FAYETTE COUNTY
BOARD OF EDUCATION

Fayetteville, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ended June 30, 2013

FAYETTE COUNTY BOARD OF EDUCATION
Fayetteville, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ended June 30, 2013

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

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

Fayette County Board of Education

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INTRODUCTORY SECTION



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FAYETTE COUNTY BOARD OF EDUCATION

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

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Board Members
Marion Key, *Chair*
Bob Todd, Ph.D. *Vice Chair*
Mary Kay Bacallao, Ed.D
Barry Marchman, Ph.D
Leonard Presberg

"Where Excellence Counts"

December 20, 2013

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, 2013. The finance department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School System's administration.

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

Mauldin & Jenkins, Certified Public Accountants, LLC, has issued an unmodified ("clean") opinion on the Fayette County Board of Education's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the School System

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

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

There were 20,318 students enrolled in the School System in school year 2012-2013. Projected enrollment for the 2012-2014 school year is 20,000 students. The School System has five high schools. The oldest high school facility was built in 1981 but was renovated and expanded in 2005. At year end, the School System had 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. At year end, the School System had 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's services department and a regional program for some of the children it serves. Administration and the Board have recently evaluated enrollment numbers compared to building capacity and overall operational costs and determined the need to close four school facilities for the 2013-2014 school year. 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. Fayette County felt the same effects of the downturn that the rest of the nation felt. For Fayette County, the economic affects have been seen primarily in real estate, residential construction and banking.

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 (preliminary-not seasonally adjusted) of 7.3% at August 2013 is equal to the national average rate of 7.3% and lower than the State of Georgia average rate of 8.7%. The unemployment rate has improved locally, state-wide and nationally since December 2011. Fayette County's unemployment rate for December 2011 was 7.9%.

The changes in the real estate market have significantly impacted the School System's local revenue. Like much of the state and nation, Fayette County experienced growth in the real property digest in the seven years from fiscal year 2002 to fiscal year 2009 of 61%, averaging 8.7% growth per year. Recently, the property tax digest values have fallen over 20% reducing the annual property tax levies by $22.3 million from a high of $100.4 million in 2009 to $78.1 million in 2013. The 2013 property tax digest showed indications of stabilization in residential property. The overall digest has remained relatively flat from 2013 to 2014. Looking forward, recent industry growth mention below gives indications of growth in the overall digest in the next several years.

The Fayette County Development Authority (FCDA) has developed two local economy indices to help measure the current state of the County's economy and to project the economic outlook over the coming six to nine months. The Index of Leading Economic Indicators considers initial unemployment claims, single housing building permits, interest rate spread based on the Federal Reserve Treasury Constant Maturities Nominal 10-Year compared to the Federal Funds Effective Rate, and the South Atlantic Consumer Confidence Expectations as released by The Conference Board. The index for January 2013 was 95.74, the highest since January 2008 when it was 96.60 and 3.2% above the January 2012 index. The FDCA believes that the movement in this index suggests that the county's economy is on a sustainable path to economic recovery and that the economy is continuing to expand. The FCDA's report can be found on its website at www.fayettega.org.

Recently, an investment group has announced plans to develop a major film production center in Fayette County with management and operations of Pinewood Studios Group of London. Initial development would include five state-of-the-art sound stages, administration offices and buildings for set and effects development and film equipment vendors. Construction of the studios began in the late summer 2013 and operations are set to begin in January 2014.

Future plans include the establishment of a film production school. The School System recently sold an under-utilized elementary school located adjacent to the studio property. This facility is expected to be part of the film educational element that industry investors hope to develop in conjunction with the new studios. While the economic impact is not expected to be felt immediately, the potential growth of support businesses and new residents moving into the county could have a huge impact on the School System in the coming years.

In February 2013, Capis America Inc., a Japanese biotech manufacturer, announced plans to locate its U.S. headquarters and first manufacturing operation in Peachtree City. Capis joins several other Japanese companies in Fayette County, including Panasonic, TDK Components and Hoshizaki America.

In the fall of 2013, the City of Fayetteville approved a Tax Allocation District (TAD) in the traditional central business district of the city. This area has seen some decline and vacancies in the recent economic recession. The County and School System have approved participation in the TAD. The TAD is targeted at light industrial and retail development.

Since K-12 education is the largest portion of the State of Georgia's (the State) budget, the state economy directly impacts the financial picture of all school systems in Georgia. The State of Georgia has been funding a smaller percentage of the total cost of education over the last several years. School systems historically had been funded approximately 60% by the State. In 1996, the overall educational support for education in Georgia was funded 59.39% by the State. By 2010, the split between state and local was 50/50 and for 2013 the State is still funding about one-half of the total cost for education.

Most of the funding reductions have occurred due to years of "austerity reductions" (also called "amended formula adjustment") or budget cuts imposed by the State. These are reductions to the amounts earned by school systems based on a funding formula written in state law that have been allocated to all systems across the state to help the State provide for a balanced budget. From fiscal year 2003 to fiscal year 2013, the Fayette County School System received approximately $76.7 million less than it earned due to these cuts. This reduction is net of $12.4 million in federal funds from the American Recovery and Reinvestment Act (ARRA) that flowed through the State of Georgia that was intended to offset the cuts. In addition, the funding formula has not been adjusted in recent years for inflation. As a result, the local taxpayer has had to shoulder the burden of state budget cuts and inflationary costs.

While recent news suggests that state level economic indicators have been improving, administration does not believe that state revenue growth will translate into improved QBE funding. After several years of declining revenues, cuts to its budget and dipping into reserves, there are many gaps to fill with any increases in revenue, education being only one. At best, administration is hopeful that there are no mid-term reductions to the fiscal year 2014 state allotment and that austerity cuts will stabilize and not increase for the 2015 fiscal year.

Long-term Financial Planning

Total fund balance of the General Fund has dropped from 9.4% to 8.9% of total operating expenditures and represents just over one month's expenditures. Since fund balance was significantly increasing from a low $1.7 million in fiscal year 2008 as a result of conservative revenue estimates, significant salary reductions and deliberate cut backs in operational costs and changes in staffing requirements, the Board determined in late fiscal year 2011 to reinstate salary schedules to pre-2008 levels. Due to continued erosion of local tax revenues and of state funding and the increases in cost related to the increased salary schedules and in employer matching costs for health insurance, fund balance has been budgeted to close the gap between revenues and expenditures in fiscal year 2012 and again in fiscal year 2013. However, the School System took immediate action during the 2013 fiscal year and implemented cost reduction strategies to avoid deficit spending. The strategies included five furlough days and personnel reductions through attrition. For 2014, the School System continues to right size the district by closing four schools, increasing class sizes and reducing staff to reflect the current enrollment levels in order to balance the budget at a sustainable level.

The School System has traditionally used general obligation bonds to finance construction of new schools. The 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 in the near future. Furthermore, with declining enrollment projections, the School System has excess capacity and addressed that issue via the school closures mentioned above along with the sale of an under-utilized elementary school which has been used for specialized programs.

In November 2009, the citizens of Fayette County passed a 1% educational Special Purpose Local Option Sales Tax (SPLOST). This additional funding has been used toward technology (including infrastructure improvements, hardware and software), security, textbooks, facilities improvements and debt service on existing general obligation bonds. In November 2011, the citizens of Fayette County voted to extend the current SPLOST for an additional five years. The new SPLOST will be used for needs similar to the current SPLOST. The SPLOST is significant to the immediate future financial needs of the School System, as it will allow the System to make much needed purchases, such as textbooks and computers, while relieving the operating budget of those costly expenditures.

Relevant Financial Policies

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

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

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

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

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

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

Major Initiatives

The mission of the Fayette County School System is to deliver effective instruction and set high expectations resulting in continued improvement in student achievement. In order to achieve this mission, the School System annually evaluates its strategic directions and the goals associated with those strategies. One of the School System's strategic directions has been to apply information technology in each school and the Central Office to improve the effectiveness and quality of instruction, as well as to increase the efficiency of administrative operations. Following this strategic direction, the School System began a "technology renewal" process in 2004. The School System has continued its commitment to technology improvements and renewal through the 2008 SPLOST. Through this funding mechanism, the School System has been able to replace computers throughout all schools and administrative offices, provide 21st century class rooms in all schools, improve local area networks and internet connectivity. As the learning environment changes for students, the School System is committed to providing resources for students to learn in a 21st century environment, full of technology possibilities. To further the educational experience for students, the School System has embarked on a "BYOT" or "bring your own technology" initiative where students can use various personal electronic devices, from laptops to smart phones, to enhance learning. To aid in this initiative, wireless networks are now going into all schools and administrative offices.



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Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fayette County Board of Education for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Fayette County Board of Education for the year ended June 30, 2012. This was the second year that the School System received this prestigious award. This award certifies that the comprehensive annual financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after intensive reviews of financial reports by an expert panel of practicing school business officials.

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

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

Respectfully submitted,



Tom Gray
Assistant Superintendent of Business
and Personnel Management



Laura Brock
Coordinator of Audits and Purchasing

Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

Fayette County Board of Education

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012

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

Ron McCulley, CPPB, RSBO
President

John D. Musso, CAE, RSBA
Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fayette County Board of Education Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

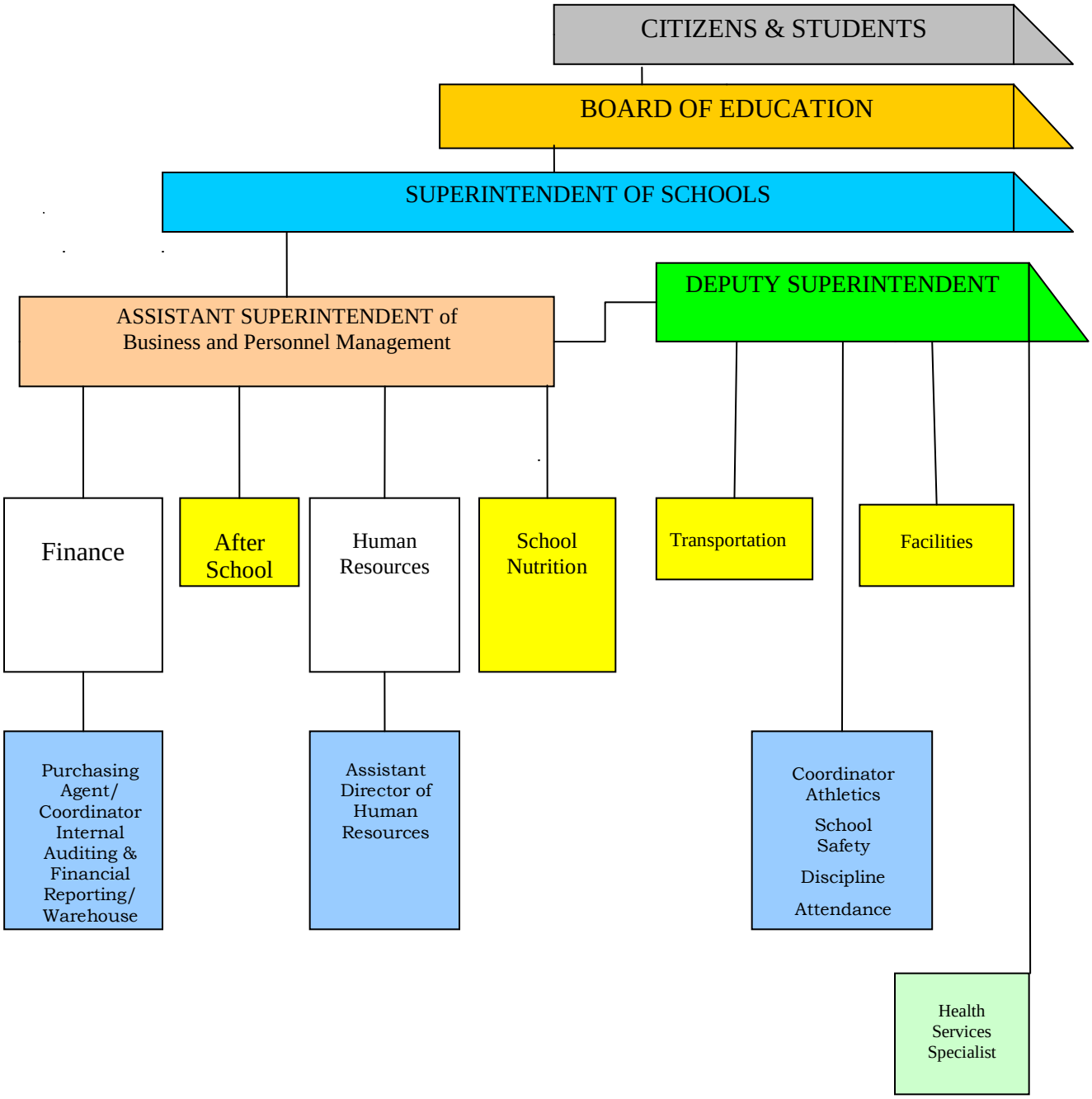
June 30, 2012

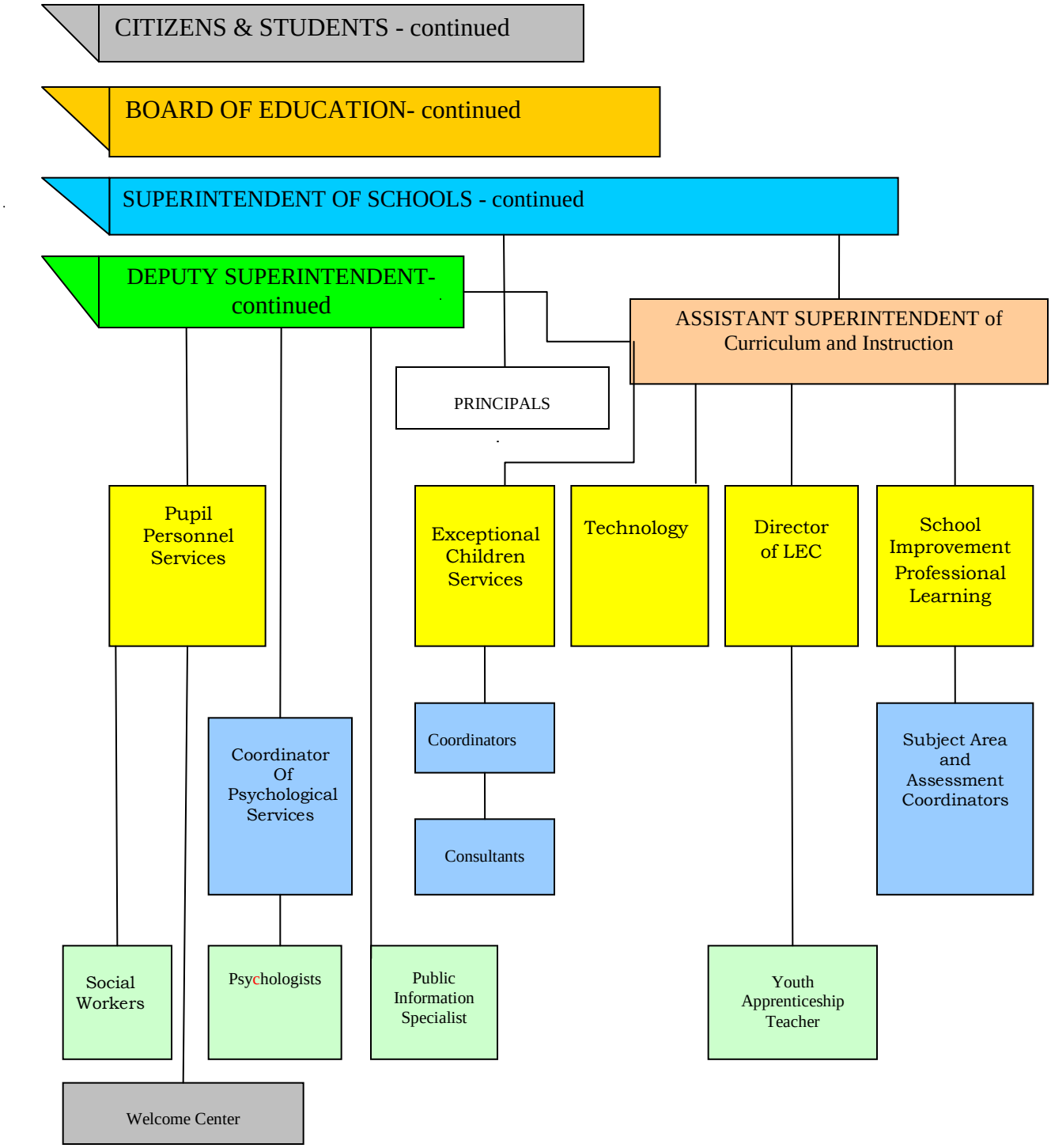
Executive Director/CEO

Fayette County Board of Education

ORGANIZATIONAL CHART

June 30, 2013




CITIZENS & STUDENTS - continued
BOARD OF EDUCATION- continued
SUPERINTENDENT OF SCHOOLS - continued
DEPUTY SUPERINTENDENT- continued
ASSISTANT SUPERINTENDENT of Curriculum and Instruction
PRINCIPALS
Pupil Personnel Services
Exceptional Children Services
Technology
Director of LEC
School Improvement Professional Learning
Coordinators
Consultants
Coordinator Of Psychological Services
Subject Area and Assessment Coordinators
Social Workers
Psychologists
Public Information Specialist
Youth Apprenticeship Teacher
Welcome Center

