FAYETTE COUNTY
BOARD OF EDUCATION

Fayetteville, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ended June 30, 2011

FAYETTE COUNTY BOARD OF EDUCATION
Fayetteville, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ended June 30, 2011

Prepared by
Laura Brock,
Department of Finance/Comptroller

and

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

Fayette County Board of Education

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INTRODUCTORY SECTION



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FAYETTE COUNTY BOARD OF EDUCATION

210 Stonewall Avenue West
P.O. Box 879
Fayetteville, Georgia 30214-0879

Phone: 770-460-3535
Fax: 770-460-8191

Board Members
Dr. Bob Todd, *Chair*
Marion Key, *Vice Chair*
Terri Smith
Janet Smola
Dr. Sam Tolbert

Dr. Jeff Bearden
Superintendent

"Where Excellence Counts"

December 15, 2011

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, 2011. 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 unqualified ("clean") opinion on the Fayette County Board of Education's financial statements for the year ended June 30, 2011. 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 and adult education.

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 21,120 students enrolled in the School System in school year 2010-2011. Projected enrollment for the 2011-2012 school year is 20,703 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 six middle schools. The oldest middle school facility was built in 1979 but was renovated and expanded in 2001. A new middle school opened in school year 2007-2008. The School System has seventeen (17) elementary schools. Three of these facilities were built prior to 1970, eleven were built between 1970 and 1999, and four were built after 2000, with one opening in school year 2008-2009. In the fall of 2009, construction of an elementary school was completed and it currently houses the Exceptional Children department and a regional program for some of the children it serves. Current plans are to open the facility as an elementary school as the operating budget allows. All facilities are periodically evaluated to assess the need for renovation or expansion. A schedule of building information is provided in the Statistical Section of the CAFR.

Local economy

The national economy hit a significant downturn in the fall of 2008 and it has not fully recovered. National unemployment statistics indicate that the number of jobs has continued to shrink and wages are still declining. Many businesses and governments are implementing furloughs or other forms of reducing pay. The number of home foreclosures has remained at a significant level. Much of the economic unrest has been blamed on the sub-prime lending market. Another contributing factor is years of unchecked real estate speculation that has created a domino affect hitting several industries from financial markets to automotive manufacturing. In a response to the financial markets meltdown, industry guidelines for lending qualifications have tightened, hindering many people from re-structuring loans which they no longer can afford. Even with federal fiscal policy reducing interest rates, business and individual borrowing has not increased due to these qualification restrictions and uncertainty of the economic recovery.

For Fayette County, the economic affects have been seen in real estate, residential construction and banking. Local banks and builders have had great difficulty in moving existing inventory of new homes and vacant lots. In some instances, entire subdivisions have seen a complete stoppage of building and development, with only infrastructure improvements such as roads and utilities being complete. One local bank that focused on real estate development failed in June 2009. While the number of banks failing has declined, failures are still a concern in much of the state. According to the FDIC, the number of banking institutions in Georgia has decreased from 283 to 251 in the second quarter of 2011 compared to the same period last year. Two years ago, second quarter 2009, there were 324 banking institutions in the state. Over that two year period, bank assets dropped from $283 million to $266 million. The FDIC further reports that non-current loans held by Georgia banks have increased from 3.30% in June 2009 to 5.15% at June 2011, reflecting the number of foreclosed mortgages during that time.

The changes in the real estate market have 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. Between fiscal year 2009 and fiscal year 2010, that continuous growth flattened to only 0.7% growth. For fiscal year 2011, the real property digest shrank by 7.2% For fiscal year 2012, the digest dropped another 4.1%. Much of this decline is related to the affects of the foreclosure market on residential property valuations. Fortunately, the collection rate has remained strong, with significant collections on prior year tax levies being collected during the year.

As with most of Georgia and the nation as a whole, the job market of Fayette County has remained tight over the last year. According to the Georgia Department of Labor, Fayette County's unemployment rate of 9.3% at September 2011 is above the national average rate of 9.1% but below the State of Georgia average rate of 10.3%. The unemployment rate has worsened by one percentage point compared to September 2010.

After losing employment related to Panasonic layoffs in 2008 and local home builders and contractors halting work and closing businesses beginning in 2009 as a result of the housing market collapse, recently the county has had improved news on the jobs front. NCR announced moving its corporate headquarters and other operations to Georgia, including customer service positions in Peachtree City. SANY Group Co. Ltd., of China completed construction of phase one of its North American assembly plant located in Peachtree City in March 2011 with 108 employees. The company hopes to double the number of employees by the end of 2012.

The economic condition of K-12 public education in Georgia remains dim. The State of Georgia has been funding a smaller percentage of the total cost of education over the last several years. School systems historically had been funded approximately 60% by the State. In 1996, the overall educational support for education in Georgia was funded 59.39% by the State. By 2010, the split between state and local is 50/50.

Most of the funding reductions have occurred due to years of "austerity reductions" (also called "amended formula adjustment) or budget cuts imposed by the State. These are reductions to the amounts earned by school systems based on a funding formula written in State law that have been allocated to all systems across the state to help the State provide for a balanced budget. From fiscal year 2003 to fiscal year 2011, the Fayette County School System received approximately $47.2 million less than it earned due to these cuts. This reduction is net of $12.4 million in Federal funds from the American Recovery and Reinvestment Act (ARRA) that flowed through the State of Georgia that was intended to offset the cuts. In addition, the funding formula has not been adjusted in recent years for inflation. As a result, the local taxpayer has had to shoulder the burden of State budget cuts and inflationary costs.

The Georgia state economy has had a negative financial impact on school systems in Georgia. For the month of October 2011, Georgia reported that net tax collections were up 5.4% compared to October 2010. Governor Deal stated, "the positive trend of year-over-year growth continued for a 16th consecutive month in October as total net revenues remained relatively strong. However, the more recent trend of softening revenues in August (2011) only reaffirms our stance of cautious optimism with respect to the overall economic outlook for the state." Even with growth, administration doubts that schools systems will see relief through increased funding. At best, administration is hopeful that the School System's state allotment will not be cut at midterm.

Long-term Financial Planning

Total fund balance of the General Fund is 15% of total operating expenditures and represents just over one and three-quarters months' expenditures. The balance is up from only 9.9% of total operating expenditures last year. In prior years, the School System recognized the need to increase fund balance with the overall weak economy and the great potential of a shrinking tax digest with a maximum millage rate in place and an ever decreasing source of State funding. As a result, the School System's finances were much stronger than in prior years for entering into fiscal year 2012. Of this fund balance, approximately 63% has been assigned to fund the anticipated shortfall in revenue for the fiscal year 2012 budget.

The School System has traditionally used general obligation bonds to finance construction of new schools. The recent 2005 and 2007 bond issuances have 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 for at least five to seven years.

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

Relevant Financial Policies

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

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

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

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

As part of the School System's annual single audit required to be performed in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments and Nonprofit Organizations, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the School System has complied with applicable laws and regulations.

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

Major Initiatives

The mission of the Fayette County School System is to deliver effective instruction and set high expectations resulting in continued improvement in student achievement. In order to achieve this mission, the School System annually evaluates its strategic directions and the goals associated with those strategies. One of the School System's strategic directions has been to apply information technology in each school and the Central Office to improve the effectiveness and quality of instruction, as well as to increase the efficiency of administrative operations. Following this strategic direction, the School System began a "technology renewal" process in 2004. A plan was established to replace old and obsolete computers throughout the School System with a series of operating leases. The intention of the plan was to provide the ability to replace computers on a three or four year cycle. In addition, a portion of the 2005 and 2007 General Obligation Bonds proceeds was used to update the technology infrastructure of the School System, including wiring and cabling of local area networks, servers and improved internet connectivity. With the passage of SPLOST, the School System has been able to continue to replace obsolete computers throughout the System, provide 21st century class rooms and improve the overall technology infrastructure.

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, 2010. 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 and we are submitting it to the GFOA 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. I 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,

Laura Brock

Laura Brock
Comptroller



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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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

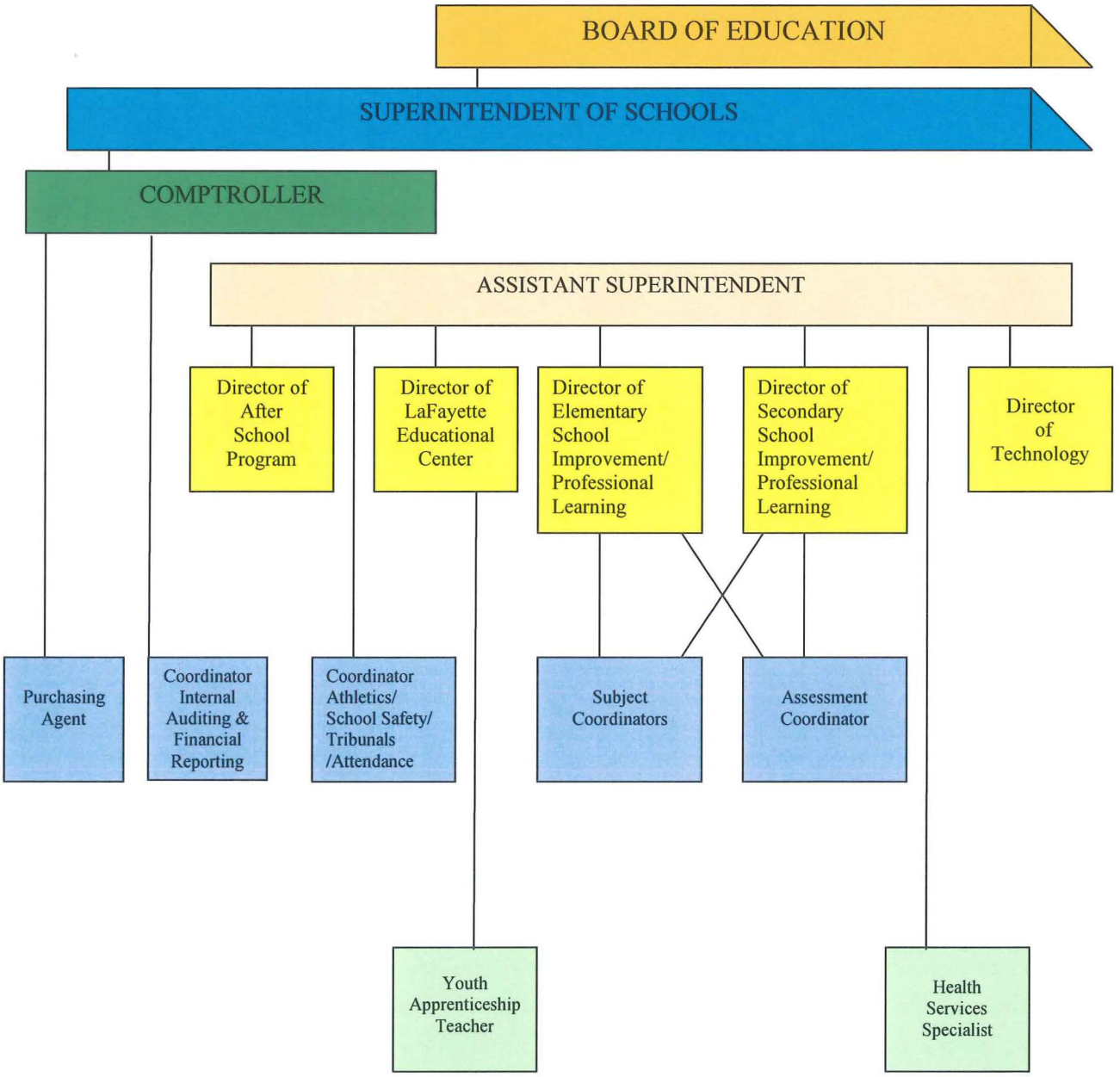
President

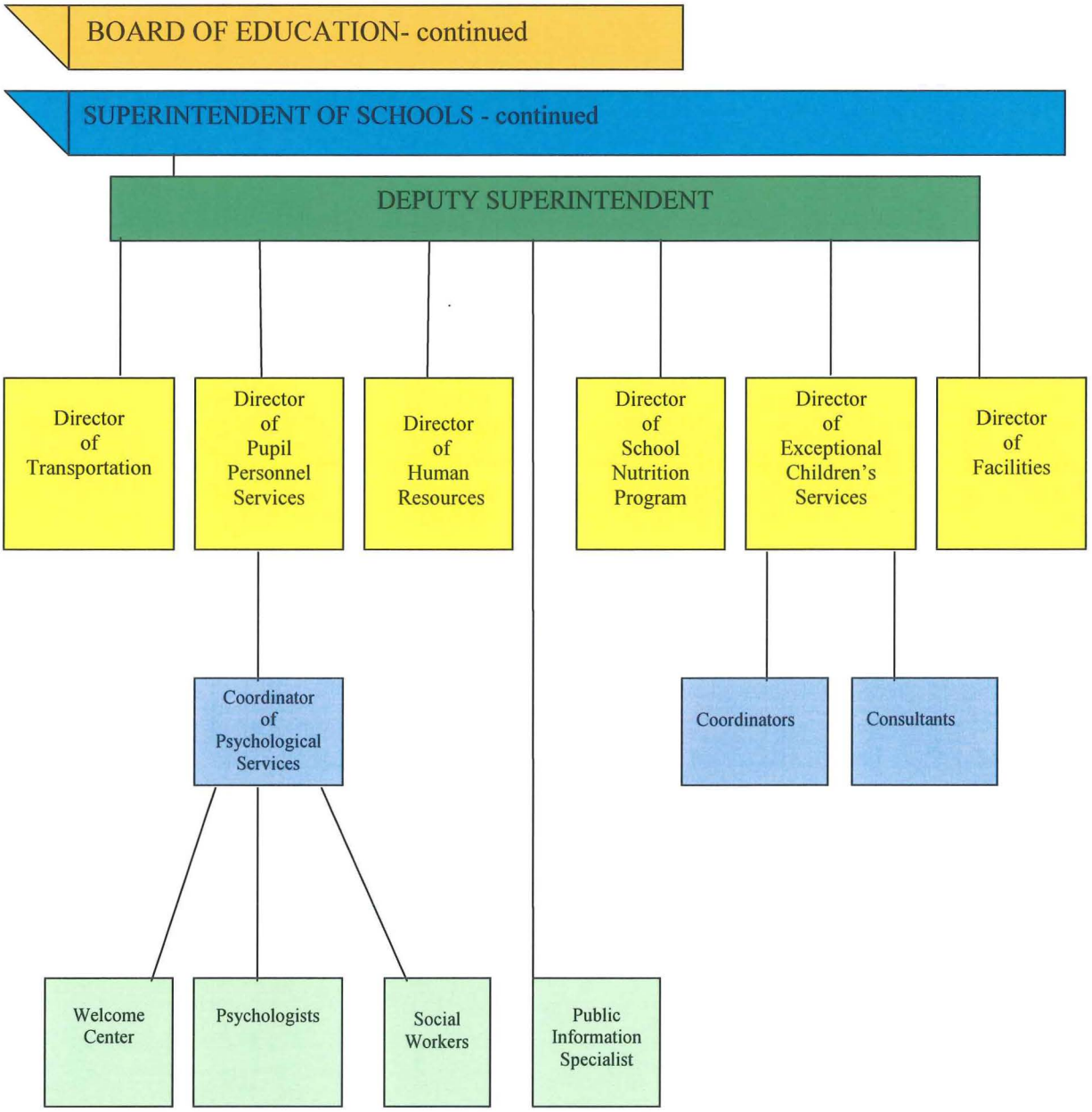
Executive Director

Fayette County Board of Education

ORGANIZATIONAL CHART

June 30, 2011




BOARD OF EDUCATION- continued
SUPERINTENDENT OF SCHOOLS - continued
DEPUTY SUPERINTENDENT
Director of Transportation
Director of Pupil Personnel Services
Director of Human Resources
Director of School Nutrition Program
Director of Exceptional Children's Services
Director of Facilities
Coordinator of Psychological Services
Coordinators
Consultants
Welcome Center
Psychologists
Social Workers
Public Information Specialist

Fayette County Board of Education

LISTING OF PRINCIPAL OFFICALS

June 30, 2011

BOARD MEMBERS

Dr. Bob Todd, Chair Post 4

Marion Key, Vice Chair, Post 3

Terri Smith, Chair, Post 2

Janet Smola, Post 1

Dr. Sam Tolbert, Post 5

SUPERINTENDENT'S CABINET

Jeff Bearden, Ed.D., Superintendent

Fred Oliver, Deputy Superintendent

Laura Brock, CPA, Comptroller

Sam Sweat, Assistant Superintendent of Education and Operations

Reanee' Ellis, Ph.D., Director of Human Resources

Chris Horton, Director of Exceptional Children

Tracie Fleming, Director of Secondary Education and Professional Learning

Sandra Watson, Director of Elementary Education, Professional Learning and Fine Arts

FINANCIAL SECTION



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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Superintendent and Members of the
Fayette County Board of Education
Fayetteville, Georgia

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, 2011, which collectively comprise the School System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School System's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Fayette County Board of Education as of June 30, 2011, 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 conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A, the School System implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 17 through 31) 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.

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 combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures by Object – Lottery Program, the Quality Basic Education Program – Earnings and Expenditures by Program Schedule, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

Mauldin & Jenkins, LLC

Macon, Georgia
December 15, 2011

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, 2011. 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 of the School System exceeded its liabilities at the close of fiscal year 2011 by $219,597,590 (net assets).
- The School System's total net assets increased by $12,903,655.
- At the end of fiscal 2011, the School System's governmental funds reported combined ending fund balances of $60,984,902, an increase of $14,530,062 in comparison with the prior year. Of this total, $27,694,750 is available for spending at the School System's discretion (assigned and unassigned fund balance).
- At the end of fiscal 2011, assigned and unassigned fund balance for the General Fund was $26,068,877 or 14.91% of total General Fund expenditures.
- Total bonded debt for the School System decreased by $8,942,432, a result of the scheduled debt service payments on bonds issued in 2001, 2005, 2007 and 2009.

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 Assets and the Statement of Activities found on pages 34 and 35 of this report.

