886,999	$ 86,636,341	$ 77,735,483	$ 91,168,857	$ 101,587,596
8,743,298	8,884,415	14,515,896	20,439,527	9,745,900	7,234,301
116,232,262	125,728,896	130,272,481	144,926,435	135,324,244	123,177,217
209,505,501	215,500,310	231,424,718	243,101,445	236,239,001	231,999,114
119,740,956	129,513,425	126,536,594	129,413,149	138,027,216	143,371,200
9,450,764	9,378,670	9,305,224	5,133,136	5,139,291	5,260,974
3,969,031	4,220,893	4,132,770	4,303,987	4,430,882	4,853,123
3,219,739	3,497,711	3,540,744	3,406,581	3,910,192	4,205,362
1,646,537	1,299,766	1,155,654	1,162,559	1,167,459	1,448,959
12,555,692	13,384,943	12,772,049	12,502,590	13,316,070	13,556,618
1,070,562	944,784	1,112,059	1,064,214	941,630	1,193,107
12,356,626	13,733,068	13,790,653	13,920,860	14,723,060	15,609,988
7,495,887	7,886,610	7,153,794	7,078,540	7,301,975	9,054,471
2,374,312	2,614,046	3,181,093	3,605,247	3,668,489	3,826,798
276,311	303,373	297,832	282,244	326,650	227,472
2,299,935	2,376,826	2,177,702	2,387,429	2,979,114	3,134,538
6,658,939	7,207,059	7,030,245	6,810,308	7,328,239	7,262,468
-	-	-	-	-	2,311,561
7,758,864	9,151,831	12,914,799	8,612,189	13,591,204	18,882,946
9,815,716	9,496,943	11,062,504	18,766,832	18,068,590	16,967,044
4,346,095	4,686,378	4,042,368	3,009,514	4,391,888	4,958,756
-	-	-	81,061	-	-
205,035,966	219,696,326	220,206,084	221,540,440	239,311,949	256,125,385
4,469,535	(4,196,016)	11,218,634	21,561,005	(3,072,948)	(24,126,271)
-	-	-	-	-	-
-	-	-	1,118,947	-	-
-	-	3,311,428	127,103	2,286,689	1,479,618
-	-	-	24,800,000	-	-
-	-	-	(25,830,762)	-	-
-	-	3,311,428	215,288	2,286,689	1,479,618
4,469,535	(4,196,016)	14,530,062	21,776,293	(786,259)	(22,646,653) [1]
7.1%	6.6%	6.9%	10.1%	9.8%	9.2%



(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: Real Property	Assessed Valued: Personal Property	Assessed Valued: Privately-Owned Public Utilities	Less: Freeport Homestead Exemption	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Values as a Percentage of Actual Value
2017	5,086,160	166,111	75,650	918,934	4,408,987	19.750	13,319,803	40%
2016	4,761,779	218,903	74,640	842,707	4,212,615	20.000	12,638,305	40%
2015	4,311,654	296,890	74,580	748,672	3,934,452	20.000	11,707,810	40%
2014	4,210,089	354,671	74,510	736,562	3,902,708	20.000	11,598,175	40%
2013	4,190,197	333,992	72,396	684,150	3,912,435	20.000	11,491,463	40%
2012	4,685,363	320,053	72,841	720,582	4,357,675	20.000	12,695,643	40%
2011	4,889,256	320,137	73,325	704,898	4,577,820	20.000	13,206,795	40%
2010	5,278,389	397,857	71,407	727,311	5,020,342	20.000	14,369,133	40%
2009	5,245,804	390,440	67,292	670,759	5,032,777	19.750	14,258,840	40%
2008	5,085,472	350,968	70,522	627,651	4,879,311	18.596	13,767,405	40%