Fayette County Board of Education

LISTING OF PRINCIPAL OFFICIALS

June 30, 2013

BOARD MEMBERS

Ms. Marion Key, Chair, Post 3

Dr. Bob Todd, Vice Chair, Post 4

Mr. Leonard Presberg, Chair Post 5

Dr. Mary Kay Baccallao, Post 2

Dr. Barry Marchman, Post 1

SUPERINTENDENT'S CABINET

Mr. Dan Colwell., Interim Superintendent

Mr. Sam Sweat, Deputy Superintendent

Ms. Tracie Fleming, Assistant Superintendent of Curriculum and Instruction

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

Mr. Chris Horton, Director of Exceptional Children

Ms. Linda Beaubien, Assistant Director of Human Resources

Ms. Laura Brock, Coordinator of Audits and Purchasing

Ms. Melinda Berry-Dreisbach, Public Information Specialist

Mr. Roy Raybold, High School Principal

Ms. Rae-Presley King, Middle School Principal

Ms. Wenonah Bell, Elementary School Principal

Dr. Louis Robinson, Elementary School Principal

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Fayette County Board of Education** (the "School System") as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the School System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School System as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note R to the financial statements, the Fayette County Board of Education implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 21 through 35) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School System's basic financial statements. The introduction section, combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures by Object – Lottery Program, and the Quality Basic Education Program – Earnings and Expenditures by Program Schedule, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the Schedule of Expenditures by Object – Lottery Program, the Quality Basic Education Program – Earnings and Expenditures by Program Schedule and schedule of expenditures of special purpose local option sales tax proceeds (collectively "the supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013 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* in considering the Fayette County School District's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 18, 2013



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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, 2013. 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 2013 by $230,124,292 (net position).

- The School System's total net position increased by $10,726,442.

- At the end of fiscal 2013, the School System's governmental funds reported combined ending fund balances of $61,258,421, an increase of $4,469,535 in comparison with the prior year. Of this total, $15,611,419 is available for spending at the School System's discretion (assigned and unassigned fund balance).

- At the end of fiscal 2013, unassigned fund balance for the General Fund was $14,505,398 or 8.65% of total General Fund expenditures.

- Total bonded debt for the School System decreased by $7,283,849, a result of the scheduled debt service payments on bonds issued in 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 position and the statement of activities found on pages 38 and 39 of this report.

The statement of net position presents information on the School System's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School System is improving or deteriorating.

The statement of activities presents information showing how the School System's net position changed during the current fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid. Therefore, some revenues and expenses are reported here that will only result in cash flows in future years, such as uncollected property taxes and earned but unused vacation leave. Additionally, this statement shows how much of the School System's activities are funded by program 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-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund, and the Capital Projects SPLOST Fund, each of which are considered to be a major fund. Data from the other nineteen 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 79-93 of this report.

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

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

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

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

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

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the system-wide and fund financial statements. Notes to the financial statements can be found on pages 51-77 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 position over time can be a useful indicator of a School System's financial position. At the end of the fiscal year ending June 30, 2013, the School System's assets exceeded liabilities by $230,124,292.

The following summarizes the components to the School System's net position at June 30, 2013 and 2012:

Fayette County School System's Net Assets

	2013	2012
Current assets	$ 91,923,568	$ 88,482,085
Capital assets	245,442,163	250,044,365
Other assets	-	263,927
Total assets	337,365,731	338,790,377
Current liabilities	37,521,672	39,064,018
Noncurrent liabilities	69,719,767	80,064,582
Total liabilities	107,241,439	119,128,600
Net position		
Net investment in capital assets	178,523,433	175,064,622
Restricted	37,659,348	31,257,451
Unrestricted	13,941,511	13,339,704
Total net position	$ 230,124,292	$ 219,661,777

The School System's current assets increased approximately $3.4 million over the prior year. The most significant component of this increase was a net increase in balances held in bank deposits and investments of $2.8 million. This net increase was a result of overall revenue inflows in excess of spending. Taxes receivable increased by $0.1 million as a result the timing of receipts of intangible and transfer taxes. Amounts receivable from other governments increased by $0.8 million as a result of a new grant received to fund the purchase of new buses.

The School System's capital assets had a $4.6 million net decrease. Depreciation of $10.1 million reduced the net book value of capital assets. Also, the School System expended $5.5 million in capital outlay, of which $5.1 million was related to the educational Special Purpose Local Option Sales Tax (SPLOST) approved in fiscal year 2009. The SPLOST will continue to provide funding for computers, technology upgrades, transportation, security, facility improvements, and general obligation debt reduction into fiscal years 2014 and 2015.

Current liabilities of the School System decreased $1.5 million over the prior year. This decrease can be attributed to a $1.7 million decrease in salaries and benefits payable at year end. As compared to the prior year, the School System had fewer employees on staff who receive pay checks in July and August for work completed during the school year. Additionally, health benefits for those employees generally declined, as fewer employees took heath insurance benefits during 2013 than in 2012. Changes in accounts payable (increase of $0.7 million) are affected by the timing of payments at or near year end. The decrease in accrued interest ($0.6 million) is the result of scheduled debt service payments on previously accrued deferred interest on the 2005 Bond series.

Non-current liabilities (which include the current portion of those liabilities) decreased significantly, reflecting $9.8 million in annual scheduled payments on the existing bonded debt and capital leases.

The School System's net investment in capital assets (net of outstanding related debt used to acquire those capital assets and accumulated depreciation) equals 77.6% 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 net investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities. The change in net investment in capital assets is driven by depreciation expense, capital asset purchases and a decrease in amounts owed on capital leases, certificates of participation, and bonds related to those assets of $8.0 million.

Total restricted net position increased $6.4 million over the prior year. Net position is restricted when limitations are imposed on its use through constitutional provisions or enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The most significant increase related to this change is the increase in unspent SPLOST proceeds of $7.4 million. Additionally, unspent bond proceeds decreased by $1.0 million while balances related to grants remained constant.

Unrestricted net position of $13.9 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 Position

	2013	2012
Revenues:		
Program revenues		
Charges for services	$ 6,130,721	$ 6,587,504
Operating grants and contributions	94,197,669	91,800,116
Capital grants and contributions	1,270,878	228,659
General revenues		
Property taxes	84,722,620	94,275,592
Sales taxes	19,968,392	20,009,700
Other taxes	2,159,303	1,681,275
Interest and investment earnings	93,786	78,268
Other	671,912	488,765
Total revenues	209,215,281	215,149,879
Expenses:		
Instruction	126,989,501	138,166,002
Pupil services	9,446,688	9,361,037
Improvement of instructional services	4,059,005	4,396,525
Educational media services	3,435,491	3,714,750
General administration	1,676,637	1,328,258
School administration	12,982,540	13,925,349
Business administration	1,067,217	937,222
Maintenance and operation of facilities	13,854,947	16,157,767
Student transportation services	8,687,580	9,031,403
Central support services	2,700,778	3,402,613
Other support services	276,311	303,373
Community services	2,311,865	2,385,232
Food services	7,534,165	8,078,108
Interest expense	3,466,114	3,898,053
Total expenses	198,488,839	215,085,692
Increase in net position	10,726,442	64,187
Net position, beginning of the year, as restated	219,397,850	219,597,590
Net position, end of year	$ 230,124,292	$ 219,661,777

Total revenues of the School System decreased approximately $5.93 million, driven primarily by the following items:

- Property taxes decreased by $9.55 million. The decrease is the result of a net taxable digest that dropped 10.22%. This decrease is reflective of the continued depressed housing market seen across Georgia.

- Operating grants and contributions increased by $2.40 million. The School System experienced an overall decrease in federal grants of $1.11 million, primarily related to the IDEA grant. State funding increased by $3.57 million, primarily related to state QBE funding as discussed in more detail as it relates to the General Fund below.

- The School System saw an increase in revenue from capital grants and contributions in 2013 of $1.04 million. During the current fiscal year, the School System obtained a federal grant to replace certain school buses in an effort to mitigate diesel emissions and improve air quality.

Total expenses decreased by $16.60 million over prior year. Significant changes were:

- Total costs of capital project funds that were not capitalized as capital assets in the system-wide financial statements were $2.83 million lower in 2013 than in 2012. 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. Most of these initial costs related to technology in the classroom were incurred in 2012. Depreciation of capital assets increased by $262,000 over prior year.

- Total salaries decreased by approximately $11.4, resulting from two major operational actions, reducing the number of staff and reducing the work calendar. Students attended school three fewer days than in the prior year and employees worked five fewer days, with the exception of bus drivers and school nutrition employees who work only on student days. Those employees' work calendar was reduced three days. The calendar adjustment reduced salaries by approximately $3.0 million. The School System began the school year anticipating a reduction of approximately 71.5 positions at the school level with an estimated reduction in salaries of $4.5 million. Additionally, the School System experienced approximately $3.9 million in savings due to vacancies over the course of the year.

- The School System is required to pay an employer match towards health insurance. In previous years, the System paid an additional amount over the required amount towards an employee's insurance cost. For fiscal year 2013, the School System stopped this additional supplement, saving $2.01 million. Additionally, the State changed its method of calculating employer matching requirements. In 2012, the School System was required to pay 18.534% of the state-base pay for all certificated staff, whether or not they participated in the health insurance plan. For 2013, the matching changed to a flat per month, per participant amount. Matching for non-certificated staff was based on a flat per month, per participant amount in both years, but the monthly cost per participant increased $150 in 2013. During open enrollment for the new calendar year, the School System experienced a significant reduction of participants, driven by increased employee premiums and the elimination of the system-paid supplement. The combined effect of fewer employees for the School System in general, a drop in participants during open enrollment and the method in calculating the employer match, the School System saved an additional $1.50 million in health insurance cost.

- Total energy costs dropped fiscal year 2013. Bus fuel cost the system approximately $77,000 more than in the prior year. Electricity/natural gas bills went down by approximately $507,000 resulting from a mild winter and spring.

- Interest expense decreased by $432,000 resulting from a reduction of accrued interest incurred as of year end compared to prior year end.

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

- Instruction costs decreased $11.18 million or 8.09%, primarily the result of a $5.90 million decrease in salaries and a $3.46 million decrease in benefits. The drop in salaries and benefits relates to the reduction of work year for teachers and paraprofessionals by five days, planned staff reductions of approximately 60 positions and the effect of changes in health insurance matching costs discussed above. Most of the School System's personnel cost are in instruction. Additionally, there was a $1.56 million decrease in capital project related costs (primarily textbooks and technology in the classroom.

- School administration decreased by $0.94 million. Most of this reduction was the result of having five fewer work days, a reduction of one principal position and vacancies in several assistant principal and clerical positions for approximately one-half of the contract year.

- Maintenance and operations decreased by $2.30 million. Salaries and benefits for this function decreased by approximately $0.76 million as a result of the reduction of work days across the system and a reduction of 17.5 custodial positions at the school level. As noted above, energy costs dropped $0.51 million. Furthermore, $0.93 million less of capital project funds were not capitalized as compared to prior year.

- Central support services decreased by $0.70 million due to a decrease in salaries and benefits of $0.11 million resulting from the reduction in work calendar, a decrease in the cost related to operating leases for computers of $0.16 million, a decrease in depreciation of $0.25 million, and a decrease of $0.21 million in capital project funds that were not capitalized as compared to the prior year.

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, 2013, the School System's governmental funds reported combined ending fund balances of $61,258,421, an increase of $4,469,535 in comparison with the previous year. The net change is primarily the result of collecting $7.4 million more of local option sales tax under the SPLOST referendum than was spent during the year and of expenditures exceeding revenues in the General Fund by $1.7 million. Approximately 23.7% ($14,505,398) of ending fund balance is made up of unassigned fund balance of the General Fund that is available for spending at the School System's discretion. Fund balances of special revenue funds and capital project funds are classified as restricted, committed or assigned. These categories are defined based on the level of limitations imposed on their use. Note A12 on page 57 of provides a definition of the various categories of

fund balance. Note J on pages 67 and 68 provides additional detail. Total fund balances for the governmental funds are as follows:

Fund Balances at June 30, 2013	
Nonspendable	$ 197,040
Restricted	$ 41,646,462
Committed	$ 3,803,500
Assigned	$ 1,106,021
Unassigned	$ 14,505,398

The *General Fund* is the chief operating fund of the School System. Its fund balance decreased $1.73 million over the prior year. Overall, revenues for the General Fund decreased approximately $3.93 million compared to the prior year. This was a result of an increase of $3.59 million in state funds and an increase of $7.48 million in local funds.

- All public school systems in Georgia receive state funding based on the Quality Basic Education Act (QBE) earnings formula. The formula is based on a system's enrollment multiplied by dollar values for different cost categories. Many factors affect the total QBE earnings for a school system, including the student enrollment, the instructional program classification of those students, the experience level of teachers (training and experience or "T&E") and the relative property wealth of the school system. Furthermore, the State recalculates the QBE earnings during the middle of the school year, called the "mid-term adjustment." If a school system loses students between the initial calculation established at the beginning of the fiscal year and the mid-term, the system is "held harmless," meaning that the State does not take away money for the drop in enrollment. The lower enrollment will be the basis for the subsequent year's QBE earnings calculation. For fiscal year 2012, the School System's enrollment count for funding purposes (known as FTE, or full time equivalent) dropped 756 students between the beginning of the fiscal year and the mid-term. That meant that the School System received $1.82 million more than its student enrollment earned in 2012. In 2013, Fayette County's enrollment count slightly decreased from prior year mid-term by 177 students. Despite the slight decrease in students, the School System earned $2.87 million more in QBE revenue (as compared to prior year at mid-term after deducting the hold-harmless amount of $1.82 million). This increase was the result of higher earnings for the experience level of teachers. These two factors, the 2012 "hold harmless" and the 2013 increase in "T&E", netted an increase in gross QBE earnings of $1.05 million. Furthermore, Fayette County's tax digest began declining in fiscal year 2011. That decline is reflected in the calculation for the System's local 5 mill share portion of the formula. The decrease in the tax base translated into a reduction of local 5 mill share of $1.21 million and an increase in state funding by the same amount. Categorical grants under QBE for transportation costs and nursing services were relatively flat, having a small increase of $0.01 million. The amended formula adjustment, or austerity cut, decreased by $0.46 million, meaning more revenue. Additionally, QBE earnings as recorded at year end (on the modified accrual basis) includes adjustments for an amount receivable from the state at year end to pay for teachers' salaries for July and August. The change in this receivable adjustment from 2012 to 2013 is mostly attributable to the change in "T&E" and increased revenue by $0.73 million compared to prior year. In total, on the modified accrual basis, total QBE earnings increased by $3.46 million.