The Statement of Net Assets presents information on the School System's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets 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 revenue (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-four 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 Fund, each of which are considered to be a major fund. Data from the other twenty-one 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 73-87 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 41-43 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 44-45 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 47-71 of this report.

Other information – In addition to the basic financial statements and the notes that accompany them, this report includes combining fund statements referred to earlier and schedules of the special local option sales tax (SPLOST), lottery program and the Georgia Quality Basic Education (QBE) Program. This other information follows the notes to the financial statements.

System-wide Financial Analysis

As noted earlier, changes in net assets over time can be a useful indicator of a School System's financial position. At the end of the fiscal year ending June 30, 2011, the School System's assets exceeded liabilities by $219,597,590.

The following summarizes the components to the School System's net assets at June 30, 2011 and 2010:

Current assets	$ 92,695,830	$ 83,113,428
Capital assets	255,778,958	262,908,072
Other assets	297,166	330,405
Total assets	348,771,954	346,351,905
Current liabilities	39,687,321	42,212,131
Long-term liabilities	89,487,043	97,445,839
Total liabilities	129,174,364	139,657,970
Net assets		
Invested in capital assets, net of related debt	172,653,135	169,508,268
Restricted	26,335,635	8,971,932
Unrestricted	20,608,820	28,213,735
Total net assets	$ 219,597,590	$ 206,693,935

The School System's current assets increased approximately $9.6 million over the prior year. The most significant component of this increase was a net increase in investments of $9.3 million related to SPLOST collections during the year. Cash on hand also increased compared to the prior year by $2.3 million, resulting from operational spending reductions. Taxes receivable decreased by $1.9 million as a result of a decrease in the digest and significant collections in prior year levies.

The School System's capital assets had a $7.1 million net decrease. During the year, the School System expended $2.8 million in capital outlay, of which $1.4 million was related to the Educational Special Purpose Local Option Sales Tax (SPLOST) approved in fiscal year 2009. The SPLOST will continue to provide future funding for computers, technology upgrades, transportation, security, facility improvements, and general obligation debt reduction. During the year, $2.0 million was reclassified from construction in progress to buildings and equipment related to facility renovations.

Current liabilities of the School System decreased $2.5 million over the prior year. Changes in accounts payable (decrease of $1.7 million) are affected by the timing of payments at or near year end. The increase in accrued interest ($0.8 million) is the result of the passage of time related to the 2005 Bonds. Principal payments on the 2005 Bond started in fiscal year 2011.

Long-term liabilities (which include the current portion of those liabilities) decreased significantly, reflecting $11.0 million in annual scheduled payments on the existing bonded debt and capital leases, offset by $3.3 million of new capital lease agreements.

The School System's investment in capital assets, less any outstanding related debt used to acquire those capital assets and accumulated depreciation, equals 78.6% of total net assets. 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 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 $3.1 million over prior year due to a net decrease in debt of $10.0 million spent to finance those capital additions and a decrease in capital assets, net of depreciation, of $7.1 million.

Total restricted net assets increased $17.3 million over the prior year. Net assets are restricted when there are limitations imposed on their use through constitutional provisions or enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. For 2011, balances related to unspent SPLOST proceeds were reclassified as restricted from the unrestricted category which accounted for $20.6 million of the increase. Additionally, amounts spent related to other construction projects under the 2005 and 2007 bond referendum caused a decrease of $1.8 million in restricted assets. Amounts previously classified as restricted for discretionary school purposes has been reclassified to the unrestricted category totaling $1.3 million.

Unrestricted net assets of $20.6 million indicates the amount of liquid assets the School System has to meet the existing obligations to its creditors. Most of the School System's obligations are for long-term debt which will be repaid based on future property taxes levied specifically for the repayment of bonded indebtedness.

Fayette County School System's Changes in Net Assets

	2011	2010
Revenues:		
Program revenues		
Charges for services	$ 6,460,701	$ 6,842,715
Operating grants and contributions	102,475,842	99,837,085
Capital grants and contributions	1,213,372	398,221
General revenues		
Property taxes	99,163,635	115,268,389
Sales taxes	18,259,865	18,802,125
Other taxes	1,598,273	1,539,292
Interest and investment earnings	108,504	121,947
Other	486,970	533,005
Total revenues	229,767,162	243,342,779
Expenses:		
Instruction	140,677,264	138,121,383
Pupil services	9,331,883	5,132,093
Improvement of instructional services	4,229,846	4,331,092
Educational media services	3,757,201	3,620,838
General administration	1,192,086	1,162,135
School administration	13,192,469	12,788,338
Business administration	1,139,105	1,078,060
Maintenance and operation of facilities	16,161,495	14,884,267
Student transportation services	8,073,549	7,710,847
Central support services	4,140,542	4,434,557
Other support services	290,337	282,244
Community services	2,194,891	2,401,650
Food services	7,925,808	7,709,527
Interest expense	4,557,031	5,022,769
Total expenses	216,863,507	208,679,800
Increase in net assets	12,903,655	34,662,979
Net assets, beginning of the year	206,693,935	172,030,956
Net assets, end of year	$ 219,597,590	$ 206,693,935

Total revenues of the School System decreased approximately $13.58 million, driven primarily by the following items:

- Property taxes decreased by $16.10 million. The decrease is the result of a net taxable digest that dropped 4.1 %. This decrease is reflective of the declining housing market seen across Georgia.

- Operating grants and contributions increased by a net $2.64 million. Revenues from the State allotment decreased by $2.10 million which was offset by the Federal Jobs Bill revenue of $4.33 million.

- The School System saw an increase in revenue from capital grants and contributions in 2011 of $0.82 million. Funding for construction projects through the Georgia State Financing and Investing Commission (GSFIC) is based on a needs assessment performed by the State and applications made by the School System. Timing of funding is based upon stages of completion and review of documents by the State. This amount fluctuates year to year and accounts for $0.36 of the increase in this category. Additionally, in fiscal year 2011, the State funded the partial purchase of school buses through state-issued bonds. The sale of these bonds generated $0.46 million for the School System to use towards the purchase of buses.

Total expenses increased by $8.18 million over prior year. Significant changes were:

- Total costs of capital project funds that were not capitalized as fixed assets in the system-wide financial statements were $6.27 million greater in 2011 than in 2010. Many of the assets purchased under the SPLOST have a cost below the School System's capitalization threshold of $5,000. These items include, but are not limited to computers, LCD projectors (i.e., technology in the classroom) and textbooks. Depreciation of capital assets increased by $214,000 over prior year.

- Benefits costs increased dramatically over prior year. The required contribution rate for TRS rose from 9.74% to 10.28%, creating an increase in cost for the School System of approximately $460,000. Additionally, rates set by the Board of Community Health for health insurance matching increased. For non-certified employees, the rate increased several times, from $162.72 per month at the beginning of the year to a rate of $246.20 per month by the end of the year. The annualized increase was 22.8% which translates to an increase of approximately $432,000. During 2010 and 2011, the health insurance rate for certified employees was adjusted several times. The annualized rate paid in 2011 was 18.534% while the annualized rate paid in 2010 was 17.524%. This increase rate cost the School System approximately $936,000 more in 2011. Costs related to workers' compensation increased approximately $382,000.

- Although the School System restored pay scales during the last half of the year, total salaries decreased approximately $633,000. This decrease was the result of a small decrease in the number of employees in the system, holding vacant positions open as long as possible, and the filling of vacated positions with staff with fewer years of service.

- Supplies costs increased approximately $223,000 and expendable equipment increased approximately $247,000. The increase was driven by the need to replace items that had been cut from the budget in the prior two years.

- Energy costs rose during fiscal year 2011. Bus fuel cost the system approximately $222,000 more than in the prior year. Electricity bills went up by approximately $244,000.

- Operating lease costs for computers decreased approximately $270,000 as lease agreements expired and computers were replaced by new capital lease agreements funded through SPLOST.

- Non-textbook books and periodicals increased by approximately $159,000. Almost $60,000 of the increase was spent for media center material and $50,000 of the increase for classroom instructional material by the General Fund. Almost $27,000 of the increase was funded through various Federal programs.

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

- Instruction costs increased $2.6 million or 1.85%, a net result of a $3.7 million decrease for salaries and benefits for counselors being reclassified to pupil services and $4.7 million increase in capital project related costs, primarily textbooks and technology in the classroom. Instruction also increased for increased spending for supplies and expendable equipment.

- Pupil services increased $4.2 million primarily as a result of salaries and benefits for counselors to pupil services from instruction.

- Maintenance and operations of facilities increased $1.3 million as a result of capital project related costs.

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, 2011, the School System's governmental funds reported combined ending fund balances of $60,985,158, an increase of $14,530,318 in comparison with the previous year. A large part of this $14.5 million is the result of collecting $5.8 million more of local option sales tax under the SPLOST referendum than was spent during the year. Additionally, revenues exceeded expenditures in the General Fund by $9.0 million. Approximately 15.8% ($9,632,929) 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 A10 on page 52 of provides a definition of the various categories of fund balance. Note J on pages 61 to 63 provides additional detail. Total fund balances for the governmental funds are as follows:

Fund Balances at June 30, 2011

Nonspendable	$	298,311
Restricted	$	30,318,985
Committed	$	2,672,856
Assigned	$	18,061,821
Unassigned	$	9,632,929

The *General Fund* is the chief operating fund of the School System. Its fund balance increased $9.0 million over the prior year. While management operates under a balanced budget, there are times when revenues will exceed expenditures and, conversely, when revenues fall below expected levels. Further discussion of budget to actual comparisons can be found under "General Fund Budgetary Highlights." Overall, revenues for the General Fund decreased approximately $2.65 million compared to the prior year. This was a net result of an increase in State funds of $8.54 million, $5.90 million decrease in federal funds, and a decrease of $5.29 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. As the economy worsened at the end of fiscal 2008, the State began increasing the "amended formula adjustment" (a funding reduction also known as austerity cuts). When the State began receiving ARRA funding in fiscal year 2009, the Federal money was used to prop up the State budget. In doing so, school districts received an allocation of ARRA money but their austerity cuts were increased by the same amount, netting to zero additional funding. For fiscal year 2010, the School System's austerity cut, net of ARRA funding, was $9.8 million, on a cash basis. For fiscal year 2011, that cut increased by $3.1 million. While enrollment dropped by 461 students (FTE), gross QBE earnings slightly increased by $0.34 million for an increase in the training and experience factor within the earnings formula which gives credit to districts for teachers' years of experience and degrees levels.

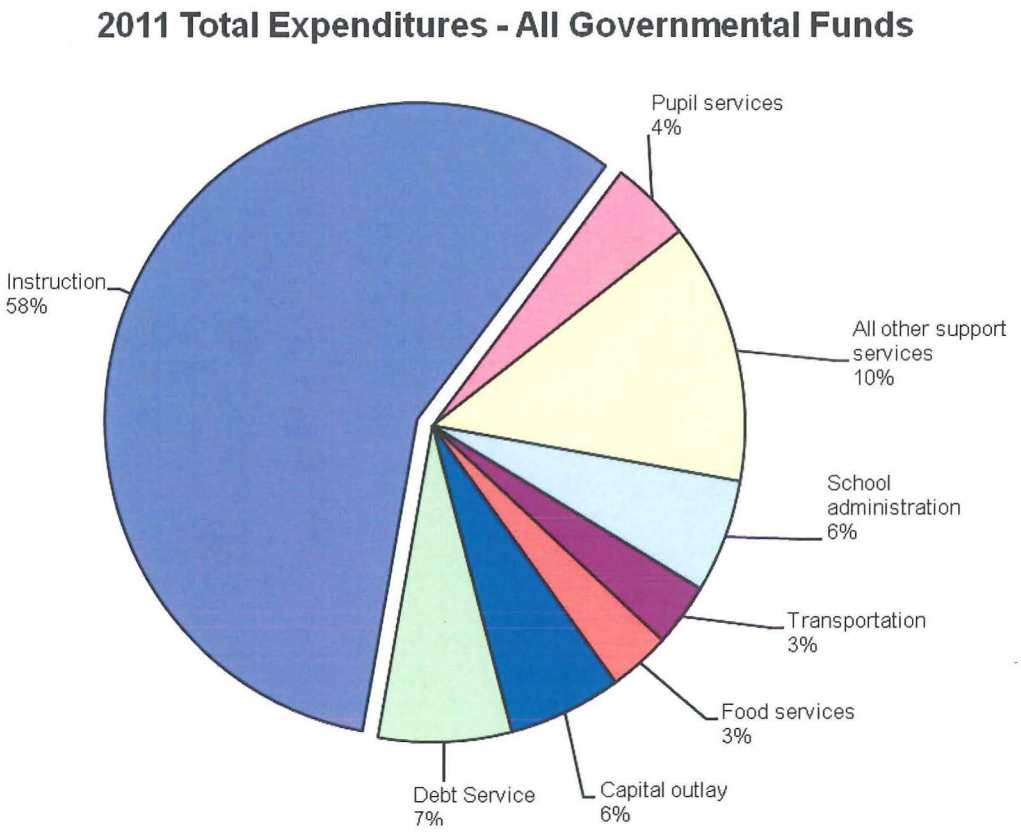
- Federal sources in the General Fund decreased $5.90 million. Funding under the American Recovery and Reinvestment Act (ARRA) came to an end. In 2009 and 2010, the State had used this money to offset increases to the QBE amended formula reductions. However, unexpectedly, the Federal government passed the Jobs Bill in September 2010 that provided the School System with $4.33 million. The State was not able to use this money towards its budget and therefore it had no effect on the State QBE allotment funding as in the prior two years.

- Property taxes decreased by $6.0 million. The decrease is reflective of the decrease in the property tax digest as a result of the significant downturn in the housing market.

- Auto ad valorem taxes were up $0.18 million. Intangible and transfer taxes, both related to real estate transactions, were up $0.12 million.

- The School System received net vendor reimbursements related to eRate of $0.46 million in 2011. In 2010, the School System did not receive any reimbursements.

Expenditures for the General Fund increased only $1.07 million of 0.61% from 2010. Despite salary scale increases, salaries decrease in the General Fund by approximately $0.87 million from prior year. This decrease was due to an overall reduction in staff, primarily teachers, custodians and clerical staff. Additionally, during the year vacancies were left unfilled as long as possible in order to save money. Most notably, the position of superintendent was vacant one-half of the year after the retirement of the superintendent serving from 1998 through the end of the prior year. While salaries decreased, benefits increased approximately $1.86 million in the General Fund. Rates for employer matching for teachers' retirement (TRS) and health insurance increased as previously detailed on page 22. Total non-payroll operating costs increased only $0.08 million. Debt payments on capital bus leases and the COPS decreased $0.29 million.



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 decreased approximately $8.8 million over 2010, a result of a millage rate decrease from 3.42 mills to 1.65 mills. The millage reduction was possible because a portion of the SPLOST funds are to be used toward the reduction of debt. During the year, $5.0 million of SPLOST proceeds were spent on debt service.

The *Capital Projects SPLOST Fund* is 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 2011 was $18.6 million. Approximately $16.2 million was spent during the year, including a $5.0 million transfer to debt service to pay existing bonded debt. The remaining balance has been legally set aside to continue the projects as specified in the SPLOST referendum.

Other governmental funds consist of non-major special revenue funds and non-major capital project funds. The aggregate fund balance of these funds decreased by approximately $1.2 million over the prior year. Fund balance decreased during the year $1.7 million as a result of spending available assets in the Bond 2007 and Bond 2005 funds as various projects progressed. Various special revenue funds increased fund balance by spending less than generated revenues. The After School Program had the largest increase with a $0.3 million increase.

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, 2011, the proprietary fund has net assets of approximately $29,000, the same as in prior year.

General Fund Budgetary Highlights

During the year, the Board of Education approved amendments to the general fund budget as follows:

- Increased the local revenue budget and expenditure budget by $12,500 for sale of surplus items to be used for the purchase of classroom furniture.

- Increased the State revenue budget and expenditure budget by $457,752 for the receipt of State grant money to be used for the purchase of school buses.

- Increased the federal revenue budget by $4,337,567 for the receipt of funds pursuant to the Federal Jobs Bill.

- Decreased State revenue budget by $12,946 after the finalization of initial state grant awards.

- Increased the expenditure budget by $1,040,000 for estimated cost of increasing pay scales by 1.5%, effective February 2011.

The School System's original budget was set based on preliminary State QBE allotments communicated by the State in May 2010 with an estimated reduction of $300,000 for various anticipated cuts related to categorical grants and Georgia Senate Bill 10. By late June 2010, the State published formal initial QBE allotment sheets for school districts. The formalized allotment was approximately $0.5 million more than the preliminary figures due to a change in the employer health insurance rate of 10.3893% applied to the QBE formula. During the year, the State QBE allotment sheets were amended four times. Fortunately, these amendments did not have a significant negative impact to the School System's budget, but they caused a lot of confusion relative to health insurance rates. Those amendments were:

- Amendment #1 (August 19, 2010) and Amendment #3 (January 4, 2011) related to adjustments for students attending charter schools. These amendments had no impact on the School System.

- Amendment #2 (November 16, 2010) included reductions for students who had left the School System under provisions of Georgia Senate Bill 10 (approximately $73,000) and increases for the employer health insurance rate at 21.1%. These changes increase the allotment sheet by $1.14 million.

- Amendment #4 (April 25, 2011) decreased the employer health insurance rate to 18.534%, causing a $2.27 million decrease in the allotment sheet.

In summary, the State QBE allotment was reduced $0.63 million, on a cash basis, from its preliminary figures in May 2010 to the final allotment. Fortunately, administration anticipated $300,000 in adjustments, so the total effect was a negative $0.33 variance from the budget. The Board did not amend the budget for any changes to the QBE allotment sheet during the year.

Within the state revenue budget, the School System included an initial $350,000 for other state grants. This number was amended, as noted above, for actual grant awards as of January 2011 and for the grant for buses. Subsequently, the School System was awarded an additional four grants, the largest being an award related to dual enrollment for approximately $33,000 and for State paid supplements for math and science teachers of approximately $123,000. The grant for the supplements was paid directly to those teachers as indicated by the award. The Board did not amend the budget for these new grants.