DEBT SERVICE

Fiscal Year	Assessed Valued: Real Property	Assessed Valued: Personal Property	Assessed Valued: Privately-Owned Public Utilities	Less: Freeport Homestead Exemption	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Values as a Percentage of Actual Value
2016	5,086,160	166,111	75,650	882,872	4,445,049	1.350	13,319,803	40%
2016	4,761,779	218,903	74,640	805,577	4,249,745	1.350	12,638,305	40%
2015	4,311,654	296,890	74,580	711,210	3,971,914	1.450	11,707,810	40%
2014	4,210,089	354,671	74,510	696,952	3,942,318	1.450	11,598,175	40%
2013	4,190,197	333,992	72,396	642,828	3,953,757	1.450	11,491,463	40%
2012	4,685,363	320,053	72,841	677,754	4,400,503	1.650	12,695,643	40%
2011	4,889,256	320,137	73,325	660,854	4,621,864	1.650	13,206,795	40%
2010	5,278,389	397,857	71,407	682,653	5,065,000	3.420	14,369,133	40%
2009	5,514,344	390,440	67,292	625,965	5,346,111	4.170	14,930,190	40%
2008	5,326,038	350,968	70,522	582,355	5,165,173	3.550	14,368,820	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
2017	19.750	1.350	21.100	4.917	4.917	3.070	0.456
2016	20.000	1.350	21.350	5.171	5.171	3.070	0.456
2015	20.000	1.450	21.450	5.602	5.602	3.070	0.456
2014	20.000	1.450	21.450	5.714	5.714	3.070	0.456
2013	20.000	1.450	21.450	5.645	5.645	3.030	0.450
2012	20.000	1.650	21.650	5.645	5.645	2.500	0.450
2011	20.000	1.650	21.650	7.391	5.400	1.991	0.548
2010	20.000	3.420	23.420	7.391	5.400	1.991	0.548
2009	19.750	4.170	23.920	7.391	5.400	1.991	0.548
2008	18.596	3.550	22.146	5.432	5.432	2.000	0.550

Source: Georgia Department of Revenue

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

Overlapping Governments						
E911 (3) District Millage	City of Fayetteville Millage	City of Tyrone Millage	City of Brooks Millage	City of Peachtree City Millage	City of Peachtree City Debt Service	State Millage
0.210	3.874	2.889	0.799	6.756	0.309	-
0.210	3.874	2.889	0.840	6.756	0.314	0.050
0.210	3.874	2.889	0.899	6.756	0.332	0.100
0.210	3.926	2.889	0.940	6.756	0.332	0.150
0.207	3.882	2.889	0.929	6.756	0.422	0.200
0.207	3.441	2.889	0.816	6.384	0.399	0.250
-	3.240	2.889	0.789	6.384	0.399	0.250
-	2.988	2.889	0.730	5.134	0.399	0.250
-	2.988	2.889	0.730	5.120	0.411	0.250
-	2.990	2.900	0.764	4.985	0.548	0.250

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

Fiscal Year	M&O Tax Levy	Debt Service Tax Levy	Total Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy	
				Amount	Percentage of Levy
2017	$ 87,077,498	$ 6,000,817	$ 93,078,315	$ 91,457,612	98.3%
2016	84,252,308	5,737,156	89,989,464	87,682,320	97.4%
2015	78,689,039	5,759,275	84,448,314	83,020,297	98.3%
2014	78,054,155	5,716,361	83,770,516	82,759,692	98.8%
2013	78,248,691	5,732,947	83,981,638	82,879,529	98.7%
2012	87,153,494	7,260,829	94,414,323	91,614,015	97.0%
2011	89,949,880	7,493,511	97,443,391	95,253,547	97.8%
2010	95,475,793	16,479,111	111,954,904	107,530,037	96.0%
2009	99,164,240	21,124,335	120,288,575	116,809,520	97.1%
2008	90,226,100	17,384,940	107,611,040	105,166,788	97.7%

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
$ 531,748	$ 88,214,068	98.0%
642,012	$ 83,662,309	99.1%
1,010,824	83,770,516	100.0%
1,102,109	83,981,638	100.0%
2,720,971	94,334,986	99.9%
2,081,093	97,334,640	99.9%
4,308,388	111,838,425	99.9%
3,329,316	120,138,836	99.9%
2,293,486	107,460,274	99.9%