- Other state revenue related to grants and on-behalf payments increased $0.13 million.

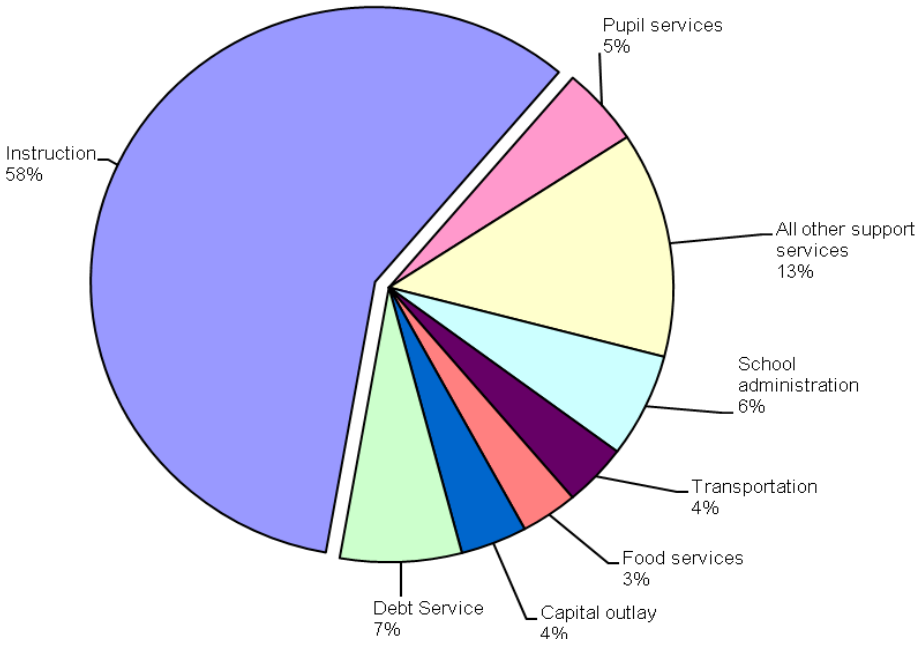
- Property taxes decreased by $8.89 million. The decrease is reflective of the decrease in the net property tax digest of 10.22% as a result of the significant downturn in the housing market. The millage rate for fiscal year 2013 remained the same as for fiscal year 2012 at 20.0 mills.

- Auto and title ad valorem taxes were up $0.84 million. Intangible and transfer taxes, both related to real estate transactions, were up $0.45 million.

- All other local revenue sources increased $0.9 million.

Expenditures for the General Fund decreased $11.67 million or 6.51% from 2012. The reduction in the work calendar for all employees and the reduction in the number of staffing allotments significantly impacted salaries and related benefits (FICA and retirement) as previously discussed. Health insurance benefit costs decreased as a result in new matching requirement calculations, fewer employees taking health insurance coverage, and the elimination of health insurance supplements. Overall, operations costs dropped $1.23 million. Principal and interest payments made from the General Fund for capital leases on buses, certificates of participation, and operating leases on computers decreased $0.30 million based on the payment structure. Fuel and energy costs were $0.43 million lower than the previous year. Additional operating cost decreases in all areas were the result of a concerted effort of School System administration to be as frugal as possible.

2013 Total Expenditures - All Governmental Funds



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 $1.54 million over 2012, a result of a decrease in the net school bond digest of 10.15% and a reduction of the millage rate by 0.20 mills. During the year, $5.22 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 2013 was $20.01 million. Approximately $13.56 million was spent during the year, including a $5.22 million transfer to debt service to pay existing bonded debt. The remaining balance has been set aside to continue the projects as specified in the 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 $0.95 million over the prior year. Most of the decrease was in the capital project funds, with a decrease of $1.00 million. In the special revenue funds, the After School Program had the largest increase with a $0.18 million increase and the School Nutrition Service had the largest decrease with a $0.12 million decrease.

Proprietary funds- The School System's proprietary fund provides the same type of information found in the system-wide financial statements, but in more detail. The proprietary fund consists of an internal service fund, the Workers' Compensation Fund. At June 30, 2013, the proprietary fund has a net position of approximately $141,000, up $108,000 from prior year.

General Fund Budgetary Highlights

The School System's original budget was set based on preliminary state QBE allotments communicated by the State in May 2012. As in prior years, the State amended the QBE allotments several times during the year. Once the earnings sheets were finalized near the end of the fiscal year, actual QBE earnings were approximately $709,000 more than the initial budget. The net adjustments were primarily the result of upward adjustments for training and experience (T&E) for teachers and transportation, and reduction of FTEs for Senate Bill 10. Additionally, other State grants were budgeted based on prior year awards. Revenue was not budgeted for the math and science supplement grant or bus bonds. Actual revenues for these two unbudgeted items were approximately $438,000. The Board did not amend the budget for any changes to the QBE allotment sheet or other state grants during the year.

Additionally, the State allocated additional 2011 Jobs Bill stimulus money that was not spent at the state level for administrative costs associated with grant reporting requirements. The Board did not amend the budget for the additional funding.

Overall, local revenues exceeded the budget. Property tax revenue was approximately $1.00 million under budget. This gap, however, was made up for with positive variances in other categories of local revenue. Auto ad valorem taxes exceeded budget by approximately $1.34 million while intangible and transfer taxes exceeded the budget by approximately $0.68 million. Other local revenues exceeded the budget by approximately $0.69 million. Included in other local revenues are eRate reimbursements of $0.36 million which were not budgeted.

Budget variances in salaries and benefits have the most significant impact on the budgeted expenditures, as personnel cost makes up 90.84% of the General Fund budget. Salaries and benefits cost for the General Fund were lower than budgeted. Actual salaries were $3.03 million lower than budget and benefits were $4.24 million lower than budget. Much of the favorable variance was due to leaving vacancies open or filling them with temporary or substitute staff who are not eligible for benefits. Additionally, teaching positions that were vacant near the end of the FY 2013 budgeting process were generally budgeted at a high experience 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 were $0.16 million less than budgeted.

Open enrollment for health insurance and other employee benefit plans are based on a calendar year and employer rates are subject to change at any point in the middle of the fiscal year as determined by the Department of Community Health. Additionally, participation can change during the year. Therefore, for budget purposes, the School System assumes that those employees participating in a health insurance plans at the beginning of the fiscal year will continue to participate and vacant positions will be filled with employees who will participate as well. Additionally, while the School System knew that the matching calculation for certificated employees was going to change from a percentage of all state-based salaries to a flat rate per participant, the School System did not receive specific rate information until very late in the budget process. While the budget was not adjusted for the change in matching calculations, management informed the Board of a potential savings of $1.6 to $1.8 million. The School System experienced favorable budget variances of $3.11 million related to health insurance, $0.67 million for social security, $0.34 million for teachers' retirement and $0.12 million for all other employee benefits (disability, life, workers' compensation and supplemental retirement).

Instruction had the highest positive budget variance of $5.58 million which as directly related to salaries and benefits, as 73.9% of all personnel costs are budgeted under instruction and 98.8% of the instruction budget is for personnel costs. For non-personnel costs within instruction, the School System under spent the budget by approximately $0.50 million with most of the savings in supplies.

Maintenance and operations had the second highest positive budget variance of $1.45 million. Approximately $364,000 of the favorable budget variance in maintenance and operations related to salaries and benefits. All custodians are accounted for under this category. During the year, the school system experienced high staff turnover and vacancies. Many vacancies were left unfilled or filled with part-time, non-benefitted personnel. Energy costs were $946,000 under budget as the result of milder temperatures. Insurance was approximately $110,000 lower than budget, resulting from a combination of unused budget for deductible payments and a misallocation of budget between the maintenance and operations function and the transportation function of approximately $50,000.

For all other categories, almost all of the positive budget variance relate to salaries and benefits. The only major exception is in central support services which had a positive non-personnel cost variance of approximately $700,000. Technology services drove the favorable budget variance for central support services by under expending its budget by approximately $660,000 through thoughtful consideration of each expenditure and leveraging technology purchased through SPLOST proceeds. Whenever possible, the department purchased equipment and hardware from SPLOST. The refresh of core hardware and software through the use of SPLOST proceeds over the last several years resulted in fewer repair and consultation costs. Technology also virtualized networks, eliminating the costs to repair, replace and license software. The cost of technology for products and services

utilized by the School System also has dropped. As computing power and services increase, the price for that power and services is reduced. Of the budget savings, $150,000 was attributable to changing vendors for internet and managed router services in 2012.

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

The School System saved $110,000 budgeted for interest on tax anticipation notes As the result of continued efforts to reduce costs below budgeted amounts, the School System did not have to have short-term borrowings to meet cash flow needs.

While the School System budgeted to use up to $390,000 of General Fund balances to cover shortfalls in funding of special revenue funds, only $292,577 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 balance of capital assets as of June 30, 2013 totals $245,442,163, net of accumulated depreciation. Capital assets include land, land improvements, buildings, autos and trucks, other equipment and construction in progress. This balance reflects a net decrease in capital assets of $4.6 million. The change 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 35 buses totaling approximately $2.9 million, funded with SPLOST proceeds, State issued bond proceeds and a federal grant.
- Access control systems were installed at the elementary schools.
- Camera surveillance systems were installed at the middle schools and two of the five high schools.
- Wireless networks were installed at the elementary schools and administrative buildings, as well as expanded at several high schools.
- A technology backup system was built and installed at a school facility to provide a stronger disaster recovery plan.

Additional information on the School System's capital assets can be found in Note G on page 63 and 64 of this report.

Long-term debt – As of June 30, 2013, the School System had total bonded debt of $65,407,739 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 $1,218,755 under three 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 "Aa2" rating from Moody's Investor Services for general obligation debt, without credit enhancements as a result of the Georgia Intercept Program or bond insurance.

State statues limit the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation. The current debt limitation for the School System is $395,375,655 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 64 to 66 of this report.

After year end, the School System issued $53,240,000 in General Obligation bonds to advance refund a portion of the 2005 Bonds and a portion of the 2007. These new bonds mature in 2026. About the same time, the School System sold an unoccupied school facility for $5,170,000 with the proceeds placed in escrow to defease additional amounts of the 2007 bonds. These transactions taken together will reduce the total debt service payments over the life of the bonds by $9,720,000, a net present value savings of $7,205,000.

Economic Factors and Next Year's Budgets and Rates

In preparing the fiscal year 2014 budget, School System administration had to consider several factors that would impact the 2014 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 2% to 5%. Additionally, the maintenance and operations millage rate was already at the 20.00 mill maximum.

- Although there were some signs of the beginning of economic recovery, the local economy still experienced abnormal foreclosure and unemployment levels that negatively affected the outlook on property tax collections and other revenue sources.

- The State of Georgia may continue to reduce state aid allocations to local school districts, even after the fiscal year start.

In developing the 2014 budget, the administration knew that it was faced with significant increases for health insurance costs for classified employees, increases to employer contributions to the Teachers' Retirement System (TRS) and inflationary increases in general operating cost such as bus fuel and electricity. Also, until after the budget was adopted, there was uncertainty about how changes to employer health insurance contributions for certified staff would impact the budget. The

administration also considered that significant reductions had been made over the past several years in operational costs, and that there were few areas left to cut without greatly impacting student learning and achievement.

The administration's main 2014 budget goals were to:

1.) reduce the General Fund budget by $15 million,

2.) maintain educational programs,

3.) restore 180 days of instruction for students, and

4.) continued support for the integration of instructional technology in the classroom.

To reach these budgetary goals drastic reductions in staffing above the prior year reductions were necessary. The first reductions were obtained through the closure of three elementary schools and one middle school. The district had one elementary school in the south end of the district that had only 238 students and a second elementary with only 350 students with the expectation of lower enrollment at the elementary level for 2014. The school closures reduced about 10 to 12 non-teaching positions at each school. By consolidating the students at the elementary level to an average of 500 students in each school, the district was better able to manage class sizes and student teacher ratios while reducing teaching positions. In addition, some operational cost for utilities, maintenance, and supplies were reduced. These closures left the System with 14 elementary schools, five middle schools, and five high schools.

In addition to the personnel reductions from the school closures, the 2014 budget reflects reductions in personnel in these areas:

- paraprofessionals for elementary classrooms,
- paraprofessional for media centers,
- paraprofessionals for school administration support,
- administration at the school level,
- administration at the central office,
- maintenance and custodial staff,
- and secretarial/clerical staff at all levels.

The total full-time equivalent (FTE) reductions in personnel for the 2014 budget was 139 certified staff, 130 classified staff, and 20 central office staff for a total of 290 FTE's. In addition, the budget includes two furlough days for staff working 185 days or more.

Even with the anticipated decline in tax revenue, the School System was able to maintain the debt service millage rate at 1.45 mills. The School System budgeted $5 million of SPLOST receipts to be used toward the principal and interest payments on outstanding 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 2014, the School System will continue to use sales tax receipts from SPLOST proceeds to fund capital improvements, including computer replacements, technology upgrades, bus purchases and safety and facilities improvements. In November 2012, the voters of the county approved a referendum to continue the educational SPLOST which set to expire in March 2014 for an additional five years. 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 the current SPLOST, 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. The new SPLOST referendum will continue to provide funding for capital needs for instruction, technology, facilities, transportation and debt service while continuing to provide relief to a general fund experiencing budget stresses.

The economic factors for the School System and local economy have seen positive changes since the 2014 budget was adopted. The net tax digest was relatively flat and the property tax levy for 2014 decreased only 0.25%. The Fayette County has been chosen as the new sight for sounds stages for one of the largest studios in the film industry. The State of Georgia has seen a significant increase in the number of film and television projects due to the favorable tax incentives the state has approved. Many of the projects have had connections with the Fayette County area. The county has reported an increase in the number of building permits issued and new home construction is on the rise.

In addition to the school closures mentioned above, the School System sold an elementary school building that was only partially utilized for administrative purposes with limited educational program activity. This facility is expected to be part of educational and training programs related to the film industry that is increasing activity in the area.

Local revenues such as intangible and transfer taxes related to real estate transactions are showing indications of increased economic activity. However, local revenues still have somewhat of an unknown factor associated with their direction. The State of Georgia recently implemented changes in automobile ad valorem taxes. The new law effective March 2013 changes the tax on automotive vehicles from an annual ad valorem tax to a one time sales tax at the time of purchase. The state law has provisions to hold harmless the local governments at the 2012 levels. Since the law has taken effect the revenue stream has been higher than anticipated due to the capture of sales tax on "casual" sales between individuals that had not been collected under the previous system.

The School System is proceeding cautiously in relation to these recent positive economic trends. The System is committed to maintaining a fund balance sufficient to sustain necessary operations but also to add educational value and enhance the experience for its students, teachers, employees and the community. The School System administration is engaged is several projects with community groups and leaders to define, plan, and implement a vision for the School System and the community.