Within the preliminary QBE allotment sheet provided by the State, $1.86 million related to funds passed through the State of Georgia under the American Recovery and Reinvestment Act (ARRA) that was used by the State to offset State funding cuts. This number was subsequently changed on the formalized initial allotment sheet to $1.66 million. As noted above, the Board did not amend the budget for any changes to the QBE allotment sheet during the year.

Fortunately, local revenues exceeded the budget. Property tax revenue exceeded the budget by approximately $3.9 million. Generally, the tax digest is not finalized for the School System to set its digest until after the budget has been adopted. As a result, at the adopted millage rate of 20.00 mills, total estimated billings of $80.90 million with a 95% collection rate plus estimated collection of prior year levies of $1.5 million exceed the established budget by approximately $.8 million. Furthermore, actual collections approximated 95.7% of billings and the School System collected approximately $2.5 million more than expected in prior year levy amounts. Motor vehicle ad valorem taxes bettered the budget by approximately $209,000. Intangible tax collections were $371,000 better than budget. The School System did not budget $0.46 million in eRate reimbursements.

Overall, salaries and benefits cost for the General Fund were lower than budgeted. Much of the favorable variance was due to leaving vacancies open or filling them with temporary or substitute staff. Additionally, teaching positions that were vacant near the end of the budgeting processed were generally budgeted at a highly experienced salary level. The employees who filled those vacancies generally were less experienced and therefore received a lower salary than budgeted. Costs associated with substitute teachers was $0.44 million less than budgeted. Open enrollment for health insurance and other employee benefit plans are based on a calendar year. Employer rates are subject to change

in the middle of the fiscal year and employee participation may change during the year. Therefore, for budget purposes, the School System assumes that all employees will participate in a health and dental insurance plan at the rates in effect at the beginning of the fiscal year. Since not all employees participated in health and dental plans, the School System under spent budgeted amounts for employer paid benefits supplements. Furthermore, many employees do not participate in social security. Employer payroll taxes were therefore lower than assumed in budget calculations. The School System experienced favorable budget variances of $1.5 million related to health insurance, $1.3 million for social security and $.048 million for all other employee benefits (retirement, disability, life, workers' compensation and dental supplements).

The favorable budget variance related to salaries and benefits impacted instruction the most, as 74% of personnel costs are classified under instruction. For non-personnel costs within instruction, the School System underspent the budget by approximately $0.15 million.

Energy costs were $188,000 over budget and $225,000 higher than the prior year actual.

Technology services directly impacted the favorable budget status for operating expenditures by under expending its budget by $360,000 through thoughtful consideration of each expenditure. Whenever possible, the department purchased equipment and hardware from SPLOST proceeds. The department continued to consolidate the School System's server domain, eliminating the need of replacing servers. For servers that remained in place, warranties were extended or technicians repaired them using parts salvaged from servers taken off-line. The department also reduced the amount of equipment required to run core services and re-purposed that equipment for other needs, eliminating the need to purchase new equipment. Through this process, technology services has moved operations from ten servers to four. Additionally, services for four schools and five departments were virtualized, eliminating hardware and service costs. Spending was limited to items critical for the functioning of the School System.

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

The School System saved $110,000 budgeted for interest on tax anticipation notes. Due to the timing of federal stimulus money under the Jobs Bill, the School System did not have to have short-term borrowings to meet cash flow needs.

While the School System budgeted to use up to $500,000 of general fund balances to cover shortfalls in funding of special revenue funds, only $161,289 was needed. Additionally, the School System budgeted to transfer $500,000 of fund balance from Community Schools to cover shortfalls within the general fund. Since actual results were significantly better than budgeted, this transfer was not required to be made.

Capital Assets and Debt Administration

Capital assets – The School System's investment in capital assets as of June 30, 2011, amounts to $255,778,958, net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings, autos and trucks, other equipment and construction in progress. This represents a net decrease in capital assets of $7.1 million. The change in the investment in capital assets is affected by additions to capital assets and depreciation expense.

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

- The School System purchased 24 buses totaling approximately $2.0 million, funded with State issued bond proceeds and SPLOST receipts.

- During the year, the School System completed wiring upgrades for schools to accommodate its 21st century classroom initiative.

- The School System completed renovation projects on tracks at four of its five high schools.

Additional information on the School System's capital assets can be found in Note G on page 58 and 59 of this report.

Long-term debt – As of June 30, 2011, the School System had total bonded debt of $79,728,368 from three separate bond issuances. This bonded debt is payable from an ad valorem tax on all taxable property within the School District, without limit as to rate or amount. Additionally, the School System had debt of $6,210,785 under two capital leases for buses, four capital leases for computer equipment and one certificate of participation (similar to a capital lease) related to construction of facilities.

The School System maintains a "AA-" rating from Standard & Poor's and a "Aa3" 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 $462,186,375 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 I on pages 60 and 61 of this report.

Economic Factors and Next Year's Budgets and Rates

Going into fiscal year 2012, the economic position of the School System appeared to be extremely strong. Beginning in 2009, the System underwent significant budget reductions that allowed it to grow its fund balance from a 2008 fund balance of $1.7 million to an estimated $25 million at the end of 2011. Due to the strong financial position, in late fiscal year 2011, the Board voted to restore paycuts made in 2010. The pay restorations would continue into the 2012 budget.

In preparing the fiscal year 2012 budget, School System administration had to consider several factors that would impact the 2012 revenues as compared to the previous year:

- School System enrollment has continued to decline which would negatively impact earnings of State funding.

- The tax digest was expected to decrease at least 4%. Additionally, the maintenance and operations millage rate was already at the 20.00 mill maximum.

- A continued poor economy with high foreclosure and unemployment levels may have a negative effect on property tax collections.

- Federal stimulus money through the American Recovery and Reinvestment Act (ARRA) and the Jobs Bill was spent, with little likelihood that the Federal government would continue to prop up local governments.

- The State may continue to reduce State aid allocations to local school districts, even after the fiscal year started.

Administration also considered that as significant reductions were made in 2010 and 2011, there were few areas left to cut without greatly impacting student learning and achievement. Administration's goals to the 2012 budget were to 1.) maintain educational programs, 2.) maintain employee salary scales that were restored during the year, 3.) maintain benefit supplements paid by the School System, and 4.) maintain the employee work year without furloughs. By working collaboratively, system leaders built a spending plan with budget reductions in almost every department and instructional area. Additionally, due to careful spending during the last two years, the School System placed itself in a position of having fund balance available to make up for shortfalls between revenues and expenditures. As a result, the Board approved a budget that included an appropriation of fund balance of $16.4 million but also met administration's goals.

During the last phases of the budget process, it became clear that the budgetary concerns for the School System are for fiscal year 2013. Administration is concerned with skyrocketing health insurance costs, increases to employer contributions to the Teachers' Retirement System (TRS), and inflationary increases in general operating costs such as bus fuel and electricity. Relief in the way of additional revenue appears remote at this time. Therefore, administration immediately began working to develop a plan for the 2013 budget after the fiscal year 2012 budget was passed.

Even with the anticipated decline in tax revenue, the School System was able to maintain the debt service millage rate at 1.65 mills. The School System budgeted $4.2 million of SPLOST receipts to be used toward the principal and interest payments on 2005 General Obligation Bonds. Additionally, the debt service fund has a fund balance of approximately $4.0 million to make up for any shortfalls in tax collections.

During 2012, the School System will continue to use sales tax receipts from the 2008 SPLOST to fund capital improvements, including computer replacements, technology upgrades, bus purchases and safety and facilities improvements. Due to the timing of election cycles and the SPLOST life span, School System administration will also be working on developing a plan to present a continuation of the SPLOST in a referendum to the voters of the county in late 2013. This alternative funding source has been extremely vital to the School System over the last several years and will continue to be significant. As a result of its passage, technology replacements and upgrades can continue without impacting other budgetary decisions. Additionally, by shifting the funding for items that had been previously budgeted in the General Fund (such as annual textbook purchases) to the SPLOST fund, more General Fund money will be available for operating costs.

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, Comptroller, P.O. Box 879, Fayetteville, Georgia, 30214.



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Basic Financial Statements

Fayette County Board of Education

STATEMENT OF NET ASSETS

June 30, 2011

	Governmental Activities
ASSETS	
Cash	$ 14,308,844
Investments	58,635,792
Due from other governments	13,815,912
Interest receivable	318
Taxes receivable	5,636,653
Prepaid items	38,475
Inventory	259,836
Capital assets, not being depreciated:	
Land	15,431,494
Construction in progress	5,425
Capital assets, net of accumulated depreciation:	
Buildings	225,321,219
Trucks and autos	6,471,564
Other equipment	8,549,256
Debt issuance costs, net	297,166
Total assets	348,771,954
LIABILITIES	
Accounts payable	3,952,577
Accrued interest	10,318,746
Salaries and benefits payable	24,561,786
Retainage payable	40,108
Unearned revenue	199,104
Claims payable	615,000
Noncurrent liabilities:	
Due within one year	9,658,092
Due in more than one year	
Accrued compensated absences	1,762,833
Bonds and leases	78,066,118
Total liabilities	129,174,364
NET ASSETS	
Invested in capital assets, net of related debt	172,653,135
Restricted for:	
Capital projects	24,515,798
Grant purposes	1,819,837
Unrestricted	20,608,820
TOTAL NET ASSETS	$ 219,597,590

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

STATEMENT OF ACTIVITIES

For the year ended June 30, 2011

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 Assets: Governmental Activities
Governmental Activities:					
Instruction	$ 140,677,264	$ 335,649	$ 79,289,993		$ (61,051,622)
Support services					
Pupil services	9,331,883	-	1,558,836	-	(7,773,047)
Improvement of instructional services	4,229,846	-	1,384,411	-	(2,845,435)
Educational media services	3,757,201	-	2,283,965	-	(1,473,236)
General administration	1,192,086	-	2,503,854	-	1,311,768
School administration	13,192,469	-	4,863,291	-	(8,329,178)
Business administration	1,139,105	-	3,861	-	(1,135,244)
Maintenance and operation of facilities	16,161,495	-	5,141,321	755,620	(10,264,554)
Student transportation services	8,073,549	-	1,597,616	457,752	(6,018,181)
Central support services	4,140,542	-	464,807	-	(3,675,735)
Other support services	290,337	-	105,862	-	(184,475)
Community services	2,194,891	2,181,465	433,844	-	420,418
Food services	7,925,808	3,943,587	2,844,181	-	(1,138,040)
Interest expense	4,557,031	-	-	-	(4,557,031)
Total governmental activities	$ 216,863,507	$ 6,460,701	$ 102,475,842	$ 1,213,372	(106,713,592)
General revenues					
Taxes					
Property taxes, levied for general purposes					91,124,593
Property taxes, levied for debt service					8,039,042
Intangible taxes, general purposes					1,171,238
Intangible taxes, debt service					160,221
Transfer taxes, general purposes					237,515
Transfer taxes, debt service					29,299
Sales tax, capital outlay and debt service					18,259,865
Interest and investment earnings					108,504
Other					486,970
Total general revenues					119,617,247
Change in net assets					12,903,655
Net assets - beginning of year					206,693,935
Net assets - end of year					$ 219,597,590

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2011

	Major Governmental Funds				
	General	Debt Service Fund	Capital Projects SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 7,260,237	$ 11,927	$ 212,958	$ 6,821,920	$ 14,307,042
Investments	28,761,759	3,814,291	21,124,032	4,935,423	58,635,505
Due from other governments	12,294,849	-	-	1,521,063	13,815,912
Interest receivable	193	-	2	123	318
Taxes receivable	3,530,464	429,443	1,676,746	-	5,636,653
Due from other funds	951,162	-	-	37,143	988,305
Prepaid items	38,475	-	-	-	38,475
Inventory	-	-	-	259,836	259,836
Total assets	$ 52,837,139	$ 4,255,661	$ 23,013,738	$ 13,575,508	$ 93,682,046
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 682,838	$ -	$ 2,383,728	$ 860,394	$ 3,926,960
Salaries and benefits payable	22,909,173	-	-	1,652,613	24,561,786
Due to other funds	668,000	-	18,008	970,297	1,656,305
Retainage payable	-	-	-	40,108	40,108
Deferred revenue	2,239,674	272,311	-	-	2,511,985
Total liabilities	26,499,685	272,311	2,401,736	3,523,412	32,697,144
Fund Balances:					
Nonspendable	38,475	-	-	259,836	298,311
Restricted	-	3,983,350	20,612,002	5,723,633	30,318,985
Committed	230,102	-	-	2,442,754	2,672,856
Assigned	16,435,948	-	-	1,625,873	18,061,821
Unassigned	9,632,929	-	-	-	9,632,929
Total fund balances	26,337,454	3,983,350	20,612,002	10,052,096	60,984,902
Total liabilities and fund balances	$ 52,837,139	$ 4,255,661	$ 23,013,738	$ 13,575,508	$ 93,682,046

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 ASSETS

June 30, 2011

Total fund balances - governmental funds	$	60,984,902
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		255,778,958
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 deferred revenue in the funds.		2,312,881
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 with governmental activities.		29,472
Long-term liabilities, including capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabililities at year end consist of:		
Bonds payable		(79,728,368)
Capital leases payable		(6,210,785)
Accrued interest on bonds and leases		(10,318,746)
Compensated absences payable		(1,923,981)
Unamortized discount on issuance of bonds		69,640
Unamortized premium on issuance of bonds		(1,693,549)
Deferred debt issuance costs, net of amortization		297,166
Total net assets - governmental activities	$	219,597,590

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, 2011

	Major Governmental Funds				
	General	Debt Service Fund	Capital Projects SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
State funds	$ 84,841,972	$ -	$ -	$ 1,794,369	$ 86,636,341
Federal funds	4,350,060	-	-	10,165,836	14,515,896
Local and other funds	94,877,870	8,533,226	18,649,793	8,211,592	130,272,481
Total revenues	184,069,902	8,533,226	18,649,793	20,171,797	231,424,718
Expenditures					
Current					
Instruction	119,657,575	-	-	6,879,019	126,536,594
Support services					
Pupil services	8,072,843	-	-	1,232,381	9,305,224
Improvement of instructional services	3,164,069	-	-	968,701	4,132,770
Educational media services	3,448,879	-	-	91,865	3,540,744
General administration	966,773	-	-	188,881	1,155,654
School administration	12,404,590	-	-	367,459	12,772,049
Business administration	1,112,059	-	-	-	1,112,059
Maintenance and operation of facilities	13,691,705	-	-	98,948	13,790,653
Student transportation services	6,990,183	-	-	163,611	7,153,794
Central support services	3,181,093	-	-	-	3,181,093
Other support services	198,764	-	-	99,068	297,832
Community service	-	-	-	2,177,702	2,177,702
Food services	305,490	-	-	6,724,755	7,030,245
Capital outlay	457,752	-	9,945,370	2,511,677	12,914,799
Debt Service					
Principal retirement	1,080,848	8,942,432	1,039,224	-	11,062,504
Interest and fees	129,492	3,728,354	184,522	-	4,042,368
Total expenditures	174,862,115	12,670,786	11,169,116	21,504,067	220,206,084
Excess (deficiency) of revenues over (under) expenditures	9,207,787	(4,137,560)	7,480,677	(1,332,270)	11,218,634
Other financing sources (uses)					
Capital lease	-	-	3,311,428	-	3,311,428
Transfers in (out)	(161,289)	5,000,000	(5,000,000)	161,289	-
Total other financing sources (uses)	(161,289)	5,000,000	(1,688,572)	161,289	3,311,428
Net change in fund balances	9,046,498	862,440	5,792,105	(1,170,981)	14,530,062
Fund balances, beginning of year, as restated	17,290,956	3,120,910	14,819,897	11,223,077	46,454,840
Fund balances, end of year	$ 26,337,454	$ 3,983,350	$ 20,612,002	$ 10,052,096	$ 60,984,902

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, 2011

Total net change in fund balances - governmental funds	$	14,530,062
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 depreciation ($9,918,519) exceeds capital outlay ($2,804,632) and the net value of assets disposed ($15,227).		(7,129,114)
Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets.		8,942,432
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		2,120,072
Payments made to bond escrow agent to currently refund previously issued debt is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net assets.		-
The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets.		-
Some capital assets acquired during the year were financed through a capital lease. The amount financed is reported in the governmental funds as other financing sources. Capital leases are not revenues in the statement of activities, but rather increase long-term liabilities in the statement of net assets.		(3,311,428)
Governmental funds report the effect of debt issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Amortization expense is netted against interest expense.		250,700
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. Deferred tax revenues decreased by this amount this year.		(1,657,558)
In the statement of activities, certain operating expenses - compensated absences (sick pay and 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 and sick leave earned exceeded the amounts used by this amount.		(76,219)
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. The additional interest reported in the statement of activities is the net result of accrued interest on bonds and capital leases which increased by this amount.		(765,363)
Internal service funds are used to charge the costs of workers' compensation claims to the individual funds. Net income of the internal service fund are reported in the governmental activities.		71
Change in net assets of governmental activities	$	12,903,655

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, 2011

	Original Budget	Final Budget	Actual (Budget basis)	Variance
Revenues				
State funds	$ 81,957,414	$ 82,402,220	$ 82,427,542	$ 25,322
Federal funds	1,859,764	6,197,331	6,011,409	(185,922)
Local and other funds	89,398,737	89,811,237	94,877,870	5,066,633
Total revenues	173,215,915	178,410,788	183,316,821	4,906,033
Expenditures				
Current				
Instruction	121,999,696	122,826,338	119,216,785	3,609,553
Support services				
Pupil services	8,535,451	8,582,194	8,058,661	523,533
Improvement of instructional services	3,465,899	3,481,331	3,151,598	329,733
Educational media services	3,451,983	3,471,949	3,438,041	33,908
General administration	1,135,105	1,139,115	964,330	174,785
School administration	12,521,160	12,585,758	12,360,939	224,819
Business administration	1,072,333	1,077,964	1,108,198	(30,234)
Maintenance and operation of facilities	13,718,725	13,759,683	13,660,847	98,836
Student transportation services	7,881,399	8,361,155	8,166,301	194,854
Central support services	3,810,753	3,815,981	3,176,489	639,492
Other support services	-	-	197,665	(197,665)
Food services	231,584	232,872	304,149	(71,277)
Debt service				
Principal retirement	390,000	390,000	390,000	-
Interest and fees	192,270	192,270	82,270	110,000
Total expenditures	178,406,358	179,916,610	174,276,273	5,640,337
Excess of revenues over expenditures	(5,190,443)	(1,505,822)	9,040,548	10,546,370
Other financing sources (uses)				
Transfers in	500,000	500,000	-	(500,000)
Transfers out	(500,000)	(500,000)	(161,289)	338,711
Total other financing sources (uses)	-	-	(161,289)	(161,289)
Net change in fund balances	$ (5,190,443)	$ (1,505,822)	$ 8,879,259	$ 10,385,081

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2011

	Governmental Activities-- Internal Service Workers' Compensation Fund
ASSETS	
Current Assets:	
Cash	$ 1,802
Investments	287
Due from other funds	668,000
Total assets	670,089
LIABILITIES	
Current Liabilities:	
Accounts payable	25,617
Claims payable	615,000
Total liabilities	640,617
NET ASSETS	
Unrestricted	29,472
Total net assets	$ 29,472

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 ASSETS

For the year ended June 30, 2011

	Governmental Activities-- Internal Service Workers' Compensation Fund
Revenues	
Local and other funds	$ 631,500
Total revenues	631,500
Expenses	
Administration	110,377
Claims	521,054
Total expenses	631,431
Operating income	69
Nonoperating revenues	
Interest	2
Net income	71
Net assets, beginning of year	29,401
Net assets, end of year	$ 29,472

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, 2011

	Governmental Activities-- Internal Service Workers' Compensation Fund
Cash flows from operating activities:	
Cash received from interfund services	$ 651,500
Cash paid to suppliers	(650,093)
Net cash provided by operating activities	1,407
Cash flows from investing activities:	
Purchase of investments	(1)
Interest received	2
Net cash provided by investing activities	1
Net increase in cash	1,408
Cash at beginning of year	394
Cash at end of year	$ 1,802
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 69
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Accounts payable	(18,662)
Due from other funds	20,000
Net cash provided by operating activities	$ 1,407

The accompanying notes are an integral part of this statement.