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

Fiscal Year	Property Tax	Auto Title/ Ad Valorem	Intangible Tax	Transfer Tax	State Reimbursement of Homestead Exemption
2017	$ 88,579,167	$ 8,545,387	$ 2,025,242	$ 709,199	$ -
2016	84,025,850	8,956,949	1,819,958	711,558	-
2015	77,946,865	9,076,535	1,533,959	518,915	-
2014	75,056,047	9,401,997	1,288,192	427,724	-
2013	76,450,608	8,272,012	1,813,025	346,278	-
2012	86,806,456	7,469,136	1,392,564	273,132	-
2011	91,741,352	7,422,283	1,331,459	266,814	-
2010	107,637,996	7,630,393	1,273,783	265,509	-
2009	107,123,149	7,961,595	1,623,315	340,522	3,768,591
2008	96,299,582	8,082,433	2,149,764	578,761	3,537,233

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

Fayette County Board of Education
Principal Taxpayers (Top Ten)
June 30, 2017 and Nine Years Ago

Taxpayer	FY 2017 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	FY 2008 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wencor LLC	$ 32,166,864	1	0.60%			
Georgia Power Company	16,137,849	2	0.30%	10,166,458	10	0.18%
NCR Corporation	15,877,698	3	0.30%	31,901,923	1	0.58%
Coweta-Fayette EMC	15,442,980	4	0.29%	19,571,691	4	0.36%
Brent Scarbrough & Co. Inc.	14,238,354	5	0.27%			
DDRTC Fayette Pavilion I & II	13,981,840	6	0.26%			
Sany America Inc.	13,776,296	7	0.26%			
Hoshizaka America	13,597,685	8	0.26%	10,397,343	9	0.19%
Cooper Lighting	13,508,281	9	0.25%			
Atlanta Gas Light Co.	12,347,404	10	0.23%	11,188,307	8	0.20%
Inland Southeast Fayette I & II				31,027,200	2	0.56%
Inland Southeast Fayette III				22,646,940	3	0.41%
BellSouth				14,284,425	5	0.26%
Matsushita Communications Corp.				13,212,738	6	0.24%
AMLI Residential Properties				12,638,400	7	0.23%
Other Taxpayers	5,166,846,268		96.98%	5,329,926,575		96.79%
	$ 5,327,921,519		100.00%	$ 5,506,962,000		100.00%

Source: Fayette County Tax Commissioner

Note: Amounts for FY 2017 relate to tax year 2016.

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

	Governmental Activities					
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
2017	$ 47,869,972	$ -	$ -	$ 47,869,972	NA	NA
2016	52,908,467	-	-	52,908,467	0.84%	473.98
2015	57,160,274	-	-	57,160,274	0.94%	517.07
2014	65,805,944	-	-	65,805,944	1.14%	600.69
2013	66,463,730	455,000	763,755	67,682,485	1.25%	625.03
2012	74,031,558	890,000	2,860,622	77,782,180	1.46%	723.80
2011	81,352,277	1,300,000	4,910,785	87,563,062	1.71%	816.76
2010	90,578,648	1,690,000	3,329,429	95,598,077	2.00%	893.50
2009	106,793,640	2,065,000	4,649,158	113,507,798	2.41%	1,075.97
2008	123,478,790	2,420,000	3,451,059	129,349,849	2.64%	1,229.65

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 162.
(3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 162.

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

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

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2017	$ 47,869,972	$ -	$ 47,869,972	0.36%	NA
2016	52,908,467	-	52,908,467	0.42%	473.98
2015	57,160,274	-	57,160,274	0.49%	517.07
2014	65,805,944	-	65,805,944	0.57%	600.69
2013	66,463,730	-	66,463,730	0.58%	613.77
2012	74,031,558	-	74,031,558	0.58%	688.90
2011	81,352,277	-	81,352,277	0.62%	758.83
2010	88,670,800	-	88,670,800	0.62%	828.75
2009	105,720,800	-	105,720,800	0.74%	1,002.16
2008	122,345,800	-	122,345,800	0.89%	1,163.07
2007	138,045,800	-	138,045,800	1.06%	1,314.86
2006	122,185,800	1,007,531	121,178,269	1.01%	1,164.07

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

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

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

(3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 137 for property tax data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 162.