Requests for Information

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



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Basic Financial Statements

Fayette County Board of Education

STATEMENT OF NET POSITION

June 30, 2013

	Governmental Activities
ASSETS	
Cash	$ 11,051,811
Investments	61,991,549
Due from other governments	13,735,925
Interest receivable	2
Taxes receivable	4,947,241
Prepaid items	4,788
Inventory	192,252
Capital assets, not being depreciated:	
Land	15,431,494
Construction in progress	576,445
Capital assets, net of accumulated depreciation:	
Buildings	211,649,126
Trucks and autos	8,838,690
Other equipment	8,946,408
Total assets	337,365,731
LIABILITIES	
Accounts payable	5,084,161
Accrued interest	9,185,079
Salaries and benefits payable	22,917,514
Retainage payable	52,715
Unearned revenue	82,203
Claims payable	200,000
Noncurrent liabilities:	
Due within one year	9,011,073
Due in more than one year	
Accrued compensated absences	1,313,042
Claims payable	515,000
Bonds, leases and certificates of participation	58,880,652
Total liabilities	107,241,439
NET POSITION	
Net investment in capital assets	178,523,433
Restricted for:	
Capital projects	36,145,627
Grant purposes	1,513,721
Unrestricted	13,941,511
TOTAL NET POSITION	$ 230,124,292

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

STATEMENT OF ACTIVITIES

For the year ended June 30, 2013

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities:					
Instruction	$ 126,989,501	$ 365,145	$ 71,557,281	$ -	$ (55,067,075)
Support services					
Pupil services	9,446,688	-	1,360,449	-	(8,086,239)
Improvement of instructional services	4,059,005	-	1,212,637	-	(2,846,368)
Educational media services	3,435,491	-	2,255,533	-	(1,179,958)
General administration	1,676,637	-	2,635,249	-	958,612
School administration	12,982,540	-	4,869,842	-	(8,112,698)
Business administration	1,067,217	-	2,654	-	(1,064,563)
Maintenance and operation of facilities	13,854,947	-	4,938,288	-	(8,916,659)
Student transportation services	8,687,580	-	1,540,719	1,270,878	(5,875,983)
Central support services	2,700,778	-	365,974	-	(2,334,804)
Other support services	276,311	-	150,907	-	(125,404)
Community services	2,311,865	2,141,197	405,185	-	234,517
Food services	7,534,165	3,624,379	2,902,951	-	(1,006,835)
Interest expense	3,466,114	-	-	-	(3,466,114)
Total governmental activities	$ 198,488,839	$ 6,130,721	$ 94,197,669	$ 1,270,878	(96,889,571)
General revenues					
Taxes					
Property taxes, levied for general purposes					78,955,176
Property taxes, levied for debt service					5,767,444
Intangible taxes, general purposes					1,681,897
Intangible taxes, debt service					131,128
Transfer taxes, general purposes					321,348
Transfer taxes, debt service					24,930
Sales tax, capital outlay and debt service					19,968,392
Interest and investment earnings					93,786
Other					671,912
Total general revenues					107,616,013
Change in net position					10,726,442
Net position - beginning of year, as restated					219,397,850
Net position - end of year					$ 230,124,292

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2013

	Major Governmental Funds				
	General	Debt Service Fund	Capital Projects SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 3,001,539	$ 707,564	$ 847	$ 6,452,111	$ 10,162,061
Investments	21,275,441	3,226,703	35,287,074	2,202,044	61,991,262
Due from other governments	12,137,960	-	966,000	631,965	13,735,925
Interest receivable	-	-	2	-	2
Taxes receivable	2,953,735	251,555	1,741,951	-	4,947,241
Due from other funds	309,541	-	31,369	-	340,910
Prepaid items	4,788	-	-	-	4,788
Inventory	-	-	-	192,252	192,252
Total assets	$ 39,683,004	$4,185,822	$ 38,027,243	$ 9,478,372	$ 91,374,441
LIABILITIES, DEFFERED OUTFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 1,178,030	$ -	$ 3,872,395	$ 23	$ 5,050,448
Salaries and benefits payable	21,794,616	-	-	1,122,898	22,917,514
Due to other funds	31,369	32,597	-	276,944	340,910
Retainage payable	-	-	52,715	-	52,715
Unearned revenue	82,203	-	-	-	82,203
Total liabilities	23,086,218	32,597	3,925,110	1,399,865	28,443,790
Deferred Outflows					
Unavailable property tax revenue	1,506,119	166,111	-	-	1,672,230
Total deferred outflows	1,506,119	166,111	-	-	1,672,230
Fund Balances:					
Nonspendable	4,788	-	-	192,252	197,040
Restricted	-	3,987,114	34,102,133	3,557,215	41,646,462
Committed	580,481	-	-	3,223,019	3,803,500
Assigned	-	-	-	1,106,021	1,106,021
Unassigned	14,505,398	-	-	-	14,505,398
Total fund balances	15,090,667	3,987,114	34,102,133	8,078,507	61,258,421
Total liabilities, deferred outflows and fund balances	$ 39,683,004	$4,185,822	$ 38,027,243	$ 9,478,372	$ 91,374,441

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

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

June 30, 2013

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

Total fund balances - governmental funds	$	61,258,421
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in governmental funds.		245,442,163
Property taxes receivable not collected within sixty days of year-end are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable property tax revenue in the funds.		1,672,230
Internal service funds are used to charge the costs of workers' compensation claims to the individual funds. The assets and liabilities of the internal service fund are included in the statement of net position.		141,324
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		(65,407,739)
Capital leases and certificates of participation payable		(1,218,755)
Accrued interest on bonds and leases		(9,185,079)
Compensated absences payable		(1,522,242)
Unamortized discount on issuance of bonds		59,448
Unamortized premium on issuance of bonds		(1,115,479)
Net position of governmental activities	$	230,124,292

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, 2013

	Major Governmental Funds				
	General	Debt Service Fund	Capital Projects SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
State funds	$ 83,617,804	$ -	$ -	$ 912,137	$ 84,529,941
Federal funds	8,537	-	966,000	7,768,761	8,743,298
Local and other funds	82,648,730	5,967,618	20,014,329	7,601,585	116,232,262
Total revenues	166,275,071	5,967,618	20,980,329	16,282,483	209,505,501
Expenditures					
Current					
Instruction	115,063,743	-	-	4,677,213	119,740,956
Support services					
Pupil services	8,440,638	-	-	1,010,126	9,450,764
Improvement of instructional services	3,186,796	-	-	782,235	3,969,031
Educational media services	3,133,495	-	-	86,244	3,219,739
General administration	1,388,060	-	-	258,477	1,646,537
School administration	12,210,665	-	-	345,027	12,555,692
Business administration	1,070,562	-	-	-	1,070,562
Maintenance and operation of facilities	12,266,797	-	-	89,829	12,356,626
Student transportation services	7,320,771	-	-	175,116	7,495,887
Central support services	2,374,312	-	-	-	2,374,312
Other support services	127,145	-	-	149,166	276,311
Community service	2,852	-	-	2,297,083	2,299,935
Food services	7,774	-	-	6,651,165	6,658,939
Capital outlay	304,878	-	6,449,511	1,004,475	7,758,864
Debt Service					
Principal retirement	757,112	7,283,849	1,774,755	-	9,815,716
Interest and fees	53,403	4,180,093	112,599	-	4,346,095
Total expenditures	167,709,003	11,463,942	8,336,865	17,526,156	205,035,966
Excess (deficiency) of revenues over (under) expenditures	(1,433,932)	(5,496,324)	12,643,464	(1,243,673)	4,469,535
Other financing sources (uses)					
Transfers in (out)	(292,577)	5,219,692	(5,219,692)	292,577	-
Total other financing sources (uses)	(292,577)	5,219,692	(5,219,692)	292,577	-
Net change in fund balances	(1,726,509)	(276,632)	7,423,772	(951,096)	4,469,535
Fund balances, beginning of year	16,817,176	4,263,746	26,678,361	9,029,603	56,788,886
Fund balances, end of year	$ 15,090,667	$ 3,987,114	$ 34,102,133	$ 8,078,507	$ 61,258,421

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, 2013

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

Net change in fund balances - total governmental funds	$	4,469,535
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 ($10,055,367) exceeds capital outlay ($5,453,165).		(4,602,202)
Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets.		7,283,849
Repayment of capital lease and certificates of participation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		2,531,867
Governmental funds report the effect of debt 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.		283,939
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.		(290,220)
In the statement of activities, certain operating expenses - compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation leave taken exceeded the amounts earned by this amount.		345,160
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.		596,042
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.		108,472
Change in net position of governmental activities	$	10,726,442

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, 2013

	Original Budget	Final Budget	Actual (Budget basis)	Variance
Revenues				
State funds	$ 81,709,886	$ 81,709,886	$ 82,809,603	$ 1,099,717
Federal funds	-	-	8,537	8,537
Local and other funds	80,935,095	80,935,095	82,648,730	1,713,635
Total revenues	162,644,981	162,644,981	165,466,870	2,821,889
Expenditures				
Current				
Instruction	120,307,803	120,307,803	114,731,475	5,576,328
Support services				
Pupil services	8,983,238	8,983,238	8,418,389	564,849
Improvement of instructional services	3,457,828	3,457,828	3,178,554	279,274
Educational media services	3,520,151	3,520,151	3,125,400	394,751
General administration	1,295,376	1,295,376	1,386,022	(90,646)
School administration	12,828,622	12,828,622	12,176,265	652,357
Business administration	1,092,325	1,092,325	1,067,908	24,417
Maintenance and operation of facilities	13,692,061	13,692,061	12,244,521	1,447,540
Student transportation services	8,170,602	8,170,602	7,941,617	228,985
Central support services	3,015,191	3,015,191	2,371,195	643,996
Other support services	-	-	126,589	(126,589)
Community service	-	-	2,852	(2,852)
Food services	-	-	7,774	(7,774)
Debt service				
Principal retirement	435,000	435,000	435,000	-
Interest and fees	154,065	154,065	44,065	110,000
Total expenditures	176,952,262	176,952,262	167,257,626	9,694,636
Deficiency of revenues under revenues	(14,307,281)	(14,307,281)	(1,790,756)	12,516,525
Other financing sources (uses)				
Transfers in	500,000	500,000	-	(500,000)
Transfers out	(390,000)	(390,000)	(292,577)	97,423
Total other financing sources (uses)	110,000	110,000	(292,577)	(402,577)
Net change in fund balances	$ (14,197,281)	$ (14,197,281)	$ (2,083,333)	$ 12,113,948

The accompanying notes are an integral part of this statement.

Fayette County Board of Education

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2013

	Governmental Activities-- Internal Service Workers' Compensation Fund
ASSETS	
Current Assets:	
Cash	$ 889,750
Investments	287
Total assets	890,037
LIABILITIES	
Current Liabilities:	
Accounts payable	33,713
Claims payable	200,000
Total current liabilities	233,713
Noncurrent Liabilities:	
Claims payable	515,000
Total noncurrent liabilities	515,000
Total liabilities	748,713
NET POSITION	
Unrestricted	141,324
Total net position	$ 141,324

The accompanying notes are an integral part of this statement.

Fayette County Board of Education
Proprietary Funds

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended June 30, 2013

	Governmental Activities-- Internal Service Workers' Compensation Fund
Operating revenues	
Local and other funds	$ 830,000
Total operating revenues	830,000
Operating expenses	
Administration	137,765
Claims	583,763
Total operating expenses	721,528
Change in net position	108,472
Net position, beginning of year	32,852
Net position, end of year	$ 141,324

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, 2013

	Governmental Activities-- Internal Service Workers' Compensation Fund
Cash flows from operating activities:	
Cash received from interfund services	$ 1,498,000
Cash paid to suppliers	(609,296)
Net cash provided by operating activities	888,704
Net increase in cash	888,704
Cash at beginning of year	1,046
Cash at end of year	$ 889,750
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 108,472
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Due from other funds	668,000
Accounts payable	12,232
Claims payable	100,000
Net cash provided by operating activities	$ 888,704

The accompanying notes are an integral part of this statement.

Fayette County Board of Education
Fiduciary Funds

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2013

	David Phillips Memorial Private-Purpose Trust Fund	Agency Fund Club and Class Funds
ASSETS		
Cash	$ -	$ 1,491,665
Investments	9,934	-
Total assets	9,934	1,491,665
LIABILITIES		
Due to student groups	-	1,491,665
NET POSITION		
Restricted for scholarships	$ 9,934	$ -

The accompanying notes are an integral part of this statement.

Fayette County Board of Education
Fiduciary Funds

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended June 30, 2013

	David Phillips Memorial Private-Purpose Trust Fund
ADDITIONS	
Donations	$ 715
Interest	16
Total additions	731
DEDUCTIONS	
Other support services	800
Change in net position	(69)
NET POSITION, beginning of year	10,003
NET POSITION, end of year	$ 9,934

The accompanying notes are an integral part of this statement.



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Fayette County Board of Education

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Description of System-wide Financial Statements

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

2. Reporting Entity

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

3. Basis of Presentation – System-wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the system-wide financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

4. Basis of Presentation – Fund Financial Statements

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

The School System reports the following major governmental funds:

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

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

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

The School System does not report any enterprise funds.

Additionally, the School System reports the following fund types:

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

4. Basis of Presentation – Fund Financial Statements - continued

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

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

The *private-purpose trust fund* accounts for resources devoted to the presentation of a scholarship 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.

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

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

5. Measurement Focus and Basis of Accounting

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

5. Measurement Focus and Basis of Accounting - continued

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School System considers revenues to be available if they are collected 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, grant revenue, state QBE ("Quality Basic Education") revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Expenditure-driven grant are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met.

The State of Georgia ("the State") reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State reimburses the School System over the same twelve month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State has a signed appropriation that includes this final amount, which represents the State's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilized the accrual basis of accounting for reporting its assets and liabilities.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

6. Cash and Cash Equivalents

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

7. Investments

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

8. Inventories and Prepaid Items

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

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items using the consumption method by recording as asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed rather than when purchased.

9. Capital Assets

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

9. Capital Assets- continued

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

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

10. Compensated Absences

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

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

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School System did not have any items that qualify for reporting in this category for the year ended June 30, 2013.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

12. Fund Balance Policy and Flow Assumptions

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

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

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

Other categories of fund balance are:

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

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

Unassigned: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the criterion to be classified as nonspendable, restricted, committed or assigned.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

13. Net Position Flow Assumptions

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

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

14. Program Revenues

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

15. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – continued

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

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

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

(a) State revenue relating to Quality Basic Education expenditures is recorded when received (budget) rather than when susceptible to accrual (USGAAP).

(b) Payments made by the State of Georgia for School System employee benefits are recognized as revenues and expenditures under USGAAP and are not recognized on the budget basis.

(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	$	(1,726,509)
Adjustments for:		
State QBE revenue		(356,824)
State paid employee benefit revenue		(451,377)
State paid employee benefit expenditures		451,377
Budget Basis Net Change in Fund Balances	$	(2,083,333)

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

At June 30, 2013, the School System had the following investments:

Investment Type	Maturities	Rating	Fair Value
Georgia Fund 1	43 day weighted average	AAAf	$ 61,931,696
Money market mutual funds	N/A	N/A	9,283
Certificates of deposit	11.0 month weighted average	N/A	60,504
			$ 62,001,483

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 the State Treasurer is the regulatory oversight agency for Georgia Fund 1. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Pooled cash and cash equivalents and investments are reported at 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.

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

NOTE C – DEPOSTS AND INVESTMENTS - continued

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of failure of a depository financial institution or of counterparties to investment transactions, the School System will not be able to recover deposits, investments or collateral securities that are in the possession of an outside party. The School System follows Georgia state law which requires bank balances to be covered by federal deposit insurance or by collateral held by the School System's agent in the School System's name. As of June 30, 2013, the School System was not exposed to custodial credit risk for investments. The School System does not have a policy for custodial credit risk beyond the requirements of Georgia state law.

NOTE D – DUE FROM OTHER GOVERNMENTS

Due from other governments consists of grant reimbursements due primarily from the Georgia Department of Education.