Fayette County Board of Education
Fiduciary Funds

STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2011

	David Phillips Memorial Private-Purpose Trust Fund	Agency Fund Club and Class Funds
ASSETS		
Cash	$ -	$ 1,690,390
Investments	10,059	-
Total assets	10,059	1,690,390
LIABILITIES		
Due to student groups	-	1,690,390
NET ASSETS		
Reserved for scholarships	$ 10,059	$ -

The accompanying notes are an integral part of this statement.

Fayette County Board of Education
Fiduciary Funds

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the year ended June 30, 2011

	David Phillips Memorial Private-Purpose Trust Fund
ADDITIONS	
Donations	$ 500
Interest	18
Total additions	518
DELETIONS	
Other support services	500
Change in net assets	18
NET ASSETS, beginning of year	10,041
NET ASSETS, end of year	$ 10,059

The accompanying notes are an integral part of this statement.



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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. 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.

2. System-wide and Fund Financial Statements

The system-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the School System. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

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. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

3. Measurement Focus, Basis of Accounting, and Basis of Presentation

The system-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, report only assets and liabilities and therefore have no measurement focus. 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.

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 sixty days of the end of the current fiscal period. 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.

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.

Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School System must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School System on a reimbursement basis.

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education Formula Earnings program ("QBE"). Genearlly teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 though August 31. In accordance with the respective rules and regulations of the QBE program, the State of Georgia reimburses the School System over the same twelve month period in which teachers are paid. At June 30, the amount of the teachers' salaries incurred but not paid until July and August of the subsequent year are accrued. Since the State of Georgia recognizes its QBE liability in for the July and August salaries at June 30, the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

All other revenue items are considered to be measurable and available only when cash is received by the School System.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

3. Measurement Focus, Basis of Accounting, and Basis of Presentation – continued

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

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.

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 award 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

3. Measurement Focus, Basis of Accounting, and Basis of Presentation – continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the system-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The School System does not report business-type activities or enterprise funds.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 funds are charges to customers for sales and services. Operating expenses for the internal service funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the School System's policy to use restricted resources first, then unrestricted resources as they are needed.

4. Deposits and Investments

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.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

5. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All property tax receivables are shown net of an allowance for uncollectibles.

6. Inventories and Prepaid Items

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

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items

7. Capital Assets

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

8. 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.

9. Long-term Obligations

In the system-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual proceeds, are reported as debt service expenditures.

10. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reorting is classified as "net assets."

Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the School System is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

10. Fund Equity - continued

Committed: Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The Board also may modify or rescind the commitment.

Assigned: Fund balances are reported as assigned when amounts are constrained by the Board's intent to be used for specific purposes, but are neither restricted or committed.

Unassigned: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion.

It is the School System's policy that the Board impose constraints on amounts classified as committed and assigned fund balance through majority vote. Additionally, when restricted and unrestricted fund balances are both available for expenditure when the espenditure is incurred, the restricted fund balance is considered to be expended first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications (committed, assigned or unassigned) could be used, the School System considers that committed amounts are to be reduced first, followed by assigned amounts, and then by unassigned amounts.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted as described in the fund balance description above. Net assets 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.

11. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

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

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

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

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

(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.

(c) Capital leases are recorded as expenditures and as other financing sources under USGAAP and are not recorded under the budgetary 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	$	9,046,498
Adjustments for:		
State QBE revenue		(167,239)
State paid employee benefit revenue		(585,842)
State paid employee benefit expenditures		585,842
Budget Basis Net Change in Fund Balances	$	8,879,259

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – continued

Additionally, the School System budgets purchases of buses and capital lease payments for buses under transportation services. In reporting actual expenditures – budget basis, these items have be reclassified from capital outlay and debt service, respectively, to student transportation services.

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 Treasury and Fiscal Services, repurchase agreements, and obligations of political subdivisions of the State of Georgia. The School System does not have a policy for credit risk beyond the types of investments authorized by Georgia State law.

At June 30, 2011, the School System had the following investments:

Investment Type	Maturities	Rating	Fair Value
Georgia Fund 1	59 day weighted average	AAAm	$ 58,576,771
Money market mutual funds	N/A	N/A	9,283
Certificates of deposit	11.0 month weighted average	N/A	59,797
			$ 58,645,851

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 AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the Securities Exchange Commission as an investment company. The Office of Treasury and Fiscal Services is the regulatory oversight agency for Georgia Fund 1. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Pooled cash and cash equivalents and investments are reported at cost which approximates 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.

NOTE C – DEPOSTS AND INVESTMENTS – continued

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

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of failure of a depository financial institution or of counterparties to investment transactions, the School System will not be able to recover deposits, investments or collateral securities that are in the possession of an outside party. The School System follows Georgia State law which requires bank balances to be covered by federal deposit insurance or by collateral held by the School System's agent in the School System's name. As of June 30, 2011, the School System was not exposed to custodial credit risk for investments.

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 1, 2010, based on property values assessed as of January 1, 2010, and were considered past due if not paid on or before November 15, 2010, 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 2010 were levied at 20.00 mills for operations and 1.65 mills for school bonds.

In addition, Fayette County designates a portion of its intangible and transfer taxes for school purposes. Intangible and transfer taxes are collected by Fayette County Superior Court on behalf of the School System.

Tax revenues, at the fund reporting level, amounted to $93,533,419 for maintenance and operations and $17,361,966 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 will terminate collection of this tax once a total of $115,000,000 has been collected or on March 31, 2014, whichever occurs first.

SPLOST revenues, at the fund reporting level, amounted to $18,649,793 as of June 30, 2011.

NOTE E – TAXES RECEIVABLE – continued

At June 30, 2011, taxes receivable, at the fund reporting level, consisted of the following:

- $2,312,881 (net of $1,191,484 in allowances for doubtful accounts) in delinquent property taxes receivable was recognized as receivable and as deferred revenue,
- $1,527,359 of property tax was recognized as receivable and as revenue because it was considered susceptible for accrual based on collections within 60 days of year end,
- $1,676,746 of SPLOST receipts recognized as receivables and as revenue because it was considered susceptible for accrual based on collections within 60 days of year end,
- and $119,668 of intangible and transfer taxes collected by the Superior Court of Fayette County on behalf of the School System.

NOTE F – INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2011, interfund receivables and payables consisted of the following:

	RECEIVABLE FUNDS				
		Non-Major Funds			
	General Fund	School Nutrition	Bond 2007	Workers' Compensation	Total
PAYABLE FUNDS					
General Fund	$ -	$ -	$ -	$ 668,000	$ 668,000
SPLOST		-	18,008		18,008
Non-Major Funds:			-		
Nutrition Service	284,900	-	-	-	284,900
Title I	115,739	639	-	-	116,378
IDEA	447,174	-	-	-	447,174
Vocational Grants	23,070	-	-	-	23,070
Drug Free	1,024	-	-	-	1,024
Title II	22,629	-	-	-	22,629
Title III	20,395	-	-	-	20,395
Building Connections	22,112	-	-	-	22,112
Family Connections	14,119	-	-	-	14,119
After School	-	18,496	-		18,496
	$ 951,162	$ 19,135	$ 18,008	$ 668,000	$ 1,656,305

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

NOTE G – CAPITAL ASSETS

The following is a summary of capital asset activity for the fiscal year ending June 30, 2011:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Capital assets, not being depreciated					
Land	$ 15,431,494	$ -	$ -	$ -	$ 15,431,494
Construction in progress	1,247,012	721,132	-	(1,962,719)	5,425
Total capital assets, not being depreciated	16,678,506	721,132	-	(1,962,719)	15,436,919
Capital asset, being depreciated					
Buildings and improvements	330,901,901	20,230	-	676,068	331,598,199
Autos and trucks	19,304,751	1,965,400	-	-	21,270,151
Other equipment	21,253,588	97,870	(52,954)	1,286,651	22,585,155
Total capital assets, being depreciated	371,460,240	2,083,500	(52,954)	1,962,719	375,453,505
Less accumulated depreciation for:					
Buildings and improvements	(99,447,186)	(6,829,794)	-	-	(106,276,980)
Autos and trucks	(13,837,252)	(961,335)	-	-	(14,798,587)
Other equipment	(11,946,236)	(2,127,390)	37,727	-	(14,035,899)
Total accumulated depreciation	(125,230,674)	(9,918,519)	37,727	-	(135,111,466)
Total capital assets being depreciated, net	246,229,566	(7,835,019)	(15,227)	1,962,719	240,342,039
Governmental activities capital assets, net	$ 262,908,072	$ (7,113,887)	$ (15,227)	$ -	$ 255,778,958

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

Instruction	$ 6,469,171
Support services	
Pupil services	885
Improvement of instructional services	126,964
Educational media services	216,457
General administration	25,432
School administration	299,213
Business administration	11,570
Maintenance and operations of facilities	91,997
Student transportation services	921,638
Central support services	844,296
Community service	17,193
Food services	893,703
Total depreciation	$ 9,918,519

NOTE G – CAPITAL ASSETS – continued

Assets being acquired under capital leases and certificates of participation are as follows:

	Cost	Accumulated Depreciation	Net Book Value
Buildings and Improvements	$ 1,033,630	$ (234,222)	$ 799,408
Autos and trucks	4,960,866	(2,586,251)	2,374,615
Total	$ 5,994,496	$ (2,820,473)	$ 3,174,023

NOTE H – LEASES

Operating Leases

The School System leases a portion of its computers under an operating lease agreement. Total cost for this lease was approximately $532,840 for the year ended June 30, 2011. The future minimum lease payment for this lease is $162,316 due in 2012.

Capital Leases

The School System has entered into various lease agreements for the acquisition of buses and computers. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

In June 1999, the School System issued $5,080,000 in Certificates of Participation (COPS) to advance refund $3,035,000 of outstanding 1991 COPS as well as to finance additional construction. These COPS are treated like a capital lease. A portion of the net proceeds was used to purchase U.S. government securities which were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1991 COPS. As a result, the 1991 COPS are considered to be defeased and the liability for those COPS has been removed from the School System's financial statements. The defeased certificates of participation were paid in full during fiscal year ending June 30, 2002. The balance of the 1999 COPS was $1,300,000 at June 30, 2011.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2011:

2012	$ 2,743,760
2013	2,608,030
2014	1,350,304
Total minimum lease payments	6,702,094
Less: Amount representing interest	(491,309)
Present value of future minimum lease payments	$ 6,210,785

NOTE I – LONG-TERM DEBT

General Obligation Bonds

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

In February 2001, the School System issued $65,000,000 in 2001 General Obligation Bonds for the construction of new schools and the renovation of existing schools. These bonds were repaid during fiscal year 2011.

In February 2005, the School System issued $35,000,800 in 2005 General Obligation Bonds for the purpose of acquiring, constructing and equipping new school buildings and facilities, renovating existing facilities, and acquiring, installing and equipping system-wide technology.

In March 2007, the School System issued $29,965,000 in 2007 General Obligation Bonds for the purpose of acquiring, constructing and equipping new school buildings and facilities, renovating existing facilities, and acquiring, installing and equipping system-wide technology.

General obligation bonds consist of the following as of June 30, 2011:

Series	Coupon Rate	Maturities	Balance
2005	3.65% to 4.50%	2010 to 2025	$ 33,223,368
2007	3.50% to 5.00%	2011 to 2027	29,000,000
2009	2.50% to 5.00%	2010 to 2015	17,505,000
			$ 79,728,368

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

	Principal	Interest	Total
2012	$ 7,036,781	$ 4,399,931	$ 11,436,712
2013	7,283,849	4,176,343	11,460,192
2014	7,583,118	3,881,024	11,464,142
2015	7,875,520	3,596,122	11,471,642
2016	3,464,955	3,263,380	6,728,335
2017-2021	20,373,054	14,059,747	34,432,801
2022-2026	20,931,093	7,723,832	28,654,925
2027	2,685,000	134,250	2,819,250
Total	$ 79,728,368	$ 41,493,629	$ 121,221,997

NOTE I – 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	$ 88,670,800	$ -	$ (8,942,432)	$ 79,728,368	$ 7,036,781
Less discount on issuance of bonds	(74,736)	-	5,096	(69,640)	-
Plus premium on issuance of bonds	1,982,584	-	(289,035)	1,693,549	-
Total bonds payable	90,578,648	-	(9,226,371)	81,352,277	7,036,781
Capital leases payable	5,019,429	3,311,428	(2,120,072)	6,210,785	2,460,163
Claims payable	615,000	521,054	(521,054)	615,000	615,000
Accrued compensated absences payable	1,847,762	1,225,125	(1,148,906)	1,923,981	161,148
	$ 98,060,039	$ 5,057,607	$ (13,016,403)	$ 90,102,043	$ 10,273,092

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

NOTE J - FUND BALANCES

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

General Fund:	
Prepaid items	$ 38,475
Nonmajor Special Revenue Funds:	
School Nutrition Service Fund inventory	259,836
Total Nonspendable Fund Balance	$ 298,311

NOTE J - FUND BALANCES - continued

Restricted – The following balances are restricted for:

Debt Service Fund: used to account for debt service payments on general obligation debt	$ 3,983,350
Capital Projects-SPLOST Fund: used to account for capital projects financed with SPLOST	20,612,002
Nonmajor Special Revenue Funds:	
School Nutrition Services Fund – used to account for activity of the school lunch program	1,792,292
Friends Mentoring Program Fund– used to account for proceeds of grant from Department of Human Resources	16,886
Other Grants Fund– used to account for various grant awards	10,659
Nonmajor Capital Project Funds:	
Bond 2007 Fund– used to account for capital projects financed with proceeds of the 2007 bond referendum	3,903,796
Total Restricted Fund Balance	$ 30,318,985

Committed - The following fund balances are committed to:

General Fund : to account for a portion of net eRate receipts set aside by the Board to be used on technology infrastucture	$ 230,102
Nonmajor Special Revenue Funds:	
Community Education Fund – used to account for the activities of community school programs	476,096
After School Program Fund – used to account for the activities of after school programs	529,708
Donations Fund – used to account for resources provided by donations	81,728
Auditorium Rentals Fund – used to account for resources generated by auditorium facility rentals	47,759
Principals' Fund – used to account for resources generated by schools for various school activities and needs	1,307,463
Total Committed Fund Balance	$ 2,672,856

NOTE J - FUND BALANCES - continued

Assigned – The following fund balances are assigned to:

General Fund: to account for a portion of the year end fund balance which is appropriated in the subsequent year's budget	$ 16,435,948
Nonmajor Special Revenue Funds:	
Community School Fund – to account for a portion of the year end fund balance which is appropriated in the subsequent year's budget	500,000
Nonmajor Capital Project Funds:	
Regular Capital Project Fund – to account for amounts intended to be spent on capital outlay	1,125,873
Total Assigned Fund Balance	$ 18,061,821

NOTE K – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011 consisted of the following amounts:

	TRANSFERS OUT		
	Major Funds		
	General Fund	SPLOST	Total
TRANSFERS IN			
Debt Service Fund	$ -	$ 5,000,000	$ 5,000,000
Non-Major Funds:			
Title II	19,369	-	19,369
Title III	3,801	-	3,801
JR ROTC	134,133	-	134,133
Lottery	3,986	-	3,986
	$ 161,289	$ 5,000,000	$ 5,161,289

NOTE K – INTERFUND TRANSFERS – continued

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, $5,000,000 of SPLOST receipts were 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 special revenue funds but which are not completely funded by state, federal or local grants.

NOTE L – 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 $5,000 of each property loss, the first $500 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.

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.