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, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Peachtree City	$ 6,064,826	100%	$ 6,064,826
Fayette County	31,640,000	100%	31,640,000
Total Overlapping Debt			37,704,826
Fayette County Board of Education, direct debt			47,869,972
Total Direct and Overlapping Debt			$ 85,574,798

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 2017

Assessed value 2016 tax digest	$ 4,445,049,262
Limit of bonded indebtedness, 10% of net assessed taxable property value	444,504,926
Amount of debt applicable to the debt limit	
General obligation bonds, net of original issuance discounts and premiums	47,869,972
Legal Debt Margin	$ 396,634,954

	2017	2016	2015
Debt limit	$ 444,504,926	$ 424,974,542	$ 397,191,396
Total debt applicable to limit	47,869,972	52,908,467	57,160,274
Legal debt margin	$ 396,634,954	$ 372,066,075	$ 340,031,122
Total debt applicable as a percentage of debt limit	10.8%	12.4%	14.4%

Note: Under the Constitution of the State of Georgia, the School System may not incur long-term debt in excess of ten percent of the assessed value of all taxable property within the district.

2014	2013	2012	2011	2010	2009	2008
$ 394,231,773	$ 395,375,655	$ 440,050,269	$ 462,186,375	$ 506,500,006	$ 534,611,072	$ 516,517,319
65,805,944	66,918,730	74,921,558	82,652,277	92,268,648	108,858,640	125,898,790
$ 328,425,829	$ 328,456,925	$ 365,128,711	$ 379,534,098	$ 414,231,358	$ 426,825,272	$ 363,165,289
16.7%	16.9%	17.0%	17.9%	18.2%	20.4%	24.4%

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

Fiscal Year	General Fund Expenditures	Student Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
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
2009	186,618,421	22,047	8,464.57	-5.7%	1,570	14.08
2008	198,344,607	22,108	8,971.62	8.9%	1,675	13.35

Source: School System records

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

Fiscal Year		Minimum Salary	Maximum Salary	Statewide Base
2017		$ 37,399	$ 86,576	$ 33,424
2016		36,309	84,054	33,424
2015		35,597	82,405	33,424
2014		34,723	80,383	33,424
2013	**(a)**	33,809	78,267	33,424
2012		34,723	80,383	33,424
2011		34,723	80,383	33,424
2010		33,161	76,766	33,424
2009		34,723	80,383	33,424
2008		33,953	78,614	32,609

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)

	2017	2016	2015	2014
Elementary				
Braelinn (1989)				
Square feet	70,860	70,860	70,860	70,860
Capacity	675	675	675	675
Enrollment	529	547	549	542
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	530	548	583	531
Crabapple Lane (2004)				
Square feet	94,816	94,816	94,816	94,816
Capacity	800	800	800	800
Enrollment	619	652	637	637
East Fayette (1955)				
Square feet	53,386	53,386	53,386	53,386
Capacity	-	-	-	-
Enrollment	-	-	-	-
Fayetteville Intermediate (1974) [1]				
Square feet	72,673	72,673	72,673	72,673
Capacity	-	-	-	-
Enrollment	-	-	-	-
Fayetteville/Hood Avenue (1970) [2]				
Square feet	73,176	73,176	73,176	73,176
Capacity	575	575	575	575
Enrollment	482	465	483	590
Huddleston (1979)				
Square feet	79,694	79,694	79,694	79,694
Capacity	625	625	625	625
Enrollment	627	627	634	645
Inman (2009)				
Square feet	86,172	86,172	86,172	86,172
Capacity	663	663	663	663
Enrollment	652	626	585	512

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.