NOTE E – TAXES RECEIVABLE

Property taxes were levied on September 1, 2012, based on property values assessed as of January 1, 2012, and were considered past due if not paid on or before November 15, 2012, 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 2012 were levied at 20.00 mills for operations and 1.45 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 $81,215,401 for maintenance and operations and $5,956,742 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 tax revenues, at the fund reporting level, amounted to $19,968,392 as of June 30, 2013.

NOTE E – TAXES RECEIVABLE - continued

At June 30, 2013, taxes receivable, at the fund reporting level, consisted of the following:

- $1,672,230 (net of $861,452 in allowances for doubtful accounts) in delinquent property taxes receivable was recognized as receivable and as deferred revenue,
- $1,123,913 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,
- $1,741,951 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 $409,147 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, 2013, interfund receivables and payables consisted of the following:

	RECEIVABLE FUNDS		
	General Fund	SPLOST	Total
PAYABLE FUNDS			
General Fund	$ -	$ 31,369	$ 31,369
Debt Service	32,597		32,597
Non-Major Funds:			
Nutrition Service	13,020	-	13,020
Title I	100,075	-	100,075
IDEA	21,657	-	21,657
Vocational Grants	49,190	-	49,190
Title II	33,049	-	33,049
Title III	19,800	-	19,800
Building Connections	31,692	-	31,692
Family Connections	8,461	-	8,461
	$ 309,541	$ 31,369	$ 340,910

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, 2013:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Capital assets, not being depreciated					
Land	$ 15,431,494	$ -	$ -	$ -	$ 15,431,494
Construction in progress	37,610	599,188	-	(60,353)	576,445
Total capital assets, not being depreciated	15,469,104	599,188	-	(60,353)	16,007,939
Capital asset, being depreciated					
Buildings and improvements	331,606,878	-	-		331,606,878
Autos and trucks	19,629,915	2,850,210	(2,728,914)	-	19,751,211
Other equipment	24,738,311	2,003,767	-	60,353	26,802,431
Total capital assets, being depreciated	375,975,104	4,853,977	(2,728,914)	60,353	378,160,520
Less accumulated depreciation for:					
Buildings and improvements	(113,119,989)	(6,837,763)	-	-	(119,957,752)
Autos and trucks	(12,380,703)	(1,260,732)	2,728,914	-	(10,912,521)
Other equipment	(15,899,151)	(1,956,872)	-	-	(17,856,023)
Total accumulated depreciation	(141,399,843)	(10,055,367)	2,728,914	-	(148,726,296)
Total capital assets being depreciated, net	234,575,261	(5,201,390)	-	60,353	229,434,224
Governmental activities capital assets, net	$ 250,044,365	$ (4,602,202)	$ -	$ -	$ 245,442,163

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

Instruction	$ 6,616,068
Support services	
Pupil services	1,577
Improvement of instructional services	190,604
Educational media services	215,752
General administration	34,939
School administration	526,381
Business administration	5,763
Maintenance and operations of facilities	64,028
Student transportation services	1,205,889
Central support services	305,267
Community service	18,582
Food services	870,517
Total depreciation	$ 10,055,367

NOTE G – CAPITAL ASSETS – continued

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

	Building and Improvements
Cost	$ 1,033,630
Accumulated Depreciation	(275,567)
Net Book Value	$ 758,063

NOTE H – LEASE OBLIGATIONS

Capital Leases

The School System has entered into various lease agreements for the acquisition of 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.

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, 2013:

Total minimum lease payments payable in 2014	$	782,715
Less: Amount representing interest		(18,960)
Present value of future minimum lease payments	$	763,755

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 Obligation Bonds (1999 Series).

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.

NOTE I – LONG-TERM DEBT – continued

General Obligation Bonds - continued

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.

General obligation bonds consist of the following as of June 30, 2013:

Series	Coupon Rate	Maturities	Balance
2005	3.65% to 4.50%	2010 to 2025	$ 29,517,739
2007	3.50% to 5.00%	2011 to 2027	26,850,000
2009	2.50% to 5.00%	2010 to 2015	9,040,000
			$ 65,407,739

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

	Principal	Interest	Total
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	3,647,394	3,125,077	6,772,471
2018	3,847,753	2,978,300	6,826,053
2019-2023	22,738,365	12,299,281	35,037,646
2024-2027	16,250,634	3,774,170	20,024,804
Total	$ 65,407,739	$ 32,917,354	$ 98,325,093

NOTE I – LONG-TERM DEBT – continued

Certificates of Participation

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 similar to 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 following is a schedule of the future minimum lease payments under these certificates of participation, and the present value of the net minimum lease payments at June 30, 2013:

Total minimum lease payments payable in 2014	$	477,750
Less: Amount representing interest		(22,750)
Present value of future minimum lease payments	$	455,000

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	$ 72,691,588	$ -	$ (7,283,849)	$ 65,407,739	$ 7,583,118
Less discount on issuance of bonds	(64,544)	-	5,096	(59,448)	-
Plus premium on issuance of bonds	1,404,514	-	(289,035)	1,115,479	-
Total bonds payable	74,031,558	-	(7,567,788)	66,463,730	7,583,118
Certificates of participation	890,000	-	(435,000)	455,000	455,000
Capital leases payable	2,860,622	-	(2,096,867)	763,755	763,755
Claims payable	615,000	583,763	(483,763)	715,000	200,000
Accrued compensated absences payable	1,867,402	950,700	(1,295,860)	1,522,242	209,200
	$ 80,264,582	$ 1,534,463	$ (11,879,278)	$ 69,919,767	$ 9,211,073

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	$	4,788
Nonmajor Special Revenue Funds:		
School Nutrition Service Fund inventory		192,252
Total Nonspendable Fund Balance	$	197,040

Restricted – The following balances are restricted for:

Debt Service Fund: used to account for debt service payments on general obligation debt	$	3,987,114
Capital Projects-SPLOST Fund: used to account for capital projects financed with SPLOST		34,102,133
Nonmajor Special Revenue Funds:		
School Nutrition Services Fund – used to account for activity of the school lunch program		1,490,696
Friends Mentoring Program Fund– used to account for proceeds of grant from Department of Human Resources		19,804
Other Grants Fund– used to account for various grant awards		3,221
Nonmajor Capital Project Funds:		
Bond 2007 Fund– used to account for capital projects financed with proceeds of the 2007 bond referendum		2,043,494
Total Restricted Fund Balance	$	41,646,462

NOTE J - FUND BALANCES - continued

Committed - The following fund balances are committed to:

General Fund : to account for a portion of net eRate receipts set aside by the Board to be used on technology infrastucture	$	580,481
Nonmajor Special Revenue Funds:		
Community Education Fund – used to account for the activities of community school programs		1,015,678
After School Program Fund – used to account for the activities of after school programs		923,831
Donations Fund – used to account for resources provided by donations		67,930
Auditorium Rentals Fund – used to account for resources generated by auditorium facility rentals		41,236
Principals' Fund – used to account for resources generated by schools for various school activities and needs		1,174,344
Total Committed Fund Balance	$	3,803,500

Assigned – The following fund balances are assigned to:

Nonmajor Special Revenue Funds:		
Community Education Fund – to account for a portion of the year end fund balance which is appropriated in the subsequent year's budget	$	81,950
Nonmajor Capital Project Funds:		
Regular Capital Project Fund – to account for amounts intended to be spent on capital outlay		1,024,071
Total Assigned Fund Balance	$	1,106,021

NOTE K – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2013 consisted of the following amounts:

	TRANSFERS OUT		
	Major Funds		
	General Fund	SPLOST	Total
TRANSFERS IN			
Debt Service Fund	$ -	$ 5,219,692	$ 5,219,692
Non-Major Funds:			
JR ROTC	184,552	-	184,552
Lottery	108,025	-	108,025
	$ 292,577	$ 5,219,692	$ 5,512,269

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, $5,219,692 of SPLOST receipts was transferred to the Debt Service Fund in order to make these debt service payments.

The General Fund provides funding for various programs accounted for in 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 $10,000 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. There has been no significant reduction in insurance coverage from the coverage maintained in the prior year. Additionally, there were no settlements in excess of the insurance coverage in any of the past three years.

NOTE L – RISK MANAGEMENT – continued

Risk Pool - continued

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

Workers' Compensation Claims

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

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

Year Ended June 30,	Beginning of Year Liability	Current Year Claims Accrual	Claims Paid	End of Year Liability
2013	$ 615,000	$ 583,763	$ 483,763	$ 715,000
2012	$ 615,000	$ 454,022	$ 454,022	$ 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
2013	$ -	$ 949	$ 949	$ -
2012	$ -	$ 20,189	$ 20,189	$ -

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 Teachers' Retirement System (TRS)	$	184,833
Office of Treasury and Fiscal Services		
Paid to the Public School Employees' Retirement System (PSERS)		266,544
	$	451,377

NOTE N – RETIREMENT PLANS

Teachers Retirement System (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 defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits to qualifying employees in educational service. A Board of Trustees comprised of active and retired members and ex-officio state employees is ultimately responsible for the administration of TRS. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained from the Teachers Retirement System of Georgia at Two Northside 75, Suite 100, Atlanta, Georgia 30318.

On October 25, 1996, the Board created the Supplemental Retirement Benefits Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRBP-TRS was established as a qualified excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRBP-TRS whenever their benefits under TRS exceed the IRC 415 imposed limitations on benefits.

TRS provides service retirement, disability retirement and survivor's benefits for its members. The benefit structure of TRS is defined and may be amended by state statute. 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. Normal 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. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60, or 7% for each year or fraction of a year by which the member has less than 30 years of creditable service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, will be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit.

NOTE N – RETIREMENT PLANS – continued

Teachers Retirement System (TRS) - continued

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.

Funding Policy. TRS is funded by member and employer contributions as adopted and amended by the TRS Board of Trustees. Member contributions are limited by state law to not less than 5% or more than 6% of a member's earnable compensation. Required member contributions were 6% of annual salary for the fiscal year ended June 30, 2013 (5.53% in 2012 and 5.25% in 2011). The member contribution rate will remain the same effective July 1, 2013. The employer contribution rate was 11.41% for fiscal year ending June 30, 2013 and 10.28% for fiscal years ending June 30, 2012 and 2011. The employer contribution rate will increase to 12.28% effective July 1, 2013.

The School System's actual and required contributions to TRS for the years ending June 30, 2013, 2012, and 2011 were approximately $12,523,180, $11,903,726, and $11,539,365, respectively.

Public School Employees' Retirement System (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 defined benefit plan. PSERS is administered by a Board of Trustees under the authority of the Employees' Retirement System of Georgia. PSERS issues an annual financial report that includes financial statements and required supplementary information and a copy can be obtained from the Employees' Retirement System of Georgia at Two Northside 75, Suite 299, Atlanta, Georgia 30318.

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.

NOTE N – RETIREMENT PLANS – continued

Public School Employees' Retirement System (PSERS)- continued

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.

Funding Policy. Covered employees are required by state statute to contribute $4.00 a month for the nine-month school year. Beginning in June 2013, the required contribution for employees entering the plan increased to $10.00 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. A total required and actual contribution from the State of Georgia to PSERS for the School System was approximately $266,500. $168,700, and $81,000, for the years ended June 30, 2013, 2012, and 2011, respectively.

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, 2013, there were 1,003 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, 2013, the School System's contribution to the Plan was approximately $136,000.

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 beneficiaries through the State Employees Health Insurance Plan administered by the Department of Community Health. The Official Code of Georgia Annotated ("O.C.G.A.") assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health. The Department of Community Health, which includes the School OPEB Fund, issues a separate stand alone financial audit report. A copy can be obtained from the Georgia Department of Audits and Accounts.

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

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

NOTE O – POSTEMPLOYMENT BENEFITS – continued

The combined active and retiree contribution rates established by the Board of Community Health for employers participating in the School OPEB Fund are as follows for the fiscal year ended June 30, 2013:

Employee Group	Months Paid	Rate per Month	Coverage Period
Certificated (teachers)	July 2012 – February 2013	$912.34	August 2012 – March 2013
Certificated (teachers)	March 2013 – June 2013	$937.34	April 2013 – July 2013
Non-certificated	July 2012 – June 2012	$446.20	August 2013 – July 2013

No additional contribution was required by the Board of Community Health for fiscal year 2013 nor was contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board of Community Health in accordance with the state plan for other postemployment benefits and are subject to appropriation.

The School System's combined active and retiree contributions to the health insurance plans, which equaled the required contribution, for the fiscal years ended June 30, 2013, 2012 and 2011 was approximately $18,423,034, $19,939,016, and $18,973,647, respectively. Additionally, the School System paid supplemental amount towards the employee portion of coverage of approximately $2,031,459 and $2,034,319 for the years ended June 30, 2012 and 2011. No supplemental amounts were paid during fiscal year 2013. 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 $351,000 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 $921,000 remains to be paid on these contracts.

Grant Programs

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

Litigation

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

NOTE R – NEW ACCOUNTING PRONOUNCEMENTS

Effective July 1, 2012, the School System implemented the provisions of Governmental Accounting Standards Board ("GASB") Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. These new standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in the statement of net position.

NOTE S – RESTATEMENT OF NET POSITION

In conjunction with the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the School System is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than capitalized and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods.

Therefore, the following restatements were required to the beginning net position of the governmental activities to properly recognize debt issuance costs as expenses in the periods in which they were incurred:

Net position, governmental activities, previously reported	$ 219,661,777
Recognition of issuance costs incurred in prior periods	(263,927)
Beginning net position, governmental activities, restated	$ 219,397,850

NOTE T – SUBSEQUENT EVENTS

Subsequent to year end, the School System issued $53,240,000 in General Obligation Bonds (Series 2013) to advance refund a portion of its outstanding Series 2005 General Obligation Bonds and a portion of its outstanding Series 2007 General Obligation Bonds. The net proceeds of $52,901,111 (after payment of $338,889 in underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payements beginning in 2017 on the Series 2005 Bonds and future debt service payments beginning in 2018 through a portion of 2026 on the Series 2007 Bonds.

Additionally, subsequent to year end, the School System sold an unoccupied elementary school facility for approximately $5,170,000. The net book value of this facility was $11,088,000 at June 30, 2013. The proceeds of the sale were placed in escrow to defease the principal and interest payments of the Series 2007 Bonds due in 2026 and 2027 remaining after the transaction to advance refund the debt with the issuance of the Series 2013 Bonds.

Taken together, these two transactions reduced the School System's total debt service payments over the next fifteen years by approximately $9,720,000, with an economic gain (the difference between the present values of the debt service payments on the old and the new debt) of approximately $7,205,000.



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

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

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

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

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

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

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

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

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.

NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED

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. Capital projects may be financed by the sale of bonds, state or federal grants, special tax levies, or transfers of resources from other funds. The following capital projects funds are used by the School System:

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

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

Fayette County Board of Education

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2013

	Special Revenue Funds	Capital Project Funds	Total Non-Major Funds
ASSETS			
Cash	$ 5,520,357	$ 931,754	$ 6,452,111
Investments	66,233	2,135,811	2,202,044
Due from other governments	631,965	-	631,965
Inventory	192,252	-	192,252
Total assets	$ 6,410,807	$ 3,067,565	$ 9,478,372
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 23	$ -	$ 23
Salaries payable	1,122,898	-	1,122,898
Due to other funds	276,944	-	276,944
Total liabilities	1,399,865	-	1,399,865
Fund balances			
Nonspendable	192,252	-	192,252
Restricted	1,513,721	2,043,494	3,557,215
Committed	3,223,019	-	3,223,019
Assigned	81,950	1,024,071	1,106,021
Total fund balances	5,010,942	3,067,565	8,078,507
Total liabilities and fund balances	$ 6,410,807	$ 3,067,565	$ 9,478,372

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, 2013

	Special Revenue Funds	Capital Project Funds	Total Non-Major Funds
Revenues			
State funds	$ 912,137	$ -	$ 912,137
Federal funds	7,768,761	-	7,768,761
Local and other funds	7,598,091	3,494	7,601,585
Total revenues	16,278,989	3,494	16,282,483
Expenditures			
Current			
Instruction	4,677,213	-	4,677,213
Support services			
Pupil services	1,010,126	-	1,010,126
Improvement of instructional services	782,235	-	782,235
Educational media services	86,244	-	86,244
General administration	258,477	-	258,477
School administration	345,027	-	345,027
Maintenance and operation of facilities	89,829	-	89,829
Student transportation services	175,116	-	175,116
Other support services	149,166	-	149,166
Community service	2,297,083	-	2,297,083
Food services	6,651,165	-	6,651,165
Capital outlay	-	1,004,475	1,004,475
Total expenditures	16,521,681	1,004,475	17,526,156
Deficiency of revenues over expenditures	(242,692)	(1,000,981)	(1,243,673)
Other financing sources			
Transfers in	292,577	-	292,577
Total other financing sources	292,577	-	292,577
Net change in fund balances	49,885	(1,000,981)	(951,096)
Fund balances, beginning of year	4,961,057	4,068,546	9,029,603
Fund balances, end of year	$ 5,010,942	$ 3,067,565	$ 8,078,507

Fayette County Board of Education

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

June 30, 2013

	School Nutrition Service	Title I	IDEA	Vocational Grants
ASSETS				
Cash	$ 1,957,493	$ -	$ -	$ -
Investments	-	-	-	-
Due from other governments	-	100,075	318,305	49,190
Inventory	192,252	-	-	-
Total assets	$ 2,149,745	$ 100,075	$ 318,305	$ 49,190
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Salaries payable	453,777	-	296,648	-
Due to other funds	13,020	100,075	21,657	49,190
Total liabilities	466,797	100,075	318,305	49,190
Fund balances				
Nonspendable	192,252	-	-	-
Restricted	1,490,696	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	1,682,948	-	-	-
Total liabilities and fund balances	$ 2,149,745	$ 100,075	$ 318,305	$ 49,190

Title II	Title III	JR ROTC	Building Connections	Lottery
$ -	$ -	$ 27,241	$ -	$ 128,061
-	-	-	-	-
90,731	26,531	6,980	31,692	-
-	-	-	-	-
$ 90,731	$ 26,531	$ 34,221	$ 31,692	$ 128,061
$ -	$ 23	$ -	$ -	$ -
57,682	6,708	34,221	-	128,061
33,049	19,800	-	31,692	-
90,731	26,531	34,221	31,692	128,061
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 90,731	$ 26,531	$ 34,221	$ 31,692	$ 128,061

continued

Fayette County Board of Education

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

June 30, 2013

	Friends Mentoring Program	DHR Family Connections	Other Grants	Community Education
ASSETS				
Cash	$ 19,804	$ -	$ 3,221	$ 1,097,628
Investments	-	-	-	-
Due from other governments	-	8,461	-	-
Inventory	-	-	-	-
Total assets	$ 19,804	$ 8,461	$ 3,221	$ 1,097,628
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Salaries payable	-	-	-	-
Due to other funds	-	8,461	-	-
Total liabilities	-	8,461	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	19,804	-	3,221	-
Committed	-	-	-	1,015,678
Assigned	-	-	-	81,950
Total fund balances	19,804	-	3,221	1,097,628
Total liabilities and fund balances	$ 19,804	$ 8,461	$ 3,221	$ 1,097,628

After School Program	Donation Funds	Auditorium Rentals	Principals' Fund	Total
$ 1,069,632	$ 62,201	$ 41,236	$ 1,113,840	$ 5,520,357
-	5,729	-	60,504	66,233
-	-	-	-	631,965
-	-	-	-	192,252
$ 1,069,632	$ 67,930	$ 41,236	$ 1,174,344	$ 6,410,807
$ -	$ -	$ -	$ -	$ 23
145,801	-	-	-	1,122,898
-	-	-	-	276,944
145,801	-	-	-	1,399,865
-	-	-	-	192,252
-	-	-	-	1,513,721
923,831	67,930	41,236	1,174,344	3,223,019
-	-	-	-	81,950
923,831	67,930	41,236	1,174,344	5,010,942
$ 1,069,632	$ 67,930	$ 41,236	$ 1,174,344	$ 6,410,807

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, 2013

	School Nutrition Service	Title I	IDEA	Vocational Grants
Revenues				
State funds	$ 182,996	$ -	$ -	$ -
Federal funds	2,719,955	1,251,934	2,934,005	108,285
Local and other funds	3,624,443	-	-	-
Total revenues	6,527,394	1,251,934	2,934,005	108,285
Expenditures				
Current				
Instruction	-	717,886	1,824,635	78,055
Support services				
Pupil services	-	-	990,297	-
Improvement of instructional services	-	161,108	1,835	30,230
Educational media services	-	-	-	-
General administration	-	145,462	108,328	-
School administration	-	52	-	-
Maintenance and operation of facilities	-	352	-	-
Student transportation services	-	78,023	8,910	-
Other support services	-	149,051	-	-
Community service	-	-	-	-
Food services	6,651,165	-	-	-
Total expenditures	6,651,165	1,251,934	2,934,005	108,285
Excess (deficiency) of revenues over (under) expenditures	(123,771)	-	-	-
Other financing sources				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(123,771)	-	-	-
Fund balances, beginning of year	1,806,719	-	-	-
Fund balances, end of year	$ 1,682,948	$ -	$ -	$ -

Title II	Title III	JR ROTC	Building Connections	Lottery
$ -	$ -	$ -	$ -	$ 684,141
349,731	81,031	127,762	196,058	-
-	-	-	-	-
349,731	81,031	127,762	196,058	684,141
-	17,542	312,314	-	787,479
-	19,829	-	-	-
349,731	41,721	-	196,058	-
-	-	-	-	-
-	-	-	-	4,687
-	-	-	-	-
-	-	-	-	-
-	1,939	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
349,731	81,031	312,314	196,058	792,166
-	-	(184,552)	-	(108,025)
-	-	184,552	-	108,025
-	-	184,552	-	108,025
-	-	-	-	-
-	-	-	-	-
$ -	$ -	$ -	$ -	$ -

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, 2013

	Friends Mentoring Program	DHR Family Connections	Other Grants	Community Education
Revenues				
State funds	$ -	$ 45,000	$ -	$ -
Federal funds	-	-	-	-
Local and other funds	1,300	-	495	417,996
Total revenues	1,300	45,000	495	417,996
Expenditures				
Current				
Instruction	-	-	457	-
Support services				
Pupil services	-	-	-	-
Improvement of instructional services	-	-	-	-
Educational media services	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Maintenance and operation of facilities	-	-	-	3,233
Student transportation services	-	-	-	
Other support services	-	-	-	-
Community service	431	45,000	1,556	325,886
Food services	-	-	-	-
Total expenditures	431	45,000	2,013	329,119
Excess (deficiency) of revenues over (under) expenditures	869	-	(1,518)	88,877
Other financing sources				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	869	-	(1,518)	88,877
Fund balances, beginning of year	18,935	-	4,739	1,008,751
Fund balances, end of year	$ 19,804	$ -	$ 3,221	$ 1,097,628

After School Program	Donation Funds	Auditorium Rentals	Principals' Fund	Total
$ -	$ -	$ -	$ -	$ 912,137
-	-	-	-	7,768,761
1,771,820	40,107	11,381	1,730,549	7,598,091
1,771,820	40,107	11,381	1,730,549	16,278,989
-	-	-	938,845	4,677,213
-	-	-	-	1,010,126
-	1,552	-	-	782,235
-	-	-	86,244	86,244
-	-	-	-	258,477
-	-	-	344,975	345,027
-	-	-	86,244	89,829
-	-	-	86,244	175,116
-	115	-	-	149,166
1,593,304	49,513	22,662	258,731	2,297,083
-	-	-	-	6,651,165
1,593,304	51,180	22,662	1,801,283	16,521,681
178,516	(11,073)	(11,281)	(70,734)	(242,692)
-	-	-	-	292,577
-	-	-	-	292,577
178,516	(11,073)	(11,281)	(70,734)	49,885
745,315	79,003	52,517	1,245,078	4,961,057
$ 923,831	$ 67,930	$ 41,236	$ 1,174,344	$ 5,010,942

Fayette County Board of Education

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
Capital Project Funds

June 30, 2013

	Regular	Bond 2007	Total
ASSETS			
Cash	$ 912,635	$ 19,119	$ 931,754
Investments	111,436	2,024,375	2,135,811
Total assets	$ 1,024,071	$ 2,043,494	$ 3,067,565
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ -	$ -	$ -
Total liabilities	-	-	-
Fund balances			
Restricted	-	2,043,494	2,043,494
Assigned	1,024,071	-	1,024,071
Total fund balances	1,024,071	2,043,494	3,067,565
Total liabilities and fund balances	$ 1,024,071	$ 2,043,494	$ 3,067,565

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, 2013

	Regular	Bond 2007	Total
Revenues			
Local and other funds	$ 463	$ 3,031	$ 3,494
Total revenues	463	3,031	3,494
Expenditures			
Capital outlay	-	1,004,475	1,004,475
Total expenditures	-	1,004,475	1,004,475
Net change in fund balances	463	(1,001,444)	(1,000,981)
Fund balances, beginning of year	1,023,608	3,044,938	4,068,546
Fund balances, end of year	$ 1,024,071	$ 2,043,494	$ 3,067,565

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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
State funds	$ 185,000	$ 185,000	$ 182,996	$ (2,004)
Federal funds	2,391,000	2,391,000	2,719,955	328,955
Local and other funds	4,025,000	4,025,000	3,624,443	(400,557)
Total revenues	6,601,000	6,601,000	6,527,394	(73,606)
Expenditures				
Current				
Food services	7,085,500	7,085,500	6,651,165	434,335
Total expenditures	7,085,500	7,085,500	6,651,165	434,335
Net change in fund balances	$ (484,500)	$ (484,500)	$ (123,771)	$ 360,729

Fayette County Board of Education

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

For the year ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 1,484,610	$ 1,623,094	$ 1,251,934	$ (371,160)
Total revenues	1,484,610	1,623,094	1,251,934	(371,160)
Expenditures				
Current				
Instruction	865,507	828,390	717,886	110,504
Support services				
Pupil services	5,124	5,520	-	5,520
Improvement of instructional services	211,520	292,310	161,108	131,202
General administration	167,611	251,442	145,462	105,980
School administration	50	52	52	-
Maintenance and operation of facilities	-	600	352	248
Student transportation services	80,126	86,618	78,023	8,595
Other support services	154,672	158,162	149,051	9,111
Total expenditures	1,484,610	1,623,094	1,251,934	371,160
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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 4,218,229	$ 4,192,849	$ 2,934,005	$ (1,258,844)
Total revenues	4,218,229	4,192,849	2,934,005	(1,258,844)
Expenditures				
Current				
Instruction	2,734,381	2,472,977	1,824,635	648,342
Support services				
Pupil services	1,359,448	1,555,464	990,297	565,167
Improvement of instructional services	1,900	1,920	1,835	85
General administration	98,700	122,488	108,328	14,160
Student transportation services	23,800	40,000	8,910	31,090
Total expenditures	4,218,229	4,192,849	2,934,005	1,258,844
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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 88,382	$ 109,641	$ 108,285	$ (1,356)
Total revenues	88,382	109,641	108,285	(1,356)
Expenditures				
Current				
Instruction	43,882	50,020	78,055	(28,035)
Support services				
Improvement of instructional services	44,500	59,621	30,230	29,391
Total expenditures	88,382	109,641	108,285	1,356
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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 338,727	$ 387,522	$ 349,731	$ (37,791)
Total revenues	338,727	387,522	349,731	(37,791)
Expenditures				
Current				
Support services				
Improvement of instructional services	338,727	387,522	349,731	37,791
Total expenditures	338,727	387,522	349,731	37,791
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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 82,358	$ 96,059	$ 81,031	$ (15,028)
Total revenues	82,358	96,059	81,031	(15,028)
Expenditures				
Current				
Instruction	13,900	18,910	17,542	1,368
Support services				
Pupil services	64,509	21,730	19,829	1,901
Improvement of instructional services	1,796	52,727	41,721	11,006
Student transportation services	2,153	2,692	1,939	753
Total expenditures	82,358	96,059	81,031	15,028
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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 140,000	$ 140,000	$ 127,762	$ (12,238)
Total revenues	140,000	140,000	127,762	(12,238)
Expenditures				
Current				
Instruction	405,000	405,000	312,314	92,686
Total expenditures	405,000	405,000	312,314	92,686
Deficiency of revenues under expenditures	(265,000)	(265,000)	(184,552)	80,448
Other financing sources				
Transfers in	265,000	265,000	184,552	(80,448)
Total other financing sources	265,000	265,000	184,552	(80,448)
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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal funds	$ 387,600	$ 387,600	$ 196,058	$ (191,542)
Total revenues	387,600	387,600	196,058	(191,542)
Expenditures				
Current				
Support services				
Improvement of instructional services	387,600	387,600	196,058	191,542
Total expenditures	387,600	387,600	196,058	191,542
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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
State funds	$ 675,000	$ 675,000	$ 684,141	$ 9,141
Total revenues	675,000	675,000	684,141	9,141
Expenditures				
Current				
Instruction	800,000	800,000	787,479	12,521
Support services				
General administration	-	-	4,687	(4,687)
Total expenditures	800,000	800,000	792,166	7,834
Deficiency of revenues under expenditures	(125,000)	(125,000)	(108,025)	16,975
Other financing sources				
Transfers in	125,000	125,000	108,025	(16,975)
Total other financing sources	125,000	125,000	108,025	(16,975)
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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 5,000	$ 5,000	$ 1,300	$ (3,700)
Total revenues	5,000	5,000	1,300	(3,700)
Expenditures				
Current				
Support services				
Other support services	5,000	5,000	431	4,569
Total expenditures	5,000	5,000	431	4,569
Net change in fund balances	$ -	$ -	$ 869	$ 869

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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
State funds	$ 44,000	$ 44,000	$ 45,000	$ 1,000
Total revenues	44,000	44,000	45,000	1,000
Expenditures				
Community service	44,000	44,000	45,000	(1,000)
Total expenditures	44,000	44,000	45,000	(1,000)
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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 5,000	$ 5,000	$ 495	$ (4,505)
Total revenues	5,000	5,000	495	(4,505)
Expenditures				
Current				
Instruction	-	-	457	(457)
Community service	5,000	5,000	1,556	3,444
Total expenditures	5,000	5,000	2,013	2,987
Net change in fund balances	$ -	$ -	$ (1,518)	$ (1,518)

Fayette County Board of Education

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

For the year ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 360,000	$ 360,000	$ 417,996	$ 57,996
Total revenues	360,000	360,000	417,996	57,996
Expenditures				
Current				
Support services				
Maintenance and operation of facilities	-	-	3,233	(3,233)
Community service	363,591	363,591	325,886	37,705
Total expenditures	363,591	363,591	329,119	34,472
Excess (defieciency) of revenues over (under) expenditures	(3,591)	(3,591)	88,877	92,468
Other financing uses				
Transfers out	(500,000)	(500,000)	-	500,000
Total other financing uses	(500,000)	(500,000)	-	500,000
Net change in fund balances	$ (503,591)	$ (503,591)	$ 88,877	$ 592,468

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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 1,723,830	$ 1,723,830	$ 1,771,820	$ 47,990
Total revenues	1,723,830	1,723,830	1,771,820	47,990
Expenditures				
Current				
Community service	1,723,830	1,723,830	1,593,304	130,526
Total expenditures	1,723,830	1,723,830	1,593,304	130,526
Net change in fund balances	$ -	$ -	$ 178,516	$ 178,516