NOTE L – RISK MANAGEMENT – continued

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
2011	$ 615,000	$ 521,054	$ 521,054	$ 615,000
2010	$ 615,000	$ 354,002	$ 354,002	$ 615,000

Unemployment Claims

The School System is self insured for unemployment compensation claims. These claims are accounted for in the School System's General Fund. Unemployment compensation expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Changes in the unemployment compensation liability during the last two fiscal years were as follows:

Year Ended June 30,	Beginning of Year Liability	Current Year Unemployment Accrual	Unemployment Paid	End of Year Liability
2011	$ -	$ 35,269	$ 35,269	$ -
2010	$ -	$ 105,775	$ 105,775	$ -

NOTE M – ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

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

Georgia Department of Education	
Paid to the Department of Community Health for Health Insurance of Non-Certified Personnel	$ 335,444
Paid to Teachers' Retirement System (TRS)	169,171
Office of Treasury and Fiscal Services	
Paid to the Public School Employees' Retirement System (PSERS)	81,227
	$ 585,842

NOTE N – RETIREMENT PLANS

Teachers Retirement System of Georgia (TRS)

Plan Description

Substantially all teachers, administrative and clerical personnel employed by local school systems are covered by the Teachers Retirement System of Georgia (TRS), which is a cost-sharing multiple employer public employee retirement system.

TRS provides service retirement, disability retirement and survivor's benefits for its members. A member is eligible for retirement after 30 years of service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service. If an employee retires under this provision, the benefit will be permanently reduced by the lesser of one-twelfth of 7% for each month you are below age 60, or 7% for each year or fraction of a year by which you have less than 30 years of creditable service. Retirement benefits paid to members are equal to 2% of the average of the member's two consecutive highest paid years of service multiplied by the number of years of creditable service up to 40 years. The normal retirement pension is payable monthly for life. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary on the member's death.

Retirement benefits also include death and disability benefits whereby the disabled member or surviving spouse is entitled to receive annually an amount equal to the member's service retirement benefit or disability retirement, whichever is greater. The benefit is based on the member's creditable service (minimum of 10 years) and compensation up to the date of death.

Members become fully vested after ten years of service. If a member terminates with less than ten years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest.

TRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by calling (404) 352-6500.

Funding Policy

Employees of the School System who are covered by TRS are required to pay 5.25% of their gross earnings to TRS (5.25% in 2010 and 5.0% in 2009). The School System makes monthly employer contributions to TRS at rates adopted by the TRS Board of Trustees, as advised by their independent actuary. The employer contribution rate was 10.28% for fiscal year ending June 30, 2011, 9.74% for fiscal year ending June 30, 2010 and 9.28% for fiscal year ending June 30, 2009.

The School System's actual and required contributions to TRS for the years ending June 30, 2011, 2010, and 2009 were approximately $11,539,365, $10,998,048, and $11,231,030, respectively.

NOTE N – RETIREMENT PLANS – continued

Public School Employees' Retirement System of Georgia (PSERS)

Plan Description

Substantially all bus drivers, maintenance, custodial, and lunchroom personnel employed by local school systems are covered by the Public School Employees' Retirement System of Georgia (PSERS), which is a cost-sharing multiple employer public employee retirement system. All employer contributions are made by the State of Georgia.

PSERS provides service retirement, disability retirement and survivor's benefits for its members. A member is eligible for normal service retirement after 10 years of service and attainment of age 65. A member applying for service retirement with 10 years of service and retiring between the ages of 60 and 65 receives a reduced benefit. Monthly retirement benefits paid to members are equal to $8.00 multiplied by the number of years of creditable service. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary on the member's death.

Retirement provisions include death and disability benefits. Disability benefits are the same as if the employee had retired at age 65 as long as the employee has 15 or more years of creditable service. Death benefits are dependent upon the number of years of service. If there are less than ten years of service, a lump sum refund of the employee's contributions and interest are made to the beneficiary. If there are more than ten years of service, the beneficiary shall receive for life half of what the employee would have received upon retirement.

Members become fully vested after ten years of service. If a member terminates with less than ten years of service, nonvesting of employer contributions occurs, but the member's contributions are refunded with interest.

PSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by calling (404) 352-6400.

Funding Policy

Covered employees are required by State statute to contribute $4.00 a month for the nine-month school year. Unlike TRS, the School System makes no contribution to PSERS. The State of Georgia is required by statute to make employer contributions as actuarially determined and approved by the PSERS's Board of Trustees. Total required and actual contributions from the State of Georgia to PSERS for the School System was approximately $81,000, $60,000, and $81,000 for the years ended June 30, 2011, 2010, and 2009, respectively.

NOTE N – RETIREMENT PLANS – continued

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, 2011, there were 3,183 plan participants.

Funding Policy

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, 2011, the School System's contribution to the Plan was approximately $192,000.

NOTE O – 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 beneficialries 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.

NOTE O – POSTEMPLOYMENT BENEFITS – continued

Funding Policy

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. On average, plan members pay approximately twenty-five percent (25%) of the cost of health insurance coverage.

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 halth 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, 2011:

Certificated employees (teachers):

Period	Percentage of Covered Payroll (State Base Salary)
July 2010 – April 2011	21.955 % for August - May coverage
May 2011 – June 2011	1.429% for June – July coverage

Non-certificated employees:

Period	Rate per Employee
July 2010 - November 2010	$162.72 per month for August – December coverage
December 2010 – April 2011	$218.20 per month for January – May coverage
May 2011 – June 2011	$246.20 per month for June – July coverage plus $335,444 of annual on-behalf contributions

No additional contribution was required by the Board of Community Health for fiscal year 2011 nor 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 are are subject to appropriation.

NOTE O – POSTEMPLOYMENT BENEFITS – continued

The School System's combined active and retiree contributions to the health insurance plans, which equaled the required contribution, for the fiscal years ended June 30, 2011, 2010 and 2009 was approximately $18,973,647, $16,190,927, and $13,540,917 and respectively. Additionally, the School System paid supplemental amount towards the employee portion of coverage of approximately $2,034,319, $2,090,591 and $2,221,648 for the years ended June 30, 2011, 2010 and 2009, respectively. See Note M for discussion of on-behalf payments.

NOTE P – NON-MONETARY TRANSACTIONS

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately $419,000 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 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 $534,000 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. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School System has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the School System, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Litigation

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

NOTE R – ACCOUNTING CHANGE - RESTATEMENTS

The School System had determined that restatements of beginning fund balance in the General Fund and the Project T.E.A.M. Fund are required to reflect implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The restatements are as follows:

	General Fund	Non-Major Special Revenue Project T.E.A.M.
Fund balance at June 30, 2010, as previously reported	$ 17,288,019	$ 2,937
Change in fund type classification for Implementation of GASB Statement No. 54	2,937	(2,937)
Fund balance at July 1, 2010, as restated	$ 17,290,956	$ -



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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 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.

Drug Free Schools and Communities Act 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 health education in the area of drug abuse.

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.

Building Connections Fund was established to account for federal funds flowing directly from the U.S. Department of Education for the purpose of improving instruction related to American history.

Lottery Fund was established to account for state lottery funds.

SPECIAL REVENUE FUNDS - continued

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.

DHR Family Connections Fund was established to account for funds flowing through the Department of Human Resources, whereby the School System serves as fiscal agent for the Family Connections Program, which will use the funds to improve the quality of family life of Fayette County citizens.

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.

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

Bond 2007 – This fund accounts for construction and renovation projects funded by General Obligation Bonds issued in fiscal year 2007.

Bond 2005 – This fund accounts for construction and renovation projects funded by General Obligation Bonds issued in fiscal year 2005.

Fayette County Board of Education

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2011

	Special Revenue Funds	Capital Project Funds	Total Non-Major Funds
ASSETS			
Cash	$ 5,799,520	$ 1,022,400	$ 6,821,920
Investments	66,507	4,868,916	4,935,423
Due from other governments	1,521,063	-	1,521,063
Interest receivable	123	-	123
Due from other funds	19,135	18,008	37,143
Inventory	259,836	-	259,836
Total assets	$ 7,666,184	$ 5,909,324	$ 13,575,508
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 20,847	$ 839,547	$ 860,394
Retainage payable	-	40,108	40,108
Salaries payable	1,652,613	-	1,652,613
Due to other funds	970,297	-	970,297
Total liabilities	2,643,757	879,655	3,523,412
Fund balances			
Nonspendable	259,836	-	259,836
Restricted	1,819,837	3,903,796	5,723,633
Committed	2,442,754	-	2,442,754
Assigned	500,000	1,125,873	1,625,873
Total fund balances	5,022,427	5,029,669	10,052,096
Total liabilities and fund balances	$ 7,666,184	$ 5,909,324	$ 13,575,508

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, 2011

	Special Revenue Funds	Capital Project Funds	Total Non-Major Funds
Revenues			
State funds	$ 1,038,749	$ 755,620	$ 1,794,369
Federal funds	10,165,836	-	10,165,836
Local and other funds	8,202,251	9,341	8,211,592
Total revenues	19,406,836	764,961	20,171,797
Expenditures			
Current			
Instruction	6,879,019	-	6,879,019
Support services			
Pupil services	1,232,381	-	1,232,381
Improvement of instructional services	968,701	-	968,701
Educational media services	91,865	-	91,865
General administration	188,881	-	188,881
School administration	367,459	-	367,459
Maintenance and operation of facilities	98,948	-	98,948
Student transportation services	163,611	-	163,611
Other support services	99,068	-	99,068
Community service	2,177,702	-	2,177,702
Food services	6,724,755	-	6,724,755
Capital outlay	-	2,511,677	2,511,677
Total expenditures	18,992,390	2,511,677	21,504,067
Excess (deficiency) of revenues over expenditures	414,446	(1,746,716)	(1,332,270)
Other financing sources (uses)			
Transfers in (out)	161,289	-	161,289
Total other financing sources (uses)	161,289	-	161,289
Net change in fund balances	575,735	(1,746,716)	(1,170,981)
Fund balances, beginning of year	4,446,692	6,776,385	11,223,077
Fund balances, end of year	$ 5,022,427	$ 5,029,669	$ 10,052,096

Fayette County Board of Education

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

June 30, 2011

	School Nutrition Service	Title I	IDEA	Vocational Grants
ASSETS				
Cash	$ 2,576,713	$ -	$ 25,012	$ -
Investments	-	-	-	-
Due from other governments	-	134,900	1,200,893	23,754
Interest receivable	123	-	-	-
Due from other funds	19,135	-	-	-
Inventory	259,836	-	-	-
Total assets	$ 2,855,807	$ 134,900	$ 1,225,905	$ 23,754
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ 2,091	$ 12,839	$ 684
Salaries payable	518,779	16,431	765,892	-
Due to other funds	284,900	116,378	447,174	23,070
Total liabilities	803,679	134,900	1,225,905	23,754
Fund balances				
Nonspendable	259,836	-	-	-
Restricted	1,792,292	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	2,052,128	-	-	-
Total liabilities and fund balances	$ 2,855,807	$ 134,900	$ 1,225,905	$ 23,754

Drug Free	Title II	Title III	JR ROTC	Building Connections	Lottery
$ -	$ -	$ -	$ 8,130	$ 2,318	$ 130,968
-	-	-	-	-	-
1,024	88,608	30,463	6,400	20,902	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 1,024	$ 88,608	$ 30,463	$ 14,530	$ 23,220	$ 130,968
$ -	$ -	$ 292	$ -	$ 1,108	$ -
-	65,979	9,776	14,530	-	130,968
1,024	22,629	20,395	-	22,112	-
1,024	88,608	30,463	14,530	23,220	130,968
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 1,024	$ 88,608	$ 30,463	$ 14,530	$ 23,220	$ 130,968

continued

Fayette County Board of Education

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

June 30, 2011

	Friends Mentoring Program	DHR Family Connections	Other Grants	Community Education
ASSETS				
Cash	$ 16,886	$ -	$ 10,659	$ 979,929
Investments	-	-	-	-
Due from other governments	-	14,119	-	-
Interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 16,886	$ 14,119	$ 10,659	$ 979,929
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ -	$ -	$ 3,833
Salaries payable	-	-	-	-
Due to other funds	-	14,119	-	-
Total liabilities	-	14,119	-	3,833
Fund balances				
Nonspendable	-	-	-	-
Restricted	16,886	-	10,659	-
Committed	-	-	-	476,096
Assigned	-	-	-	500,000
Total fund balances	16,886	-	10,659	976,096
Total liabilities and fund balances	$ 16,886	$ 14,119	$ 10,659	$ 979,929

After School Program	Donation Funds	Auditorium Rentals	Principals' Fund	Total
$ 678,462	$ 75,018	$ 47,759	$ 1,247,666	$ 5,799,520
-	6,710	-	59,797	66,507
-	-	-	-	1,521,063
-	-	-	-	123
-	-	-	-	19,135
-	-	-	-	259,836
$ 678,462	$ 81,728	$ 47,759	$ 1,307,463	$ 7,666,184
$ -	$ -	$ -	$ -	$ 20,847
130,258	-	-	-	1,652,613
18,496	-	-	-	970,297
148,754	-	-	-	2,643,757
-	-	-	-	259,836
-	-	-	-	1,819,837
529,708	81,728	47,759	1,307,463	2,442,754
-	-	-	-	500,000
529,708	81,728	47,759	1,307,463	5,022,427
$ 678,462	$ 81,728	$ 47,759	$ 1,307,463	$ 7,666,184

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, 2011

	School Nutrition Service	Title I	IDEA	Vocational Grants
Revenues				
State funds	$ 206,462	$ -	$ -	$ -
Federal funds	2,636,378	918,279	5,658,823	86,575
Local and other funds	3,944,013	-	-	-
Total revenues	6,786,853	918,279	5,658,823	86,575
Expenditures				
Current				
Instruction	-	528,458	4,379,694	638
Support services				
Pupil services	-	200	1,160,757	-
Improvement of instructional services	-	143,635	8,582	85,937
Educational media services	-	-	-	-
General administration	-	97,408	89,192	-
School administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	-
Student transportation services	-	49,510	20,598	-
Other support services	-	99,068	-	-
Community service	-	-	-	-
Food services	6,724,755	-	-	-
Total expenditures	6,724,755	918,279	5,658,823	86,575
Excess (deficiency) of revenues over (under) expenditures	62,098	-	-	-
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	62,098	-	-	-
Fund balances, beginning of year	1,990,030	-	-	-
Fund balances, end of year	$ 2,052,128	$ -	$ -	$ -

Drug Free	Title II	Title III	JR ROTC	Building Connections	Lottery
$ -	$ -	$ -	$ -	$ -	$ 790,037
7,453	381,460	78,594	74,098	324,176	-
-	-	-	-	-	-
7,453	381,460	78,594	74,098	324,176	790,037
-	-	13,991	208,231	-	791,674
7,453	-	63,971	-	-	-
-	400,829	2,863	-	324,176	-
-	-	-	-	-	-
-	-	-	-	-	2,281
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,570	-	-	68
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,453	400,829	82,395	208,231	324,176	794,023
-	(19,369)	(3,801)	(134,133)	-	(3,986)
-	19,369	3,801	134,133	-	3,986
-	19,369	3,801	134,133	-	3,986
-	-	-	-	-	-
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -

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, 2011

	Friends Mentoring Program	DHR Family Connections	Other Grants
Revenues			
State funds	$ -	$ 42,250	$ -
Federal funds	-	-	-
Local and other funds	5,795	6,641	5,120
Total revenues	5,795	48,891	5,120
Expenditures			
Current			
Instruction	-	-	-
Support services			
Pupil services	-	-	-
Improvement of instructional services	-	-	-
Educational media services	-	-	-
General administration	-	-	-
School administration	-	-	-
Maintenance and operation of facilities	-	-	-
Student transportation services	-	-	-
Other support services	-	-	-
Community service	179	48,891	8,115
Food services	-	-	-
Total expenditures	179	48,891	8,115
Excess (deficiency) of revenues over (under) expenditures	5,616	-	(2,995)
Other financing sources (uses)			
Transfers in (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	5,616	-	(2,995)
Fund balances, beginning of year	11,270	-	13,654
Fund balances, end of year	$ 16,886	$ -	$ 10,659

Community Education	After School Program	Donation Funds	Auditorium Rentals	Principals' Fund	Total
$ -	$ -	$ -	$ -	$ -	$ 1,038,749
-	-	-	-	-	10,165,836
484,079	1,740,018	43,813	17,693	1,955,079	8,202,251
484,079	1,740,018	43,813	17,693	1,955,079	19,406,836
-	-	-	-	956,333	6,879,019
-	-	-	-	-	1,232,381
-	-	2,679	-	-	968,701
-	-	-	-	91,865	91,865
-	-	-	-	-	188,881
-	-	-	-	367,459	367,459
7,083	-	-	-	91,865	98,948
-	-	-	-	91,865	163,611
-	-	-	-	-	99,068
380,555	1,417,100	35,376	11,891	275,595	2,177,702
-	-	-	-	-	6,724,755
387,638	1,417,100	38,055	11,891	1,874,982	18,992,390
96,441	322,918	5,758	5,802	80,097	414,446
-	-	-	-	-	161,289
-	-	-	-	-	161,289
96,441	322,918	5,758	5,802	80,097	575,735
879,655	206,790	75,970	41,957	1,227,366	4,446,692
$ 976,096	$ 529,708	$ 81,728	$ 47,759	$ 1,307,463	$ 5,022,427

Fayette County Board of Education

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
Capital Project Funds

June 30, 2011

	Regular	Bond 2007	Bond 2005	Total
ASSETS				
Cash	$ 1,015,037	$ 7,363	$ -	$ 1,022,400
Investments	110,836	4,758,080	-	4,868,916
Due from other funds	-	18,008	-	18,008
Total assets	$ 1,125,873	$ 4,783,451	$ -	$ 5,909,324
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ 839,547	$ -	$ 839,547
Retainage payable	-	40,108	-	40,108
Total liabilities	-	879,655	-	879,655
Fund balances				
Restricted	-	3,903,796	-	3,903,796
Assigned	1,125,873	-	-	1,125,873
Total fund balances	1,125,873	3,903,796	-	5,029,669
Total liabilities and fund balances	$ 1,125,873	$ 4,783,451	$ -	$ 5,909,324