2013	2012	2011	2010	2009	2008
70,860	70,860	70,860	70,860	70,860	70,860
675	675	675	675	675	675
443	471	493	544	568	516
60,413	60,413	60,413	60,413	60,413	60,413
525	525	525	525	525	525
243	298	307	313	315	324
73,146	73,146	73,146	73,146	73,146	73,146
675	675	675	675	675	675
557	576	634	664	701	734
94,816	94,816	94,816	94,816	94,816	94,816
800	800	800	800	800	800
536	508	535	554	565	488
53,386	53,386	53,386	53,386	53,386	53,386
-	-	-	-	-	550
-	-	-	-	-	572
72,673	72,673	72,673	72,673	72,673	72,673
550	550	550	550	550	550
395	389	421	455	469	469
73,176	73,176	73,176	73,176	73,176	73,176
575	575	575	575	575	575
370	365	394	404	417	425
79,694	79,694	79,694	79,694	79,694	79,694
625	625	625	625	625	625
590	562	565	590	633	619
86,172	86,172	86,172	86,172	86,172	-
663	663	663	663	663	-
467	490	507	546	539	-

continued

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

	2017	2016	2015	2014
Elementary - continued				
Kedron (1995)				
Square feet	87,734	87,734	87,734	87,734
Capacity	725	725	725	725
Enrollment	597	593	573	582
Cleveland (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	487	502	545	538
S. H. Minter (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	726	743	765	772
North Fayette (1980)				
Square feet	75,785	75,785	75,785	75,785
Capacity	750	750	750	750
Enrollment	618	628	597	574
Oak Grove (1986)				
Square feet	71,040	71,040	71,040	71,040
Capacity	725	725	725	725
Enrollment	501	464	464	497
Peachtree City (1968)				
Square feet	75,945	62,732	62,732	62,732
Capacity	625	525	525	525
Enrollment	511	494	526	523
Peeples (1998)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	721	682	648	657
Spring Hill (1996)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	700	741	712	598
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	-	-	-	-

2013	2012	2011	2010	2009	2008
87,734	87,734	87,734	87,734	87,734	87,734
725	725	725	725	725	725
518	560	586	597	592	510
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
547	523	542	556	556	539
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
599	593	593	613	648	689
75,785	75,785	75,785	75,785	75,785	75,785
750	750	750	750	750	750
478	478	458	478	492	476
71,040	71,040	71,040	71,040	71,040	71,040
725	725	725	725	725	725
556	521	514	516	485	506
62,732	62,732	62,732	62,732	62,732	62,732
525	525	525	525	525	525
509	509	490	467	446	550
94,655	94,655	94,655	94,655	94,655	94,655
800	800	800	800	800	800
589	618	669	699	751	839
94,655	94,655	94,655	94,655	94,655	94,655
800	800	800	800	800	800
497	512	518	542	556	582
59,580	59,580	59,580	59,580	59,580	59,580
450	450	450	450	450	450
337	344	346	338	329	336
135,649	135,649	135,649	135,649	135,649	135,649
1,125	1,125	1,125	1,125	1,125	1,125
696	720	751	791	820	823

continued

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

	2017	2016	2015	2014
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	929	970	984	984
J. C. Booth (1979)				
Square feet	139,581	139,581	139,581	139,581
Capacity	1,175	1,175	1,175	1,175
Enrollment	1,191	1,216	1,209	1,201
Flat Rock (1989)				
Square feet	137,068	137,068	137,068	137,068
Capacity	1,012	1,012	1,012	1,012
Enrollment	783	721	753	820
Rising Starr (1996)				
Square feet	156,409	156,409	156,409	156,409
Capacity	1,175	1,175	1,175	1,175
Enrollment	933	973	976	965
Whitewater (1989)				
Square feet	137,879	137,879	137,879	137,879
Capacity	1,050	1,050	1,050	1,050
Enrollment	906	938	955	981
High				
Fayette County (1998*)				
Square feet	259,536	259,536	259,536	259,536
Capacity	1,725	1,725	1,725	1,725
Enrollment	1,271	1,288	1,302	1,236
McIntosh (1981)				
Square feet	273,809	273,809	273,809	270,793
Capacity	1,625	1,625	1,625	1,625
Enrollment	1,618	1,630	1,600	1,640
Sandy Creek (1990)				
Square feet	248,280	248,280	248,280	248,280
Capacity *	1,475	1,475	1,475	1,475
Enrollment	1,163	1,175	1,149	1,160
Starr's Mill (1998)				
Square feet	226,980	226,980	226,980	226,980
Capacity	1,650	1,650	1,650	1,650
Enrollment	1,416	1,387	1,385	1,472
Whitewater (2004)				
Square feet	279,822	279,822	279,822	279,822
Capacity	1,475	1,475	1,475	1,475
Enrollment	1,412	1,404	1,415	1,369