Fayette County Board of Education

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

For the year ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 30,000	$ 30,000	$ 40,107	$ 10,107
Total revenues	30,000	30,000	40,107	10,107
Expenditures				
Current				
Support services				
Improvement of instructional services	-	-	1,552	(1,552)
Other support services	-	-	115	(115)
Community service	30,000	30,000	49,513	(19,513)
Total expenditures	30,000	30,000	51,180	(21,180)
Net change in fund balances	$ -	$ -	$ (11,073)	$ (11,073)

Fayette County Board of Education

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

For the year ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 5,000	$ 5,000	$ 11,381	$ 6,381
Total revenues	5,000	5,000	11,381	6,381
Expenditures				
Current				
Community service	5,000	5,000	22,662	(17,662)
Total expenditures	5,000	5,000	22,662	(17,662)
Net change in fund balances	$ -	$ -	$ (11,281)	$ (11,281)

Fayette County Board of Education

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

For the year ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 2,600,000	$ 2,600,000	$ 1,730,549	$ (869,451)
Total revenues	2,600,000	2,600,000	1,730,549	(869,451)
Expenditures				
Current				
Instruction	-	-	938,845	(938,845)
Support services				
Educational media services	-	-	86,244	(86,244)
School administration	-	-	344,975	(344,975)
Maintenance and operation of facilities	-	-	86,244	(86,244)
Student transportation services	-	-	86,244	(86,244)
Other support services	2,600,000	2,600,000	-	2,600,000
Community service	-	-	258,731	(258,731)
Total expenditures	2,600,000	2,600,000	1,801,283	798,717
Net change in fund balances	$ -	$ -	$ (70,734)	$ (70,734)

Fayette County Board of Education

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

For the year ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local and other funds	$ 5,705,000	$ 5,705,000	$ 5,967,618	$ 262,618
Total revenues	5,705,000	5,705,000	5,967,618	262,618
Expenditures				
Debt services				
Principal retirement	7,283,849	7,283,849	7,283,849	-
Interest and fees	4,183,843	4,183,843	4,180,093	3,750
Total expenditures	11,467,692	11,467,692	11,463,942	3,750
Deficiency of revenues under expenditures	(5,762,692)	(5,762,692)	(5,496,324)	266,368
Other financing sources				
Transfers in	5,219,692	5,219,692	5,219,692	-
Total other financing sources	5,219,692	5,219,692	5,219,692	-
Net change in fund balances	$ (543,000)	$ (543,000)	$ (276,632)	$ 266,368

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, 2013

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash	$ 1,533,935	$ 4,887,218	$ 4,929,488	$ 1,491,665
LIABILITIES				
Due to student groups	$ 1,533,935	$ 4,887,218	$ 4,929,488	$ 1,491,665



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ADDITIONAL FINANCIAL INFORMATION

FAYETTE COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE
FOR THE YEAR ENDED JUNE 30, 2013

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	$ 28,600,000	$ 12,215,702	$ 5,219,692
Additions, renovations, repairs, improvements and equipment for existing school buildings and school system facilities	17,000,000	14,800,000	2,037,304	1,169,734
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	19,960,411	4,064,741
Acquisition of textbooks	2,500,000	2,750,000	2,032,918	516,304
Acquisition of school buses and transportation and maintenance equipment	10,000,000	8,800,000	4,437,652	2,586,086
	$ 115,000,000	$ 95,330,000	$ 40,683,987	$ 13,556,557

FAYETTE COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES BY OBJECT
LOTTERY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2013

Expenditures		
Operating costs		
Salaries	$	585,284
Employee benefits		196,369
Supplies and materials		3,844
Supplies and materials related to technology		1,097
Expendable equipment		1,639
Expendable computer equipment		3,424
Books and periodicals		509
Total expenditures	$	792,166

FAYETTE COUNTY BOARD OF EDUCATION

QUALITY BASIC EDUCATION PROGRAM
EARNINGS AND EXPENDITURES - BY PROGRAM
YEAR ENDED JUNE 30, 2013

Description	Allotments from Georgia Department of Education (1) (2)	Actual State Funded Expenditures		
		Salaries	Operations	Total
Kindergarten Program	$ 5,997,228	$ 6,367,583	$ 37,838	$ 6,405,421
Kindergarten Program-Early Intervention Program	783,448	-	363	363
Primary Grades (1-3) Program	16,383,533	17,007,313	92,623	17,099,936
Primary Grades-Early Intervention (1-3) Program	1,310,237	2,136,698	3,622	2,140,320
Upper Elementary Grades (4-5) Program	8,520,941	10,651,799	52,254	10,704,053
Upper Elem Grades-Early Intervention (4-5) Program	939,895	1,239,589	1,758	1,241,347
Middle School (6-8) Program	17,077,917	19,791,310	86,669	19,877,979
High School General Education (9-12) Program	18,751,408	23,598,396	183,522	23,781,918
Vocational Laboratory (9-12) Program	2,949,604	2,132,016	52,778	2,184,794
Students with Disabilities	17,263,109			
Category I		1,257,250	9,107	1,266,357
Category II		844,791	389	845,180
Category III		8,282,924	17,907	8,300,831
Category IV		3,201,684	18,588	3,220,272
Category V		270,506	6,087	276,593
Gifted Student - Category VI	7,147,608	3,461,833	44,525	3,506,358
Remedial Education Program	1,016,239	628,701	993	629,694
Alternative Education Program	1,450,894	935,164	4,513	939,677
English Speakers of Other Languages (ESOL)	1,097,054	1,511,483	1,575	1,513,058
TOTAL DIRECT INSTRUCTIONAL FUNDS	100,689,115	103,319,040	615,111	103,934,151
Media Center Program	2,707,172	2,810,684	312,692	3,123,376
Staff and Professional Development	484,092	-		159,956
TOTAL QBE FORMULA FUNDS	$ 103,880,379	$ 106,129,724	$ 927,803	$ 107,217,483

(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 120

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 129

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

Debt Capacity 137

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 142

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 154

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

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

	Fiscal Year			
	2013	**2012**	**2011**	**2010**
Governmental Activities				
Net investment in capital assets	$ 178,523,433	$ 175,064,622	$ 172,653,135	$ 169,508,268
Restricted	37,659,348	31,257,451	26,335,635	8,971,932
Unrestricted	13,941,511	13,339,704	20,608,820	28,213,735
Total governmental activities net position	$ 230,124,292	$ 219,661,777	$ 219,597,590	$ 206,693,935

2009	2008	2007	2006	2005	2004
$ 158,499,410	$ 150,461,882	$ 141,200,087	$ 131,639,978	$ 123,283,904	$ 108,982,803
11,911,480	19,677,495	34,954,814	23,254,509	40,201,991	18,274,136
1,620,066	(13,255,093)	(20,464,970)	(10,668,482)	(26,387,084)	4,905,722
$ 172,030,956	$ 156,884,284	$ 155,689,931	$ 144,226,005	$ 137,098,811	$ 132,162,661

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

	Fiscal Year			
Expenses	**2013**	**2012**	**2011**	**2010**
Governmental Activities				
Instruction	$ 126,989,501	$ 138,166,002	$ 140,677,264	$ 138,121,383
Support Services				
Pupil services	9,446,688	9,361,037	9,331,883	5,132,093
Improvement of instructional services	4,059,005	4,396,525	4,229,846	4,331,092
Educational media services	3,435,491	3,714,750	3,757,201	3,620,838
General administration	1,676,637	1,328,258	1,192,086	1,162,135
School administration	12,982,540	13,925,349	13,192,469	12,788,338
Business administration	1,067,217	937,222	1,139,105	1,078,060
Maintenance and operation of facilities	13,854,947	16,157,767	16,161,495	14,884,267
Student transportation services	8,687,580	9,031,403	8,073,549	7,710,847
Central support services	2,700,778	3,402,613	4,140,542	4,434,557
Other support services	276,311	303,373	290,337	282,244
Community services	2,311,865	2,385,232	2,194,891	2,401,650
Food services	7,534,165	8,078,108	7,925,808	7,709,527
Other non-instructional services		-	-	-
Interest expense	3,466,114	3,898,053	4,557,031	5,022,769
Total governmental activities expenses	$ 198,488,839	$ 215,085,692	$ 216,863,507	$ 208,679,800
Program Revenues				
Charges for services				
Instruction	$ 365,145	$ 455,409	$ 335,649	$ 392,228
Support services	2,141,197	2,220,197	2,181,465	2,330,335
Education	-	-	-	-
Food services	3,624,379	3,911,898	3,943,587	4,120,152
Other non-instructional services	-	-	-	-
Operating grants and contributions	94,197,669	91,800,116	102,475,842	99,837,085
Capital grants and contributions	1,270,878	228,659	1,213,372	398,221
Total governmental activities program revenues	$ 101,599,268	$ 98,616,279	$ 110,149,915	$ 107,078,021
NET EXPENSE	$ (96,889,571)	$ (116,469,413)	$ (106,713,592)	$ (101,601,779)
General Revenues				
Governmental Activities				
Taxes:				
Property taxes	$ 84,722,620	$ 94,275,592	$ 99,163,635	$ 115,268,389
Intangible taxes	1,813,025	1,392,564	1,331,459	1,273,783
Transfer taxes	346,278	288,711	266,814	265,509
Other taxes	-	-	-	-
State reimbursement of homestead exemption, general purpose	-	-	-	-
Sales tax, capital outlay and debt service	19,968,392	20,009,700	18,259,865	18,802,125
Interest and investment earnings	93,786	78,268	108,504	121,947
Other	671,912	488,765	486,970	533,005
Total governmental activities general revenues	$ 107,616,013	$ 116,533,600	$ 119,617,247	$ 136,264,758
Change in Net Positon	$ 10,726,442	$ 64,187	$ 12,903,655	$ 34,662,979

2009	2008	2007	2006	2005	2004
$ 146,934,039	$ 150,943,576	$ 139,532,687	$ 129,110,116	$ 120,102,348	$ 114,285,902
5,139,847	5,273,876	5,052,964	4,381,135	4,500,471	4,244,930
4,495,310	4,893,730	4,959,046	4,841,891	4,194,351	3,654,878
4,122,924	4,413,871	4,134,587	3,901,888	3,825,244	3,633,377
1,180,835	1,463,251	1,865,056	2,089,660	1,891,969	2,006,204
13,521,964	13,856,589	12,363,255	10,965,459	10,692,347	9,922,166
969,569	1,199,535	1,256,946	1,235,347	1,021,899	1,007,631
15,880,952	16,159,214	14,994,627	14,128,544	12,719,694	11,927,783
8,273,658	8,616,819	7,864,526	7,226,965	6,877,733	5,962,203
4,517,985	4,446,113	3,696,847	2,546,504	2,699,301	2,767,767
326,650	227,472	241,819	195,724	341,205	289,995
2,978,945	3,143,072	3,323,812	2,959,370	2,973,067	2,401,678
8,568,176	8,053,566	7,129,145	6,981,926	7,171,596	7,107,293
-	2,311,561	2,572,397	2,656,276	3,216,384	3,491,013
5,694,228	6,433,790	6,210,948	6,271,738	5,763,735	5,365,458
$ 222,605,082	$ 231,436,035	$ 215,198,662	$ 199,492,543	$ 187,991,344	$ 178,068,278
$ 314,311	$ 200,639	$ 380,875	$ 432,037	$ 241,439	$ 294,436
2,572,638	3,016,894	2,953,235	2,692,836	2,823,292	2,752,414
-	-	-	-	-	-
4,476,338	4,465,461	4,178,251	4,164,794	4,105,404	3,874,727
-	2,226,598	2,443,673	2,831,385	3,249,690	3,739,338
100,129,904	107,519,664	102,112,584	93,582,335	85,404,204	82,746,889
3,614,327	1,549,115	4,154,760	-	391,608	6,101,161
$ 111,107,518	$ 118,978,371	$ 116,223,378	$ 103,703,387	$ 96,215,637	$ 99,508,965
$ (111,497,564)	$ (112,457,664)	$ (98,975,284)	$ (95,789,156)	$ (91,775,707)	$ (78,559,313)
$ 115,084,744	$ 104,382,015	$ 99,496,866	$ 92,166,178	$ 87,468,396	$ 79,192,771
1,623,315	2,149,764	2,791,990	3,033,194	2,909,438	3,517,674
340,522	578,761	872,943	931,184	771,895	755,296
-	-	27,790	13,424	16,735	218,882
3,768,591	3,537,233	3,549,276	3,576,846	3,546,985	3,477,950
4,488,524	-	-	-	-	-
470,896	2,450,562	2,826,447	2,678,460	1,381,476	1,049,443
867,644	553,682	873,898	517,064	616,932	1,256,581
$ 126,644,236	$ 113,652,017	$ 110,439,210	$ 102,916,350	$ 96,711,857	$ 89,468,597
$ 15,146,672	$ 1,194,353	$ 11,463,926	$ 7,127,194	$ 4,936,150	$ 10,909,284

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

	Fiscal Year			
	2013	**2012**	**2011 (A)**	**2010**
General Fund				
Nonspendable	$ 4,788	$ 30,575	$ 38,475	$ -
Restricted	-	-	-	-
Committed	580,481	399,052	230,102	-
Assigned	-	14,197,281	16,435,948	-
Unassigned	14,505,398	2,190,268	9,632,929	-
Reserved	-	-	-	-
Unreserved	-	-	-	17,288,019
Total General Fund	$ 15,090,667	$ 16,817,176	$ 26,337,454	$ 17,288,019
All other governmental funds				
Nonspendable	$ 192,252	$ 491,954	$ 259,836	$ -
Restricted	41,646,462	35,325,484	30,318,985	-
Committed	3,223,019	2,630,664	2,442,754	-
Assigned	1,106,021	1,523,608	1,625,873	-
Unassigned		-	-	-
Reserved	-	-	-	3,453,437
Unreserved, reported in:				
Special projects funds	-	-	-	4,117,102
Capital projects funds	-	-	-	21,596,282
Total all other governmental funds	$ 46,167,754	$ 39,971,710	$ 34,647,448	$ 29,166,821

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.

Fiscal Year					
2009	2008	2007	2006	2005	2004
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,509,616	1,678,283	6,555,409	5,427,148	4,799,001	6,120,096
$ 4,509,616	$ 1,678,283	$ 6,555,409	$ 5,427,148	$ 4,799,001	$ 6,120,096
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,635,889	2,298,020	4,629,016	4,667,476 [1]	42,253,938	19,956,232
3,099,256	2,638,343	2,699,479	2,821,627	-	-
14,433,786	18,850,160	34,227,555	21,738,700	3,145,184	-
$ 20,168,931	$ 23,786,523	$ 41,556,050 [2]	$ 29,227,803	$ 45,399,122 [2]	$ 19,956,232

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

	Fiscal Year			
	2013	**2012**	**2011**	**2010**
Revenues				
State funds	84,529,941	$ 80,886,999	$ 86,636,341	$ 77,735,483
Federal funds	8,743,298	8,884,415	14,515,896	20,439,527
Local and other funds	116,232,262	125,728,896	130,272,481	144,926,435
Total revenues	209,505,501	215,500,310	231,424,718	243,101,445
Expenditures				
Current				
Instruction	119,740,956	129,513,425	126,536,594	129,413,149
Support services				
Pupil services	9,450,764	9,378,670	9,305,224	5,133,136
Improvement of instructional services	3,969,031	4,220,893	4,132,770	4,303,987
Educational media services	3,219,739	3,497,711	3,540,744	3,406,581
General administration	1,646,537	1,299,766	1,155,654	1,162,559
School administration	12,555,692	13,384,943	12,772,049	12,502,590
Business administration	1,070,562	944,784	1,112,059	1,064,214
Maintenance and operation of facilities	12,356,626	13,733,068	13,790,653	13,920,860
Student transportation services	7,495,887	7,886,610	7,153,794	7,078,540
Central support services	2,374,312	2,614,046	3,181,093	3,605,247
Other support services	276,311	303,373	297,832	282,244
Community service	2,299,935	2,376,826	2,177,702	2,387,429
Food services	6,658,939	7,207,059	7,030,245	6,810,308
Other non-instructional services	-	-	-	-
Capital outlay	7,758,864	9,151,831	12,914,799	8,612,189
Debt Service				
Principal retirement	9,815,716	9,496,943	11,062,504	18,766,832
Interest and fees	4,346,095	4,686,378	4,042,368	3,009,514
Bond issuance cost	-	-	-	81,061
Total expenditures	205,035,966	219,696,326	220,206,084	221,540,440
Excess (deficiency) of revenues over (under) expenditures	4,469,535	(4,196,016)	11,218,634	21,561,005
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
Refunding bonds	-	-	-	24,800,000
Payment to refunded bond escrow agent	-	-	-	(25,830,762)
Total other financing sources (uses)	-	-	3,311,428	215,288
Net change in fund balances	4,469,535	(4,196,016)	14,530,062	21,776,293
Debt service as a percentage of noncapital expenditures	7.0%	6.6%	6.9%	10.1%

[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.