Fayette County Board of Education

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

For the year ended June 30, 2011

	Regular	Bond 2007	Bond 2005	Total
Revenues				
State funds	$ -	$ -	$ 755,620	$ 755,620
Local and other funds	193	2,297	6,851	9,341
Total revenues	193	2,297	762,471	764,961
Expenditures				
Capital outlay	-	2,472,228	39,449	2,511,677
Total expenditures	-	2,472,228	39,449	2,511,677
Excess (deficiency) of revenues over (under) expenditures	193	(2,469,931)	723,022	(1,746,716)
Other financing sources (uses)				
Transfers in (out)	-	4,206,645	(4,206,645)	-
Total other financing sources (uses)	-	4,206,645	(4,206,645)	-
Net change in fund balances	193	1,736,714	(3,483,623)	(1,746,716)
Fund balances, beginning of year	1,125,680	2,167,082	3,483,623	6,776,385
Fund balances, end of year	$ 1,125,873	$ 3,903,796	$ -	$ 5,029,669

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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
State funds	$ 139,800	$ 196,884	$ 206,462	$ 9,578
Federal funds	2,066,800	2,179,988	2,636,378	456,390
Local and other funds	4,800,000	4,259,744	3,944,013	(315,731)
Total revenues	7,006,600	6,636,616	6,786,853	150,237
Expenditures				
Current				
Food services	6,912,500	6,610,592	6,724,755	(114,163)
Total expenditures	6,912,500	6,610,592	6,724,755	(114,163)
Net change in fund balances	$ 94,100	$ 26,024	$ 62,098	$ 36,074

Fayette County Board of Education

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

For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 649,688	$ 1,120,910	$ 918,279	$ (202,631)
Total revenues	649,688	1,120,910	918,279	(202,631)
Expenditures				
Current				
Instruction	343,259	644,034	528,458	115,576
Support services				
Pupil services	2,664	2,066	200	1,866
Improvement of instructional services	90,014	161,411	143,635	17,776
General administration	92,964	119,058	97,408	21,650
Student transportation services	41,771	57,418	49,510	7,908
Other support services	79,016	136,923	99,068	37,855
Total expenditures	649,688	1,120,910	918,279	202,631
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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 6,149,625	$ 6,412,965	$ 5,658,823	$ (754,142)
Total revenues	6,149,625	6,412,965	5,658,823	(754,142)
Expenditures				
Current				
Instruction	4,586,163	4,972,404	4,379,694	592,710
Support services				
Pupil services	1,272,812	1,263,000	1,160,757	102,243
Improvement of instructional services	49,000	15,182	8,582	6,600
General administration	220,950	132,829	89,192	43,637
Maintenance and operation of facilities	-	7,000	-	7,000
Student transportation services	20,700	22,550	20,598	1,952
Total expenditures	6,149,625	6,412,965	5,658,823	754,142
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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 87,100	$ 92,356	$ 86,575	$ (5,781)
Total revenues	87,100	92,356	86,575	(5,781)
Expenditures				
Current				
Instruction	-	5,994	638	5,356
Support services				
Improvement of instructional services	87,100	86,362	85,937	425
Total expenditures	87,100	92,356	86,575	5,781
Net change in fund balances	$ -	$ -	$ -	$ -

Fayette County Board of Education

Drug Free
Special Revenue Fund
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 34,469	$ 7,298	$ 7,453	$ 155
Total revenues	34,469	7,298	7,453	155
Expenditures				
Current				
Instruction	225	-	-	-
Support services				
Pupil services	32,344	7,298	7,453	(155)
Improvement of instructional services	1,500	-	-	-
Student transportation services	400	-	-	-
Total expenditures	34,469	7,298	7,453	(155)
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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 383,612	$ 382,292	$ 381,460	$ (832)
Total revenues	383,612	382,292	381,460	(832)
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Improvement of instructional services	383,612	382,292	400,829	(18,537)
Total expenditures	383,612	382,292	400,829	(18,537)
Deficiency of revenues under expenditures	-	-	(19,369)	(19,369)
Other financing sources				
Transfers in	-	-	19,369	19,369
Total other financing sources	-	-	19,369	19,369
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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 78,597	$ 84,434	$ 78,594	$ (5,840)
Total revenues	78,597	84,434	78,594	(5,840)
Expenditures				
Current				
Instruction	13,000	15,000	13,991	1,009
Support services				
Pupil services	63,597	64,392	63,971	421
Improvement of instructional services	-	2,889	2,863	26
Student transportation services	2,000	2,153	1,570	583
Other support services	-	-	-	-
Total expenditures	78,597	84,434	82,395	2,039
Deficiency of revenues under expenditures	-	-	(3,801)	(3,801)
Other financing sources				
Transfers in	-	-	3,801	3,801
Total other financing sources	-	-	3,801	3,801
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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 70,000	$ 70,000	$ 74,098	$ 4,098
Total revenues	70,000	70,000	74,098	4,098
Expenditures				
Current				
Instruction	194,000	194,000	208,231	(14,231)
Total expenditures	194,000	194,000	208,231	(14,231)
Deficiency of revenues under expenditures	(124,000)	(124,000)	(134,133)	(10,133)
Other financing sources				
Transfers in	124,000	124,000	134,133	10,133
Total other financing sources	124,000	124,000	134,133	10,133
Net change in fund balances	$ -	$ -	$ -	$ -

Fayette County Board of Education

Building Connections
Special Revenue Fund
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 434,000	$ 434,000	$ 324,176	$ (109,824)
Total revenues	434,000	434,000	324,176	(109,824)
Expenditures				
Current				
Support services				
Improvement of instructional services	434,000	434,000	324,176	109,824
Total expenditures	434,000	434,000	324,176	109,824
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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
State funds	$ 750,000	$ 750,000	$ 790,037	$ 40,037
Federal funds	-	-	-	-
Total revenues	750,000	750,000	790,037	40,037
Expenditures				
Current				
Instruction	800,000	800,000	791,674	8,326
Support services				
General administration	-	-	2,281	(2,281)
Student transportation services	-	-	68	(68)
Total expenditures	800,000	800,000	794,023	5,977
Deficiency of revenues under expenditures	(50,000)	(50,000)	(3,986)	46,014
Other financing sources				
Transfers in	50,000	50,000	3,986	(46,014)
Total other financing sources	50,000	50,000	3,986	(46,014)
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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 10,000	$ 5,000	$ 5,795	$ 795
Total revenues	10,000	5,000	5,795	795
Expenditures				
Current				
Support services				
Other support services	10,000	5,000	-	5,000
Community service	-	-	179	(179)
Total expenditures	10,000	5,000	179	4,821
Net change in fund balances	$ -	$ -	$ 5,616	$ 5,616

Fayette County Board of Education

DHR Family Connections
Special Revenue Fund
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
State funds	$ -	$ 42,250	$ 42,250	$ -
Local and other funds	-	-	6,641	6,641
Total revenues	-	42,250	48,891	6,641
Expenditures				
Community service	-	42,250	48,891	(6,641)
Total expenditures	-	42,250	48,891	(6,641)
Net change in fund balances	$ -	$ -	$ -	$ -

Fayette County Board of Education

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

For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ -	$ 5,120	$ 5,120	$ -
Total revenues	-	5,120	5,120	-
Expenditures				
Current				
Community service	-	5,120	8,115	(2,995)
Total expenditures	-	5,120	8,115	(2,995)
Net change in fund balances	$ -	$ -	$ (2,995)	$ (2,995)

Fayette County Board of Education

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

For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 446,000	$ 446,000	$ 484,079	$ 38,079
Total revenues	446,000	446,000	484,079	38,079
Expenditures				
Current				
Support services				
Maintenance and operation of facilities	-	-	7,083	(7,083)
Community service	380,728	380,728	380,555	173
Total expenditures	380,728	380,728	387,638	(6,910)
Excess of revenues over expenditures	65,272	65,272	96,441	31,169
Other financing sources (uses)				
Transfers out	(500,000)	(500,000)	-	500,000
Total other financing sources (uses)	(500,000)	(500,000)	-	500,000
Net change in fund balances	$ (434,728)	$ (434,728)	$ 96,441	$ 531,169

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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 1,628,649	$ 1,634,429	$ 1,740,018	$ 105,589
Total revenues	1,628,649	1,634,429	1,740,018	105,589
Expenditures				
Current				
Community service	1,522,013	1,517,850	1,417,100	100,750
Total expenditures	1,522,013	1,517,850	1,417,100	100,750
Net change in fund balances	$ 106,636	$ 116,579	$ 322,918	$ 206,339

Fayette County Board of Education

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

For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 30,000	$ 30,000	$ 43,813	$ 13,813
Total revenues	30,000	30,000	43,813	13,813
Expenditures				
Current				
Support services				
Improvement of instructional services	-	-	2,679	(2,679)
Other support services	-	-	-	-
Community service	30,000	30,000	35,376	(5,376)
Total expenditures	30,000	30,000	38,055	(8,055)
Net change in fund balances	$ -	$ -	$ 5,758	$ 5,758

Fayette County Board of Education

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

For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 5,000	$ 5,000	$ 17,693	$ 12,693
Total revenues	5,000	5,000	17,693	12,693
Expenditures				
Current				
Community service	5,000	5,000	11,891	(6,891)
Total expenditures	5,000	5,000	11,891	(6,891)
Net change in fund balances	$ -	$ -	$ 5,802	$ 5,802

Fayette County Board of Education

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

For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 2,600,000	$ 2,600,000	$ 1,955,079	$ (644,921)
Total revenues	2,600,000	2,600,000	1,955,079	(644,921)
Expenditures				
Current				
Instruction	-	-	956,333	(956,333)
Support services				
Educational media services	-	-	91,865	(91,865)
School administration	-	-	367,459	(367,459)
Maintenance and operation of facilities	-	-	91,865	(91,865)
Student transportation services	-	-	91,865	(91,865)
Central support services	-	-	-	-
Other support services	2,600,000	2,600,000	-	2,600,000
Community service	-	-	275,595	(275,595)
Total expenditures	2,600,000	2,600,000	1,874,982	725,018
Net change in fund balances	$ -	$ -	$ 80,097	$ 80,097

Fayette County Board of Education

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

For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 7,676,637	$ 7,676,637	$ 8,533,226	$ 856,589
Total revenues	7,676,637	7,676,637	8,533,226	856,589
Expenditures				
Debt services				
Principal retirement	8,942,432	8,942,432	8,942,432	-
Interest and fees	3,734,205	3,734,205	3,728,354	5,851
Total expenditures	12,676,637	12,676,637	12,670,786	5,851
Deficiency of revenues under expenditures	(5,000,000)	(5,000,000)	(4,137,560)	862,440
Other financing sources (uses)				
Transfers in	5,000,000	5,000,000	5,000,000	-
Total other financing sources (uses)	5,000,000	5,000,000	5,000,000	-
Net change in fund balances	$ -	$ -	$ 862,440	$ 862,440

Fayette County Board of Education

AGENCY FUNDS

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

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

Fayette County Board of Education

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For the year ended June 30, 2011

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash	$ 1,477,408	$ 5,485,974	$ 5,272,992	$ 1,690,390
LIABILITIES				
Due to student groups	$ 1,477,408	$ 5,485,974	$ 5,272,992	$ 1,690,390

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, 2011

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	$ 29,300,000	$ 3,000,000	$ 5,000,000
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	17,000,000	14,800,000	-	368,714
Acquisition of miscellaneous new equipment, fixtures and furnishings the school system, including technology infrastructure, equipment and software, safety and security equipment	47,500,000	40,380,000	5,726,933	8,063,716
Acquisition of textbooks	2,500,000	2,420,000	491,338	1,229,038
Acquisition of school buses and transportation and maintenance equipment	10,000,000	8,800,000	1,325,600	1,507,648
	$ 115,000,000	$ 95,700,000	$ 10,543,871	$ 16,169,116

FAYETTE COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES BY OBJECT
LOTTERY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2011

Expenditures

Operating costs		
Salaries	$	584,912
Employee benefits		200,739
Employee Travel		
Rental of Equipment		-
Supplies and materials		5,479
Supplies and materials related to technology		199
Expendable equipment		2,166
Expendable computer equipment		175
Books and periodicals		258
Dues and fees		75
Purchase of fuel		20
Total expenditures	$	794,023

FAYETTE COUNTY BOARD OF EDUCATION

QUALITY BASIC EDUCATION PROGRAM
EARNINGS AND EXPENDITURES - BY PROGRAM
YEAR ENDED JUNE 30, 2011

Description	Allotments from Georgia Department of Education (1) (2)	Actual State Funded Expenditures		
		Salaries	Operations	Total
Kindergarten Program	$ 6,383,511	$ 6,669,836	$ 67,608	$ 6,737,444
Kindergarten Program-Early Intervention Program	89,703	-	336	336
Primary Grades (1-3) Program	16,855,300	18,269,559	221,310	18,490,869
Primary Grades-Early Intervention (1-3) Program	1,231,091	2,257,892	4,669	2,262,561
Upper Elementary Grades (4-5) Program	9,147,583	11,018,193	71,988	11,090,181
Upper Elem Grades-Early Intervention (4-5) Program	912,662	1,173,667	2,696	1,176,363
Middle School (6-8) Program	17,383,409	21,148,828	98,886	21,247,714
High School General Education (9-12) Program	19,626,986	21,831,655	247,477	22,079,132
Vocational Laboratory (9-12) Program	2,796,743	2,284,507	163,329	2,447,836
Students with Disabilities	13,989,266			
Category I		883,132	18,723	901,855
Category II		752,241	2,599	754,840
Category III		7,482,855	52,062	7,534,917
Category IV		3,235,914	31,885	3,267,799
Category V		-	19,307	19,307
Gifted Student - Category VI	7,193,984	3,832,220	59,901	3,892,121
Remedial Education Program	910,170	810,600	5,639	816,239
Alternative Education Program	1,491,482	1,035,237	9,266	1,044,503
English Speakers of Other Languages (ESOL)	1,085,435	1,613,085	729	1,613,814
TOTAL DIRECT INSTRUCTIONAL FUNDS	99,097,325	104,299,421	1,078,410	105,377,831
Media Center Program	2,757,693	2,870,092	453,828	3,323,920
Staff and Professional Development	491,077	-		347,907
TOTAL QBE FORMULA FUNDS	$ 102,346,095	$ 107,169,513	$ 1,532,238	$ 109,049,658

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

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

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 114

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 123

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

Debt Capacity 131

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 136

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 148

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 Assets by Component
Last Nine Fiscal Years (A)
(unaudited)

	Fiscal Year			
	2011	**2010**	**2009**	**2008**
Governmental Activities				
Invested in capital assets, net of related debt	$ 172,653,135	$ 169,508,268	$ 158,499,410	$ 150,461,882
Restricted	26,335,635	8,971,932	11,911,480	19,677,495
Unrestricted	20,608,820	28,213,735	1,620,066	(13,255,093)
Total governmental activities net assets	$ 219,597,590	$ 206,693,935	$ 172,030,956	$ 156,884,284

Note (A): Years after implementation of GASB Statement No. 34.

Source: School System records.

2007	2006	2005	2004	2003
$ 141,200,087	$ 131,639,978	$ 123,283,904	$ 108,982,803	$ 81,613,702
34,954,814	23,254,509	40,201,991	18,274,136	32,676,468
(20,464,970)	(10,668,482)	(26,387,084)	4,905,722	6,963,207
$ 155,689,931	$ 144,226,005	$ 137,098,811	$ 132,162,661	$ 121,253,377

Fayette County Board of Education
Changes in Net Assets
Last Nine Fiscal Years (A)
(unaudited)

	Fiscal Year			
Expenses	**2011**	**2010**	**2009**	**2008**
Governmental Activities				
Instruction	$ 140,677,264	$ 138,121,383	$ 146,934,039	$ 150,943,576
Support Services				
Pupil services	9,331,883	5,132,093	5,139,847	5,273,876
Improvement of instructional services	4,229,846	4,331,092	4,495,310	4,893,730
Educational media services	3,757,201	3,620,838	4,122,924	4,413,871
General administration	1,192,086	1,162,135	1,180,835	1,463,251
School administration	13,192,469	12,788,338	13,521,964	13,856,589
Business administration	1,139,105	1,078,060	969,569	1,199,535
Maintenance and operation of facilities	16,161,495	14,884,267	15,880,952	16,159,214
Student transportation services	8,073,549	7,710,847	8,273,658	8,616,819
Central support services	4,140,542	4,434,557	4,517,985	4,446,113
Other support services	290,337	282,244	326,650	227,472
Community services	2,194,891	2,401,650	2,978,945	3,143,072
Education	-	-	-	-
Food services	7,925,808	7,709,527	8,568,176	8,053,566
Other non-instructional services	-	-	-	2,311,561
Interest expense	4,557,031	5,022,769	5,694,228	6,433,790
Total governmental activities expenses	$ 216,863,507	$ 208,679,800	$ 222,605,082	$ 231,436,035
Program Revenues				
Charges for services				
Instruction	$ 335,649	$ 392,228	$ 314,311	$ 200,639
Support services	2,181,465	2,330,335	2,572,638	3,016,894
Education	-	-	-	-
Food services	3,943,587	4,120,152	4,476,338	4,465,461
Other non-instructional services	-	-	-	2,226,598
Operating grants and contributions	102,475,842	99,837,085	100,129,904	107,519,664
Capital grants and contributions	1,213,372	398,221	3,614,327	1,549,115
Total governmental activities program revenues	$ 110,149,915	$ 107,078,021	$ 111,107,518	$ 118,978,371
NET (EXPENSE) REVENUE	$ (106,713,592)	$ (101,601,779)	$ (111,497,564)	$ (112,457,664)
General Revenues				
Governmental Activities				
Taxes:				
Property taxes	$ 99,163,635	$ 115,268,389	$ 115,084,744	$ 104,382,015
Intangible taxes	1,331,459	1,273,783	1,623,315	2,149,764
Transfer taxes	266,814	265,509	340,522	578,761
Other taxes	-	-	-	-
State reimbursement of homestead exemption, general purpose	-	-	3,768,591	3,537,233
Sales tax, capital outlay and debt service	18,259,865	18,802,125	4,488,524	-
Interest and investment earnings	108,504	121,947	470,896	2,450,562
Other	486,970	533,005	867,644	553,682
Total governmental activities general revenues	$ 119,617,247	$ 136,264,758	$ 126,644,236	$ 113,652,017
Change in Net Assets	$ 12,903,655	$ 34,662,979	$ 15,146,672	$ 1,194,353

Note (A): Years after implementation of GASB Statement No. 34.
Note (B): In year of implementation, all instruction and support service expenses classified under education.