* capacity numbers in prior years updated

2013	2012	2011	2010	2009	2008
158,653	158,653	158,653	158,653	158,653	158,653
1,475	1,475	1,475	1,175	1,175	1,175
594	598	607	625	569	548
139,581	139,581	139,581	139,581	139,581	139,581
1,175	1,175	1,175	1,175	1,175	1,175
1,052	1,025	1,021	1,018	988	994
137,068	137,068	137,068	137,068	137,068	137,068
1,012	1,012	1,012	1,012	1,012	1,012
854	824	839	826	840	845
156,409	156,409	156,409	156,409	156,409	156,409
1,175	1,175	1,175	1,175	1,175	1,175
1,035	1,039	1,039	1,103	1,077	1,058
137,879	137,879	137,879	137,879	137,879	137,879
1,050	1,050	1,050	1,050	1,050	1,050
739	817	818	855	907	935
259,536	259,536	259,536	259,536	259,536	259,536
1,725	1,725	1,725	1,725	1,725	1,725
1,255	1,280	1,360	1,431	1,451	1,359
270,793	270,793	270,793	270,793	270,793	270,793
1,625	1,625	1,625	1,625	1,625	1,625
1,587	1,578	1,636	1,621	1,600	1,598
248,280	248,280	248,280	248,280	248,280	248,280
1,475	1,475	1,475	1,475	1,475	1,475
1,167	1,157	1,178	1,240	1,278	1,329
226,980	226,980	226,980	226,980	226,980	226,980
1,650	1,650	1,650	1,650	1,650	1,650
1,500	1,480	1,555	1,508	1,621	1,653
279,822	279,822	279,822	279,822	279,822	279,822
1,475	1,475	1,475	1,475	1,475	1,475
1,380	1,453	1,533	1,623	1,679	1,679

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

	2017	2016	2015	2014	2013
Position					
Administrators	101	105	92	91	103
Teachers	1,438	1,410	1,327	1,304	1,423
Media	24	24	24	24	28
Counselors	50	49	48	47	57
Clerical	132	132	133	128	152
Paraprofessionals	322	307	270	211	303
Custodians	131	131	130	132	152
Lunchroom	122	122	157	157	157
Other Areas*	363	327	386	395	419
Total employees	2,683	2,607	2,567	2,489	2,794

Source: School System records

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

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

2012	2011	2010	2009	2008
101	100	100	102	102
1,483	1,483	1,493	1,570	1,675
28	28	28	36	35
58	58	58	61	65
156	157	160	162	189
296	320	320	350	356
171	171	177	178	177
178	178	174	174	174
432	420	428	456	510
2,903	2,915	2,938	3,088	3,283

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

	2017	2016	2015	2014
Lunch Meals Served				
Free	536,863	592,273	582,919	551,946
Reduced	118,922	120,370	116,582	111,599
Paid	769,069	775,991	824,822	755,131
Total	1,424,854	1,488,634	1,524,323	1,418,676
Daily Average	7,976	8,325	8,544	8,260
Student Price	$2.65 - $2.75	$2.55 - $2.65	$2.45 - $2.55	$2.35 - $2.45
Breakfast Meals Served				
Free	147,136	167,262	157,122	148,968
Reduced	23,274	21,664	19,523	17,617
Paid	51,415	48,388	44,331	40,650
Total	221,825	237,314	220,976	207,235
Daily Average	1,247	1,345	1,260	1,231
Student Price	$1.45 - $1.50	$1.45 - $1.50	$1.45 - $1.50	$1.45 - $1.50
Total Meals Served				
Free	683,999	759,535	740,041	700,914
Reduced	142,196	142,034	136,105	129,216
Paid	820,484	824,379	869,153	795,781
Total	1,646,679	1,725,948	1,745,299	1,625,911
Daily Average	9,223	9,670	9,804	9,491