Source: School System records

2007	2006	2005	2004	2003 (B)
$ 139,532,687	$ 129,110,116	$ 120,102,348	$ 114,285,902	$ -
5,052,964	4,381,135	4,500,471	4,244,930	-
4,959,046	4,841,891	4,194,351	3,654,878	-
4,134,587	3,901,888	3,825,244	3,633,377	-
1,865,056	2,089,660	1,891,969	2,006,204	-
12,363,255	10,965,459	10,692,347	9,922,166	-
1,256,946	1,235,347	1,021,899	1,007,631	-
14,994,627	14,128,544	12,719,694	11,927,783	-
7,864,526	7,226,965	6,877,733	5,962,203	-
3,696,847	2,546,504	2,699,301	2,767,767	-
241,819	195,724	341,205	289,995	-
3,323,812	2,959,370	2,973,067	2,401,678	-
-	-	-	-	162,931,029
7,129,145	6,981,926	7,171,596	7,107,293	5,788,470
2,572,397	2,656,276	3,216,384	3,491,013	-
6,210,948	6,271,738	5,763,735	5,365,458	5,904,412
$ 215,198,662	$ 199,492,543	$ 187,991,344	$ 178,068,278	$ 174,623,911
$ 380,875	$ 432,037	$ 241,439	$ 294,436	$ -
2,953,235	2,692,836	2,823,292	2,752,414	-
-	-	-	-	5,762,422
4,178,251	4,164,794	4,105,404	3,874,727	3,864,869
2,443,673	2,831,385	3,249,690	3,739,338	-
102,112,584	93,582,335	85,404,204	82,746,889	84,580,360
4,154,760	-	391,608	6,101,161	53,544
$ 116,223,378	$ 103,703,387	$ 96,215,637	$ 99,508,965	$ 94,261,195
$ (98,975,284)	$ (95,789,156)	$ (91,775,707)	$ (78,559,313)	$ (80,362,716)
$ 99,496,866	$ 92,166,178	$ 87,468,396	$ 79,192,771	71,782,580
2,791,990	3,033,194	2,909,438	3,517,674	3,738,421
872,943	931,184	771,895	755,296	-
27,790	13,424	16,735	218,882	425,612
3,549,276	3,576,846	3,546,985	3,477,950	3,154,754
-	-	-	-	-
2,826,447	2,678,460	1,381,476	1,049,443	2,063,527
873,898	517,064	616,932	1,256,581	778,454
$ 110,439,210	$ 102,916,350	$ 96,711,857	$ 89,468,597	$ 81,943,348
$ 11,463,926	$ 7,127,194	$ 4,936,150	$ 10,909,284	$ 1,580,632

Fayette County Board of Education
Fund Balances of Governmental Funds
Last Ten Fiscal Years

(unaudited)

	Fiscal Year			
	2011 (A)	2010	2009	2008
General Fund				
Nonspendable	$ 38,475	$ -	$ -	$ -
Restricted	-	-	-	-
Committed	230,102	-	-	-
Assigned	16,435,948	-	-	-
Unassigned	9,632,929	-	-	-
Reserved	-	-	-	-
Unreserved	-	17,288,019	4,509,616	1,678,283
Total General Fund	$ 26,337,454	$ 17,288,019	$ 4,509,616	$ 1,678,283
All other governmental funds				
Nonspendable	$ 259,836	$ -	$ -	$ -
Restricted	30,318,985	-	-	-
Committed	2,442,754	-	-	-
Assigned	1,625,873	-	-	-
Unassigned	-	-	-	-
Reserved	-	3,453,437	2,635,889	2,298,020
Unreserved, reported in:				
Special projects funds	-	4,117,102	3,099,256	2,638,343
Capital projects funds	-	21,596,282	14,433,786	18,850,160
Total all other governmental funds	$ 34,647,448	$ 29,166,821	$ 20,168,931	$ 23,786,523

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.

Source: School System records

Fiscal Year					
2007	2006	2005	2004	2003	2002
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,555,409	5,427,148	4,799,001	6,120,096	6,338,338	9,213,143
$ 6,555,409	$ 5,427,148	$ 4,799,001	$ 6,120,096	$ 6,338,338	$ 9,213,143
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,629,016	4,667,476 [1]	42,253,938	19,956,232	34,595,240	58,744,193
2,699,479	2,821,627	-	-	-	-
34,227,555	21,738,700	3,145,184	-	-	-
$ 41,556,050 [2]	$ 29,227,803	$ 45,399,122 [2]	$ 19,956,232	$ 34,595,240	$ 58,744,193

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

	Fiscal Year			
	2011	2010	2009	2008
Revenues				
State funds	$ 86,636,341	$ 77,735,483	$ 91,168,857	$ 101,587,596
Federal funds	14,515,896	20,439,527	9,745,900	7,234,301
Local and other funds	130,272,481	144,926,435	135,324,244	123,177,217
Total revenues	231,424,718	243,101,445	236,239,001	231,999,114
Expenditures				
Current				
Instruction	126,536,594	129,413,149	138,027,216	143,371,200
Support services				
Pupil services	9,305,224	5,133,136	5,139,291	5,260,974
Improvement of instructional services	4,132,770	4,303,987	4,430,882	4,853,123
Educational media services	3,540,744	3,406,581	3,910,192	4,205,362
General administration	1,155,654	1,162,559	1,167,459	1,448,959
School administration	12,772,049	12,502,590	13,316,070	13,556,618
Business administration	1,112,059	1,064,214	941,630	1,193,107
Maintenance and operation of facilities	13,790,653	13,920,860	14,723,060	15,609,988
Student transportation services	7,153,794	7,078,540	7,301,975	9,054,471
Central support services	3,181,093	3,605,247	3,668,489	3,826,798
Other support services	297,832	282,244	326,650	227,472
Community service	2,177,702	2,387,429	2,979,114	3,134,538
Food services	7,030,245	6,810,308	7,328,239	7,262,468
Other non-instructional services	-	-	-	2,311,561
Capital outlay	12,914,799	8,612,189	13,591,204	18,882,946
Debt Service				
Principal retirement	11,062,504	18,766,832	18,068,590	16,967,044
Interest and fees	4,042,368	3,009,514	4,391,888	4,958,756
Bond issuance cost	-	81,061	-	-
Total expenditures	220,206,084	221,540,440	239,311,949	256,125,385
Excess (deficiency) of revenues over (under) expenditures	11,218,634	21,561,005	(3,072,948)	(24,126,271)
Other financing sources (uses)				
Sale of assets	-	-	-	-
Issuance of bonds	-	-	-	-
Premium (discount) on issuance of bonds	-	1,118,947	-	-
Capital lease	3,311,428	127,103	2,286,689	1,479,618
Refunding bonds	-	24,800,000	-	-
Payment to refunded bond escrow agent	-	(25,830,762)	-	-
Total other financing sources (uses)	3,311,428	215,288	2,286,689	1,479,618
Net change in fund balances	14,530,062	21,776,293	(786,259)	(22,646,653)
Debt service as a percentage of noncapital expenditures	6.9%	10.1%	9.8%	9.2%

[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.

[3] Capital assets not recorded. Ratio calculated on capital outlay, not capital asset additions.

Source: School System records

Fiscal Year						
2007	2006	2005	2004	2003	2002
$ 98,868,501	$ 85,750,375	$ 79,716,303	$ 83,334,681	$ 79,088,535	$ 84,172,198
6,909,759	7,521,162	5,750,007	5,244,106	5,453,695	4,031,854
120,567,784	113,314,825	106,519,973	100,441,851	91,281,390	84,469,041
226,346,044	206,586,362	191,986,283	189,020,638	175,823,620	172,673,093
133,447,372	123,924,803	113,571,854	108,246,557	105,478,766	99,924,022
5,039,509	4,427,063	4,485,522	4,217,086	4,098,437	3,403,346
4,884,050	4,780,798	4,110,379	3,536,290	3,570,616	3,382,934
3,925,284	3,651,713	3,404,294	3,299,354	3,401,268	3,008,617
1,809,808	2,027,439	1,769,569	1,936,236	1,590,361	1,440,634
12,092,048	10,718,073	10,285,912	9,612,826	10,436,569	8,639,410
1,327,015	1,178,267	1,009,732	990,234	901,104	980,649
14,495,969	13,957,845	12,494,337	11,509,039	11,793,871	10,117,005
7,274,856	8,668,870	7,004,495	6,211,512	4,765,947	5,262,205
3,538,616	2,839,589	3,030,099	2,957,379	2,138,900	1,922,180
241,819	195,724	347,824	289,995	507,437	520,223
3,304,322	2,955,767	2,997,403	2,396,438	2,443,388	2,110,045
6,462,068	6,304,995	6,176,344	5,697,961	5,594,411	5,411,846
2,572,397	2,656,276	3,216,384	3,491,013	3,091,298	2,467,562
23,975,915	17,753,339	12,280,797	34,479,105	27,788,797	25,442,349
15,203,484	13,589,396	12,216,292	11,514,270	9,589,215	7,430,904
4,406,505	4,896,009	5,317,301	5,545,593	6,047,871	7,468,719
158,412	21,044	160,712	-	-	142,010
244,159,449	224,547,010	203,879,250	215,930,888	203,238,256	189,074,660
(17,813,405)	(17,960,648)	(11,892,967)	(26,910,250)	(27,414,636)	(16,401,567)
-	-	52,106	901,000	390,879	-
29,965,000	-	35,000,800	-	-	-
1,304,913	-	(101,915)	-	-	-
-	2,417,476	1,063,771	1,152,000	-	-
-	-	-	-	-	19,072,117
-	-	-	-	-	(18,926,100)
31,269,913	2,417,476	36,014,762	2,053,000	390,879	146,017
13,456,508 [2]	(15,543,172) [1]	24,121,795 [2]	(24,857,250) [1]	(27,023,757) [1]	(16,255,550)
9.0%	9.1%	9.2%	8.9%	9.3%	9.2% [3]



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

MAINTENANCE AND OPERATIONS

Fiscal Year	Assessed Valued: 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
2011	4,889,256	320,137	73,325	704,898	4,577,820	20.000	13,206,795	40%
2010	5,278,389	397,857	71,407	727,311	5,020,342	20.000	14,369,133	40%
2009	5,245,804	390,440	67,292	670,759	5,032,777	19.750	14,258,840	40%
2008	5,085,472	350,968	70,522	627,651	4,879,311	18.596	13,767,405	40%
2007	4,794,801	329,427	64,713	582,484	4,606,457	18.600	12,972,353	40%
2006	4,372,044	339,547	64,757	512,898	4,263,450	18.750	11,940,870	40%
2005	4,036,879	345,487	64,305	469,733	3,976,938	18.990	11,116,678	40%
2004	3,709,205	346,465	62,756	435,809	3,682,617	18.869	10,296,065	40%
2003	3,442,392	339,847	61,966	403,125	3,441,080	17.650	9,610,513	40%
2002	3,116,897	328,554	57,599	383,108	3,119,942	18.053	8,757,625	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
2011	4,833,300	320,137	73,325	704,898	4,521,864	1.650	13,066,905	40%
2010	5,323,047	397,857	71,407	727,311	5,065,000	3.420	14,480,778	40%
2009	5,245,804	390,440	67,292	357,425	5,346,111	4.170	14,258,840	40%
2008	5,085,471	350,968	70,522	341,788	5,165,173	3.550	13,767,403	40%
2007	4,794,801	329,427	64,713	537,084	4,651,857	3.550	12,972,353	40%
2006	4,372,044	339,547	64,757	467,752	4,308,596	3.600	11,940,870	40%
2005	4,036,879	345,487	64,305	425,345	4,021,326	3.687	11,116,678	40%
2004	3,709,205	346,465	62,756	391,943	3,726,483	3.825	10,296,065	40%
2003	3,442,392	339,847	61,966	360,477	3,483,728	4.044	9,610,513	40%
2002	3,116,897	328,554	57,599	342,008	3,161,042	3.730	8,757,625	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
2011	20.000	1.650	21.650	7.391	5.400	1.991	0.548
2010	20.000	3.420	23.420	7.391	5.400	1.991	0.548
2009	19.750	4.170	23.920	7.391	5.400	1.991	0.548
2008	18.596	3.550	22.146	5.432	5.432	2.000	0.550
2007	18.600	3.550	22.150	4.888	5.692	2.906	N/A
2006	18.750	3.600	22.350	5.191	6.083	3.091	N/A
2005	18.990	3.687	22.677	5.420	6.380	3.230	N/A
2004	18.869	3.825	22.694	5.870	6.820	3.390	N/A
2003	17.650	4.044	21.694	6.200	7.120	3.580	N/A
2002	18.053	3.730	21.783	6.640	7.590	3.780	N/A

Source: Georgia Department of Revenue

Notes (1) Levied in all municipalities except Fayetteville and Peachtree City.
(2) Established EMS tax district to allocate cost of EMS based on use.

Overlapping Governments

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
3.240	2.889	0.789	6.384	0.399	0.250
2.988	2.889	0.730	5.134	0.399	0.250
2.988	2.889	0.730	5.120	0.411	0.250
2.990	2.900	0.764	4.985	0.548	0.250
2.990	2.900	0.794	5.533	-	0.250
3.033	2.900	0.862	5.283	-	0.250
3.033	2.900	0.900	5.283	-	0.250
3.033	2.900	0.935	5.283	-	0.250
3.110	2.900	1.000	4.703	-	0.250
3.220	2.500	0.864	4.315	-	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
2011	89,949,880	7,493,511	97,443,391	95,253,547	97.8%
2010	95,475,793	16,479,111	111,954,904	107,530,037	96.0%
2009	99,164,240	21,124,335	120,288,575	116,809,520	97.1%
2008	90,226,100	17,384,940	107,611,040	105,166,788	97.7%
2007	85,394,697	16,459,467	101,854,164	100,341,217	98.5%
2006	79,600,481	15,445,744	95,046,225	93,417,376	98.3%
2005	74,971,265	14,720,465	89,691,730	88,077,077	98.2%
2004	68,984,474	14,151,670	83,136,144	81,597,242	98.1%
2003	59,755,477	14,088,195	73,843,672	72,328,989	97.9%
2002	56,324,310	11,790,686	68,114,996	66,189,820	97.2%

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
885,554	96,139,101	98.7%
3,842,305	111,372,342	99.5%
3,072,909	119,882,429	99.7%
2,280,702	107,447,490	99.8%
1,437,901	101,779,118	99.9%
141,660	93,559,036	98.4%
1,521,627	89,598,704	99.9%
1,537,211	83,134,453	100.0%
1,509,871	73,838,860	100.0%
1,923,661	68,113,481	100.0%

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

Fiscal Year	Property Tax	Auto Ad Valorem	Intangible Tax	Transfer Tax	State Reimbursement of Homestead Exemption
2011	$ 91,741,352	$ 7,422,283	$ 1,331,459	$ 266,814	$ -
2010	107,637,996	7,630,393	1,273,783	265,509	-
2009	107,123,149	7,961,595	1,623,315	340,522	3,768,591
2008	96,299,582	8,082,433	2,149,764	578,761	3,537,233
2007	91,485,816	8,011,050	2,791,990	872,943	3,549,276
2006	84,382,779	7,783,399	3,033,194	931,184	3,576,846
2005	79,681,683	7,686,713	2,909,438	771,895	3,546,985
2004	71,488,701	7,704,070	3,517,674	755,296	3,477,950
2003	NA	NA	NA	NA	NA
2002	NA	NA	NA	NA	NA

Source: School System records

NA: Data not available

Special Purpose Local Option Sales Tax	Other Taxes	Total
$ 18,259,865	$ -	$ 119,021,773
18,802,125	-	135,609,806
4,488,524	-	125,305,696
-	-	110,647,773
-	27,790	106,738,865
-	13,424	99,720,826
-	16,735	94,613,449
-	218,882	87,162,573
NA	NA	NA
NA	NA	NA

Fayette County Board of Education
Principal Taxpayers (Top Ten)
June 30, 2011 and Nine Years Ago

Taxpayer	FY 2011 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	FY 2002 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
NCR Corporation	34,221,404	1	0.70%	41,672,972	1	1.28%
DDRTC Fayette Pavilion I & II	28,788,204	2	0.59%			
Coweta-Fayette EMC	25,541,145	3	0.52%	15,153,145	7	0.32%
DDRTC Fayette Pavilion III & IV	17,259,208	4	0.35%			
BellSouth	12,856,188	5	0.26%			
Atlanta Gas Light	11,925,199	6	0.24%			
Hoshizaka America	11,742,161	7	0.24%	21,576,976	6	0.71%
Georgia Power Company	10,710,014	8	0.22%			
Summit Properties Partnerships	9,865,200	9	0.20%			
CP Venture Five - APC LLC	8,863,560	10	0.18%			
Matsushita Communications Corp.				26,586,467	2	0.71%
Fourth Quarter Properties				25,130,890	3	0.60%
TDK/Electronic Corp.				23,830,091	4	0.70%
Photocircuits Corporation				22,466,089	5	0.80%
Lawson Mardon Packaging Co.				11,335,374	8	0.37%
Fasson Roll Division				11,006,473	9	0.47%
AMLI Residential Property LP				7,247,059	10	0.23%
Alcan Packaging						
Other Taxpayers	4,717,483,717		96.49%	3,297,043,947		93.81%
	4,889,256,000		100.00%	3,503,049,483		100.00%

Source: Fayette County Tax Commissioner (current year information) and the Fayette County Comprehensive Annual Financial Report (FY2002 information).

Note: Amounts for FY 2011 relate to tax year 2010.

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

	Governmental Activities					
	General Obligation Bonds	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2011	$ 79,728,368	$ 1,300,000	$ 4,910,785	$ 85,939,153	NA	NA
2010	88,670,800	1,690,000	3,329,429	93,690,229	NA	NA
2009	105,720,800	2,065,000	4,649,158	112,434,958	2.44%	1,052.88
2008	122,345,800	2,420,000	3,451,059	128,216,859	2.68%	1,205.07
2007	138,045,800	2,765,000	2,893,485	143,704,285	2.95%	1,356.56
2006	122,185,800	3,095,000	3,661,969	128,942,769	2.93%	1,229.88
2005	134,780,800	3,410,000	1,923,889	140,114,689	3.34%	1,366.23
2004	110,980,000	3,710,000	1,576,410	116,266,410	2.92%	1,163.23
2003	121,605,000	3,995,000	1,028,679	126,628,679	3.31%	1,291.71
2002	130,340,000	4,270,000	1,607,895	136,217,895	3.70%	1,419.11

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

Source: School System records

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	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2011	$ 79,728,368	$ 4,255,661	$ 75,472,707	0.57%	NA
2010	88,670,800	3,690,296	84,980,504	0.59%	NA
2009	105,720,800	2,985,220	102,735,580	0.72%	962.05
2008	122,345,800	2,495,960	119,849,840	0.87%	1,126.43
2007	138,045,800	4,452,153	133,593,647	1.03%	1,261.11
2006	122,185,800	4,474,443	117,711,357	0.99%	1,122.75
2005	134,780,800	5,147,919	129,632,881	1.17%	1,264.02
2004	110,980,000	5,608,690	105,371,310	1.02%	1,054.23
2003	121,605,000	6,317,619	115,287,381	1.20%	1,176.02
2002	130,340,000	6,176,059	124,163,941	1.42%	1,293.54

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

See the Schedule of Assessed and Estimated Actual Value of Taxable Property on page 123 for property value data.

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, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Peachtree City			
2002 Bonds	$ 595,000	100%	$ 595,000
2003 Bonds	1,240,000	100%	1,240,000
2004 Bonds	2,995,000	100%	2,995,000
Total Overlapping Debt			4,830,000
Fayette County Board of Education			79,728,368
Total Direct and Overlapping Debt			$ 84,558,368

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundries 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 boundries. 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 boundries and dividing it by the 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 2011

Assessed value 2010 tax digest	$ 4,621,863,747
Limit of bonded indebtedness, 10% of net assessed taxable property value	462,186,375
Amount of debt applicable to the debt limit	81,028,368
Legal Debt Margin	$ 381,158,007

	2011	2010	2009	2008
Debt limit	$ 462,186,375	$ 506,500,006	$ 534,611,072	$ 516,517,319
Total debt applicable to limit	81,028,368	90,360,800	107,785,800	124,765,800
Legal debt margin	$ 381,158,007	$ 416,139,206	$ 426,825,272	$ 363,165,289
Total debt applicable as a percentage of debt limit	17.5%	17.8%	20.2%	24.2%

Source: School System records

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.

2007	2006	2005	2004	2003	2002
$ 465,185,735	$ 430,859,581	$ 282,698,104	$ 251,131,394	$ 233,286,603	$ 199,840,493
140,810,800	125,280,800	142,245,000	83,840,000	90,840,000	89,165,000
$ 324,374,935	$ 305,578,781	$ 140,453,104	$ 167,291,394	$ 142,446,603	$ 110,675,493
30.3%	29.1%	50.3%	33.4%	38.9%	44.6%

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
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	14.09
2008	198,344,607	22,108	8,971.62	8.9%	1,675	13.35
2007	184,323,313	22,367	8,240.86	6.4%	1,620	13.76
2006	172,647,046	22,291	7,745.15	9.0%	1,565	14.27
2005	158,711,504	22,338	7,105.00	2.5%	1,529	14.14
2004	149,840,860	21,624	6,929.38	1.5%	1,515	14.02
2003	144,960,971	21,239	6,825.23	4.9%	1,524	13.66
2002	135,457,509	20,817	6,507.06	0.3%	1,459	13.59

Source: School System records

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

Fiscal Year	Minimum Salary	Maximum Salary	Statewide Base
2011	34,723	80,383	33,424
2010	33,161	76,766	33,424
2009	34,723	80,383	33,424
2008	33,953	78,614	32,609
2007	33,055	76,553	31,659
2006	31,904	73,909	30,441
2005	31,340	72,615	29,259
2004	30,787	69,494	29,259
2003	30,482	68,806	29,259
2002	29,611	66,868	26,779

Source: School System records

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

	2011	2010	2009	2008	2007
Elementary					
Braelinn (1989)					
Square feet	70,860	70,860	70,860	70,860	70,860
Capacity	675	675	675	675	675
Enrollment	493	544	568	516	504
Brooks (1962)					
Square feet	60,413	60,413	60,413	60,413	60,413
Capacity	525	525	525	525	525
Enrollment	307	313	315	324	326
Robt. J. Burch (1989)					
Square feet	73,146	73,146	73,146	73,146	73,146
Capacity	675	675	675	675	675
Enrollment	634	664	701	734	726
Crabapple Lane (2004)					
Square feet	94,816	94,816	94,816	94,816	94,816
Capacity	800	800	800	800	800
Enrollment	535	554	565	488	560
East Fayette (1955)					
Square feet	53,386	53,386	53,386	53,386	53,386
Capacity	-	-	-	550	550
Enrollment	-	-	-	572	586
Fayetteville Intermediate (1974)					
Square feet	72,673	72,673	72,673	72,673	72,673
Capacity	550	550	550	550	550
Enrollment	421	455	469	469	486
Hood Avenue (1970)					
Square feet	73,176	73,176	73,176	73,176	73,176
Capacity	575	575	575	575	575
Enrollment	394	404	417	425	438
Huddleston (1979)					
Square feet	79,694	79,694	79,694	79,694	79,694
Capacity	625	625	625	625	625
Enrollment	565	590	633	619	624
Inman Road (2009)					
Square feet	86,172	86,172	86,172	-	-
Capacity	663	663	663	-	-
Enrollment	507	546	539	-	-
Kedron (1995)					
Square feet	87,734	87,734	87,734	87,734	87,734
Capacity	725	725	725	725	725
Enrollment	586	597	592	510	527

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.

2006	2005	2004	2003	2002
70,860	70,860	70,860	70,860	70,860
675	675	675	675	675
519	519	586	629	701
52,725	52,725	52,725	52,725	52,725
450	450	450	450	450
358	354	358	403	569
73,146	73,146	73,146	73,146	73,146
675	675	675	675	675
754	628	588	604	586
94,179	94,179	94,179	-	-
800	800	800	-	-
495	481	463	-	-
53,386	53,386	51,014	51,014	51,014
575	575	575	575	575
617	580	587	635	655
65,792	65,792	65,792	65,792	65,792
550	550	550	550	550
471	429	480	470	573
73,176	73,176	73,176	73,176	73,176
575	575	575	575	575
410	415	429	467	520
79,694	79,694	79,694	79,694	79,694
625	625	625	625	625
607	605	631	668	690
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
87,734	87,734	87,734	87,734	87,734
725	725	725	725	725
422	434	471	849	845

continued

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

	2011	2010	2009	2008	2007
Elementary - continued					
Cleveland (2003)					
Square feet	94,179	94,179	94,179	94,179	94,179
Capacity	800	800	800	800	800
Enrollment	542	556	556	539	508
S. H. Minter (2003)					
Square feet	94,179	94,179	94,179	94,179	94,179
Capacity	800	800	800	800	800
Enrollment	593	613	648	689	711
North Fayette (1980)					
Square feet	75,785	75,785	75,785	75,785	75,785
Capacity	750	750	750	750	750
Enrollment	458	478	492	476	471
Oak Grove (1986)					
Square feet	71,040	71,040	71,040	71,040	71,040
Capacity	725	725	725	725	725
Enrollment	514	516	485	506	496
Peachtree City (1968)					
Square feet	62,732	62,732	62,732	62,732	62,732
Capacity	525	525	525	525	525
Enrollment	490	467	446	550	507
Peeples (1998)					
Square feet	94,655	94,655	94,655	94,655	94,655
Capacity	800	800	800	800	800
Enrollment	669	699	751	839	876
Spring Hill (1996)					
Square feet	94,655	94,655	94,655	94,655	94,655
Capacity	800	800	800	800	800
Enrollment	518	542	556	582	582
Tyrone (1980)					
Square feet	59,580	59,580	59,580	59,580	59,580
Capacity	450	450	450	450	450
Enrollment	346	338	329	336	367
Middle					
Fayette (1986)					
Square feet	135,649	135,649	135,649	135,649	135,649
Capacity	1,125	1,125	1,125	1,125	1,125
Enrollment	751	791	820	823	1,030

2006	2005	2004	2003	2002
94,179	94,179	94,179	94,179	-
800	800	800	800	-
469	437	374	350	-
94,179	94,179	94,179	94,179	-
800	800	800	800	-
732	738	717	635	-
75,785	75,785	75,785	75,785	75,785
750	750	750	750	750
521	481	487	496	456
71,040	71,040	71,040	71,040	71,040
725	725	725	725	725
465	474	543	561	610
62,732	62,732	62,732	62,732	62,732
550	550	550	550	550
562	481	463	448	454
94,655	87,734	87,734	87,734	87,734
800	725	725	725	725
846	842	823	776	715
94,655	87,734	87,734	87,734	87,734
800	725	725	725	725
599	648	598	615	906
59,580	59,580	59,580	59,580	59,580
450	450	450	450	450
418	388	362	403	417
135,649	135,649	135,649	135,649	135,649
1,162	1,162	1,162	1,162	1,162
1022	989	955	981	960

continued

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

	2011	2010	2009	2008	2007
Middle continued					
Bennett's Mill (2008)					
Square feet	158,653	158,653	158,653	158,653	-
Capacity	1,475	1,175	1,175	1,175	-
Enrollment	607	625	569	548	-
J. C. Booth (1979)					
Square feet	139,581	139,581	139,581	139,581	139,581
Capacity	1,175	1,175	1,175	1,175	1,175
Enrollment	1,021	1,018	988	994	1,200
Flat Rock (1989)					
Square feet	137,068	137,068	137,068	137,068	137,068
Capacity	1,012	1,012	1,012	1,012	1,012
Enrollment	839	826	840	845	926
Rising Starr (1996)					
Square feet	156,409	156,409	156,409	156,409	156,409
Capacity	1,175	1,175	1,175	1,175	1,175
Enrollment	1,039	1,103	1,077	1,058	1,091
Whitewater (1989)					
Square feet	137,879	137,879	137,879	137,879	137,879
Capacity	1,050	1,050	1,050	1,050	1,050
Enrollment	818	855	907	935	1,177
High					
Fayette County (1998*)					
Square feet	259,536	259,536	259,536	259,536	259,536
Capacity	1,725	1,725	1,725	1,725	1,725
Enrollment	1,360	1,431	1,451	1,359	1,291
McIntosh (1981)					
Square feet	270,793	270,793	270,793	270,793	270,793
Capacity	1,625	1,625	1,625	1,625	1,625
Enrollment	1,636	1,621	1,600	1,598	1,552
Sandy Creek (1990)					
Square feet	248,280	248,280	248,280	248,280	248,280
Capacity	1,625	1,625	1,625	1,625	1,625
Enrollment	1,178	1,240	1,278	1,329	1,342
Starr's Mill (1998)					
Square feet	226,980	226,980	226,980	226,980	226,980
Capacity	1,650	1,650	1,650	1,650	1,650
Enrollment	1,555	1,508	1,621	1,653	1,611
Whitewater (2004)					
Square feet	279,822	279,822	279,822	279,822	279,822
Capacity	1,475	1,475	1,475	1,475	1,475
Enrollment	1,533	1,623	1,679	1,679	1,696

Source: School System records

2006	2005	2004	2003	2002
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
139,581	139,581	139,581	139,581	139,581
1,175	1,175	1,175	1,175	1,175
1,192	1,166	1,142	1,137	1,088
137,068	137,068	137,068	137,068	137,068
1,075	1,075	1,075	1,075	1,075
945	928	868	925	938
141,013	141,013	141,013	141,013	141,013
1,087	1,087	1,087	1,087	1,087
1,120	1,213	1,158	1,224	1,131
137,879	137,879	137,879	137,879	137,879
1,070	1,070	1,070	1,070	1,070
1,185	1,158	1,078	984	982
259,536	259,536	259,536	259,536	259,536
1,700	1,700	1,700	1,700	1,700
1528	1736	1976	2260	2134
270,793	205,598	205,598	205,598	205,598
1,600	1,600	1,600	1,600	1,600
1,568	1,569	1,499	1,505	1,438
248,280	248,280	248,280	227,711	227,711
1,562	1,562	1,562	1,562	1,562
1,327	1,285	1,243	1,272	1,191
226,980	226,980	226,980	226,980	226,980
1,625	1,625	1,625	1,625	1,625
1,722	1,717	1,751	1,870	1,663
279,822	279,822	279,822	-	-
1,475	1,475	1,475	-	-
1249	826	435	-	-

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

	2011	2010	2009	2008	2007
Position					
Administrators	100	100	102	102	103
Teachers	1,483	1,493	1,570	1,675	1,620
Media	28	28	36	35	36
Counselors	58	58	61	65	59
Clerical	157	160	162	189	169
Paraprofessionals	320	320	350	356	339
Custodians	171	177	178	177	184
Lunchroom	178	174	174	174	170
Other Areas*	420	428	456	510	570
Total employees	2,915	2,938	3,088	3,283	3,250

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 Employee, and At-Will Employees.

2006	2005	2004	2003	2002	2001
102	97	99	96	94	89
1,565	1,529	1,515	1,524	1,459	1,386
35	34	32	31	27	29
59	57	56	53	51	45
163	161	157	146	141	135
303	291	294	280	266	261
183	172	169	163	150	150
166	159	162	164	165	148
557	480	393	445	432	387
3,133	2,980	2,877	2,902	2,785	2,630

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

	2011	2010	2009	2008
Lunch Meals Served				
Free	544,183	487,840	417,595	360,542
Reduced	102,357	126,018	125,967	119,440
Paid	975,988	1,063,608	1,214,298	1,309,593
Total	1,622,528	1,677,466	1,757,860	1,789,575
Daily Average	9,150	9,449	9,861	9,966
Student Price	$2.10 - $2.25	$2.05 - $2.15	$2.00 - $2.10	$1.90 - $2.00
Breakfast Meals Served				
Free	112,236	101,422	80,954	71,146
Reduced	14,370	17,014	14,437	15,442
Paid	33,602	27,857	29,936	27,955
Total	160,208	146,293	125,327	114,543
Daily Average	932	853	688	688
Student Price	$1.35 - $1.45	$1.35 - $1.45	$1.35 - $1.45	$1.25
Total Meals Served				
Free	656,419	589,262	498,549	431,688
Reduced	116,727	143,032	140,404	134,882
Paid	1,009,590	1,091,465	1,244,234	1,337,548
Total	1,782,736	1,823,759	1,883,187	1,904,118
Daily Average	10,082	10,302	10,549	10,654

Source: School System records
NA: data not available.

2007	2006	2005	2004	2003	2002
337,321	320,901	256,984	225,978	NA	161,330
116,103	101,313	84,992	76,517	NA	53,152
1,324,475	1,342,753	1,336,162	1,355,843	NA	1,419,400
1,777,899	1,764,967	1,678,138	1,658,338	NA	1,633,882
9,913	9,961	9,457	9,384	NA	9,078
$1.90 - $2.00	$1.90	$1.90	$1.75	$1.75	$1.75
59,899	57,145	40,096	35,421	NA	32,372
11,407	10,015	8,544	6,830	NA	7,043
24,148	29,319	24,744	23,628	NA	29,340
95,454	96,479	73,384	65,879	NA	68,755
561	582	443	398	NA	408
$1.25	$1.15	$1.15	$1.00	$1.00	$1.00
397,220	378,046	297,080	261,399	NA	193,702
127,510	111,328	93,536	83,347	NA	60,195
1,348,623	1,372,072	1,360,906	1,379,471	NA	1,448,740
1,873,353	1,861,446	1,751,522	1,724,217	NA	1,702,637
10,474	10,543	9,900	9,782	NA	9,486

Fayette County Board of Education
Demographic and Economical 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]
2011	NA	NA	NA	21,120	9.2%
2010	NA	NA	NA	21,683	8.7%
2009	106,788	4,614,827	43,215	22,047	8.9%
2008	106,398	4,785,290	44,975	22,108	5.2%
2007	105,933	4,875,941	46,029	22,367	4.2%
2006	104,842	4,399,912	41,967	22,291	4.5%
2005	102,556	4,190,399	40,860	22,338	5.0%
2004	99,951	3,975,133	39,771	21,624	4.3%
2003	98,032	3,825,393	39,022	21,239	4.4%
2002	95,988	3,683,927	38,379	20,817	4.1%

Source [1] Bureau of Economic Analysis, U.S. Department of Commerce, Table CA 1-3, updated April 21, 2011

[2] Bureau of Labor Statistics, U.S. Department of Labor, for June of each year, updated with data from BLS as of November 16, 2011

NA Data not available.

Fayette County Board of Education
Major Employers
Current Year

Employer	Employees [1]	Percentage of County Employment [2]
Piedmont Fayette Hospital	1,435	4.69%
NCR	850	2.78%
Cooper Lighting	550	1.80%
Hoshizaki America, Inc.	500	1.63%
Panasonic	460	1.50%
World Airways	275	0.90%
APAC - Georgia	200	0.65%
FAA Tracon	190	0.62%
Alenco, Inc	181	0.59%
Avery Dennison	180	0.59%
Total	4,821	15.74%

Sources: [1] Fayette County Development Authority, www.fayettega.org website data as of November 2011

[2] Based on total private sector employment of Fayette County of 30,642. Georgia Department of Labor 2010 data, as updated October 2011.

Note 1: Data for FY 2002 not available.

Note 2: Employment data from the Fayette County Development Authority includes private sector employment only.



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