Source: School System records

2013	2012	2011	2010	2009	2008
541,183	561,152	544,183	487,840	417,595	360,542
112,478	116,127	102,357	126,018	125,967	119,440
802,143	920,006	975,988	1,063,608	1,214,298	1,309,593
1,455,804	1,597,285	1,622,528	1,677,466	1,757,860	1,789,575
8,262	8,899	9,150	9,449	9,861	9,966
$2.25 - $2.35	$2.15 - $2.35	$2.10 - $2.25	$2.05 - $2.15	$2.00 - $2.10	$1.90 - $2.00
133,860	116,773	112,236	101,422	80,954	71,146
18,599	15,550	14,370	17,014	14,437	15,442
36,800	29,779	33,602	27,857	29,936	27,955
189,259	162,102	160,208	146,293	125,327	114,543
1,101	923	932	853	688	688
$1.45 - $1.50	$1.35 - $1.45	$1.35 - $1.45	$1.35 - $1.45	$1.35 - $1.45	$1.25
675,043	677,925	656,419	589,262	498,549	431,688
131,077	131,677	116,727	143,032	140,404	134,882
838,943	949,785	1,009,590	1,091,465	1,244,234	1,337,548
1,645,063	1,759,387	1,782,736	1,823,759	1,883,187	1,904,118
9,363	9,822	10,082	10,302	10,549	10,654

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

Fiscal Year	Estimated Population [1]	Personal Income (in $1,000) [1]	Per Capita Personal Income [1]	School Enrollment	Unemployment Rate [2]
2017	NA	NA	NA	20,104	4.5%
2016	111,627	6,335,845	56,759	20,238	5.2%
2015	110,546	6,082,796	55,025	20,242	5.7%
2014	109,550	5,761,874	52,596	20,243	6.7%
2013	108,287	5,394,188	49,814	20,318	7.6%
2012	107,463	5,325,750	49,559	20,506	8.2%
2011	107,208	5,125,078	47,805	21,120	8.6%
2010	106,993	4,769,927	44,582	21,683	8.3%
2009	105,493	4,717,723	44,721	22,047	9.1%
2008	105,192	4,900,826	46,589	22,108	5.0%

Source [1] Bureau of Economic Analysis, U.S. Department of Commerce, Table CA 1, updated November 16, 2017, with new estimates for 2016 and revised estimates for years 2010-2015.

[2] Bureau of Labor Statistics, U.S. Department of Labor, for June of each year, updated with data extracted from BLS website on November 27, 2017.

NA Data not available.

Fayette County Board of Education
Major Employers
June 30, 2017 and Nine Years Ago

	2017			2008		
Employer	**Employees**	**Rank**	**Percentage of County Employment**	**Employees**	**Rank**	**Percentage of County Employment**
Piedmont Fayette Hospital	1,700	1	3.41%	930	2	1.77%
Panasonic Automotive Systems	800	2	1.61%			
Eaton Lighting Solutions	700	3	1.41%	1,100	1	2.09%
Walmart SuperCenter	427	4	0.86%			
Walmart, Fayetteville	400	5	0.80%			
Hoshizaki America Inc	275	6	0.55%	425	5	0.81%
Osmose Utilities Services Inc	255	7	0.51%			
Ply Gem Industries Inc.	250	8	0.50%			
Kindred Transitional Care & Rehab	210	9	0.42%			
Gerresheimer Peachtree City LP	208	10	0.42%			
Cooper Lighting				650	3	1.23%
NCR Corp. Center of Excellence				550	4	1.04%
Global Aero Logistics				275	6	0.52%
Alenco, Inc				221	7	0.42%
TDK Components				210	8	0.40%
APAC -Georgia				200	9	0.38%
Dolce Atlanta-Peachtree City				198	10	0.38%
Total	5,225		10.49%	4,759		9.04%

Source: Fayette County



(This page intentionally left blank.)