Fiscal Year						
2009	**2008**	**2007**	**2006**	**2005**	**2004**
$ 91,168,857	$ 101,587,596	$ 98,868,501	$ 85,750,375	$ 79,716,303	$ 83,334,681
9,745,900	7,234,301	6,909,759	7,521,162	5,750,007	5,244,106
135,324,244	123,177,217	120,567,784	113,314,825	106,519,973	100,441,851
236,239,001	231,999,114	226,346,044	206,586,362	191,986,283	189,020,638
138,027,216	143,371,200	133,447,372	123,924,803	113,571,854	108,246,557
5,139,291	5,260,974	5,039,509	4,427,063	4,485,522	4,217,086
4,430,882	4,853,123	4,884,050	4,780,798	4,110,379	3,536,290
3,910,192	4,205,362	3,925,284	3,651,713	3,404,294	3,299,354
1,167,459	1,448,959	1,809,808	2,027,439	1,769,569	1,936,236
13,316,070	13,556,618	12,092,048	10,718,073	10,285,912	9,612,826
941,630	1,193,107	1,327,015	1,178,267	1,009,732	990,234
14,723,060	15,609,988	14,495,969	13,957,845	12,494,337	11,509,039
7,301,975	9,054,471	7,274,856	8,668,870	7,004,495	6,211,512
3,668,489	3,826,798	3,538,616	2,839,589	3,030,099	2,957,379
326,650	227,472	241,819	195,724	347,824	289,995
2,979,114	3,134,538	3,304,322	2,955,767	2,997,403	2,396,438
7,328,239	7,262,468	6,462,068	6,304,995	6,176,344	5,697,961
-	2,311,561	2,572,397	2,656,276	3,216,384	3,491,013
13,591,204	18,882,946	23,975,915	17,753,339	12,280,797	34,479,105
18,068,590	16,967,044	15,203,484	13,589,396	12,216,292	11,514,270
4,391,888	4,958,756	4,406,505	4,896,009	5,317,301	5,545,593
-	-	158,412	21,044	160,712	-
239,311,949	256,125,385	244,159,449	224,547,010	203,879,250	215,930,888
(3,072,948)	(24,126,271)	(17,813,405)	(17,960,648)	(11,892,967)	(26,910,250)
-	-	-	-	52,106	901,000
-	-	29,965,000	-	35,000,800	-
-	-	1,304,913	-	(101,915)	-
2,286,689	1,479,618	-	2,417,476	1,063,771	1,152,000
-	-	-	-	-	-
-	-	-	-	-	-
2,286,689	1,479,618	31,269,913	2,417,476	36,014,762	2,053,000
(786,259)	(22,646,653) [2]	13,456,508 [2]	(15,543,172) [1]	24,121,795 [2]	(24,857,250) [1]
9.8%	9.2%	9.0%	9.1%	9.2%	8.9%



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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
2013	4,190,197	333,992	72,396	684,150	3,912,435	20.000	11,491,463	40%
2012	4,685,363	320,053	72,841	720,582	4,357,675	20.000	12,695,643	40%
2011	4,889,256	320,137	73,325	704,898	4,577,820	20.000	13,206,795	40%
2010	5,278,389	397,857	71,407	727,311	5,020,342	20.000	14,369,133	40%
2009	5,245,804	390,440	67,292	670,759	5,032,777	19.750	14,258,840	40%
2008	5,085,472	350,968	70,522	627,651	4,879,311	18.596	13,767,405	40%
2007	4,794,801	329,427	64,713	582,484	4,606,457	18.600	12,972,353	40%
2006	4,372,044	339,547	64,757	512,898	4,263,450	18.750	11,940,870	40%
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%

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
2013	4,190,197	333,992	72,396	642,828	3,953,757	1.650	11,491,463	40%
2012	4,685,363	320,053	72,841	677,754	4,400,503	1.650	12,695,643	40%
2011	4,889,256	320,137	73,325	660,854	4,621,864	1.650	13,206,795	40%
2010	5,278,389	397,857	71,407	682,653	5,065,000	3.420	14,369,133	40%
2009	5,514,344	390,440	67,292	625,965	5,346,111	4.170	14,930,190	40%
2008	5,326,038	350,968	70,522	582,355	5,165,173	3.550	14,368,820	40%
2007	4,794,801	329,427	64,713	537,084	4,651,857	3.550	12,972,353	40%
2006	4,372,044	339,547	64,757	467,752	4,308,596	3.600	11,940,870	40%
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%

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
2013	20.000	1.450	21.450	5.645	5.645	3.030	0.450
2012	20.000	1.650	21.650	5.645	5.645	2.500	0.450
2011	20.000	1.650	21.650	7.391	5.400	1.991	0.548
2010	20.000	3.420	23.420	7.391	5.400	1.991	0.548
2009	19.750	4.170	23.920	7.391	5.400	1.991	0.548
2008	18.596	3.550	22.146	5.432	5.432	2.000	0.550
2007	18.600	3.550	22.150	4.888	5.692	2.906	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

Source: Georgia Department of Revenue

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

Overlapping Governments						
E911 (3) District Millage	City of Fayetteville Millage	City of Tyrone Millage	City of Brooks Millage	City of Peachtree City Millage	City of Peachtree City Debt Service	State Millage
0.207	3.882	2.889	0.929	6.756	0.422	0.200
0.207	3.441	2.889	0.816	6.384	0.399	0.250
N/A	3.240	2.889	0.789	6.384	0.399	0.250
N/A	2.988	2.889	0.730	5.134	0.399	0.250
N/A	2.988	2.889	0.730	5.120	0.411	0.250
N/A	2.990	2.900	0.764	4.985	0.548	0.250
N/A	2.990	2.900	0.794	5.533	-	0.250
N/A	3.033	2.900	0.862	5.283	-	0.250
N/A	3.033	2.900	0.900	5.283	-	0.250
N/A	3.033	2.900	0.935	5.283	-	0.250

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

Fiscal Year	M&O Tax Levy	Debt Service Tax Levy	Total Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy	
				Amount	Percentage of Levy
2013	78,248,691	5,732,947	83,981,638	82,879,529	98.7%
2012	87,153,494	7,260,829	94,414,323	91,614,015	97.0%
2011	89,949,880	7,493,511	97,443,391	95,253,547	97.8%
2010	95,475,793	16,479,111	111,954,904	107,530,037	96.0%
2009	99,164,240	21,124,335	120,288,575	116,809,520	97.1%
2008	90,226,100	17,384,940	107,611,040	105,166,788	97.7%
2007	85,394,697	16,459,467	101,854,164	100,341,217	98.5%
2006	79,600,481	15,445,744	95,046,225	93,417,376	98.3%
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%

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
-	82,879,529	98.7%
2,145,617	93,759,632	99.3%
1,998,075	97,251,622	99.8%
4,242,623	111,772,660	99.8%
3,291,089	120,100,609	99.8%
2,277,936	107,444,724	99.8%
1,445,900	101,787,117	99.9%
1,486,620	94,903,996	99.9%
1,521,627	89,598,704	99.9%
1,537,211	83,134,453	100.0%

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

Fiscal Year	Property Tax	Auto Title/ Ad Valorem	Intangible Tax	Transfer Tax	State Reimbursement of Homestead Exemption
2013	$ 76,450,608	$ 8,272,012	$ 1,813,025	$ 346,278	$ -
2012	86,806,456	7,469,136	1,392,564	273,132	-
2011	91,741,352	7,422,283	1,331,459	266,814	-
2010	107,637,996	7,630,393	1,273,783	265,509	-
2009	107,123,149	7,961,595	1,623,315	340,522	3,768,591
2008	96,299,582	8,082,433	2,149,764	578,761	3,537,233
2007	91,485,816	8,011,050	2,791,990	872,943	3,549,276
2006	84,382,779	7,783,399	3,033,194	931,184	3,576,846
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

Special Purpose Local Option Sales Tax	Other Taxes	Total
$ 19,968,392	$ -	$ 106,850,315
20,009,700	15,579	115,966,567
18,259,865	-	119,021,773
18,802,125	-	135,609,806
4,488,524	-	125,305,696
-	-	110,647,773
-	27,790	106,738,865
-	13,424	99,720,826
-	16,735	94,613,449
-	218,882	87,162,573

Fayette County Board of Education
Principal Taxpayers (Top Ten)
June 30, 2013 and Nine Years Ago

Taxpayer	FY 2013 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	FY 2004 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
NCR Corporation	$ 30,876,183	1	0.67%	$ 30,742,671	2	0.75%
(1) DDRTC Fayette Pavilion I & II	15,754,176	2	0.34%			
Coweta-Fayette EMC	15,358,331	3	0.33%	12,604,796	7	0.31%
(1) DDRTC Fayette Pavilion III & IV	14,521,196	4	0.32%			
Georgia Power Company	12,932,902	5	0.28%			
Dixie Aerospace Inc	12,524,475	6	0.27%			
Hoshizaka America	12,492,285	7	0.27%	11,090,382	9	0.27%
BellSouth	12,372,186	8	0.27%	16,187,601	4	0.39%
(1) DDRTC Fayette Pavilion I & II	11,743,628	9	0.26%			
Atlanta Gas Light	10,965,127	10	0.24%	10,479,351	10	0.25%
(1) Fourth Quarter Properties				36,310,164	1	0.88%
Matsushita Communications Corp.				26,449,452	3	0.64%
AMLI Residential Property LP				14,004,435	5	0.34%
Lawson Mardon Packaging Co.				12,624,125	6	0.31%
Photocircuits Corporation				11,635,592	8	0.28%
Other Taxpayers	4,447,044,511		96.75%	3,936,296,735		95.58%
	$ 4,596,585,000		100.00%	$ 4,118,425,304		100.00%

Source: Fayette County Tax Commissioner (current year information) and the Fayette County Comprehensive Annual Financial Report (FY2004 information).

Note: Amounts for FY 2013 relate to tax year 2012.

Note (1): DDRTC Fayette Pavillion is successor owner of property previously in the name of Fourth Quarter Properties

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

	Governmental Activities					
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
2013	$ 66,463,730	$ 455,000	$ 763,755	$ 67,682,485	NA	NA
2012	74,031,558	890,000	2,860,622	77,782,180	1.53%	723.39
2011	81,352,277	1,300,000	4,910,785	87,563,062	1.77%	815.66
2010	90,578,648	1,690,000	3,329,429	95,598,077	2.07%	892.91
2009	106,793,640	2,065,000	4,649,158	113,507,798	2.46%	1,075.97
2008	123,478,790	2,420,000	3,451,059	129,349,849	2.68%	1,229.65
2007	139,238,940	2,765,000	2,893,485	144,897,425	2.93%	1,380.12
2006	122,090,680	3,095,000	3,661,969	128,847,649	2.88%	1,237.74
2005	134,680,584	3,410,000	1,923,889	140,014,473	3.30%	1,373.22
2004	110,980,000	3,710,000	1,576,410	116,266,410	2.89%	1,169.18

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

(1) Presented net of original issuance discounts and premiums.
(2) Personal income data can be found in the Schedule of Demographic and Economic Statistics on page 154.
(3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 154.

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

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

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2013	$ 66,463,730	$ -	$ 66,463,730	0.58%	NA
2012	74,031,558	-	74,031,558	0.58%	688.51
2011	81,352,277	-	81,352,277	0.62%	757.80
2010	88,670,800	-	88,670,800	0.62%	828.20
2009	105,720,800	-	105,720,800	0.74%	1,002.16
2008	122,345,800	-	122,345,800	0.89%	1,163.07
2007	138,045,800	-	138,045,800	1.06%	1,314.86
2006	122,185,800	1,007,531	121,178,269	1.01%	1,164.07
2005	134,780,800	3,095,972	131,684,828	1.18%	1,291.52
2004	110,980,000	3,926,594	107,053,406	1.04%	1,076.53

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

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

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

(3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 129 for property tax data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 154.

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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Peachtree City			
2003 Bonds	$ 915,000	100%	$ 915,000
2011 Bonds	2,270,000	100%	2,270,000
Total Overlapping Debt			3,185,000
Fayette County Board of Education			67,682,485
Total Direct and Overlapping Debt			$ 70,867,485

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 2013

Assessed value 2012 tax digest		$ 3,953,756,552
Limit of bonded indebtedness, 10% of net assessed taxable property value		395,375,655
Amount of debt applicable to the debt limit		
General obligation bonds, net of original issuance discounts and premiums	$ 66,463,730	
Certificates of participation	455,000	
		66,918,730
Legal Debt Margin		$ 328,456,925

	2013	2012	2011	2010
Debt limit	$ 395,375,655	$ 440,050,269	$ 462,186,375	$ 506,500,006
Total debt applicable to limit	66,918,730	74,921,558	82,652,277	92,268,648
Legal debt margin	$ 328,456,925	$ 365,128,711	$ 379,534,098	$ 414,231,358
Total debt applicable as a percentage of debt limit	16.9%	17.0%	17.9%	18.2%

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.

2009	2008	2007	2006	2005	2004
$ 534,611,072	$ 516,517,319	$ 465,185,735	$ 430,859,581	$ 282,698,104	$ 251,131,394
108,858,640	125,898,790	142,003,940	124,178,149	134,994,612	110,763,406
$ 426,825,272	$ 363,165,289	$ 323,181,795	$ 305,578,781	$ 140,453,104	$ 167,291,394
20.4%	24.4%	30.5%	28.8%	47.8%	44.1%

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
2013	$ 167,709,003	20,318	$ 8,254.21	-5.6%	1,423	14.41
2012	179,379,327	20,506	8,747.65	5.7%	1,483	14.24
2011	174,862,115	21,120	8,279.46	3.3%	1,483	14.62
2010	173,796,697	21,683	8,015.34	-5.3%	1,493	14.77
2009	186,618,421	22,047	8,464.57	-5.7%	1,570	14.09
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

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

Fiscal Year	Minimum Salary	Maximum Salary	Statewide Base
2013	$ 34,723	$ 80,383	$ 33,424
2012	34,723	80,383	33,424
2011	34,723	80,383	33,424
2010	33,161	76,766	33,424
2009	34,723	80,383	33,424
2008	33,953	78,614	32,609
2007	33,055	76,553	31,659
2006	31,904	73,909	30,441
2005	31,340	72,615	29,259
2004	30,787	69,494	29,259

Source: School System records

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

	2013	2012	2011	2010
Elementary				
Braelinn (1989)				
Square feet	70,860	70,860	70,860	70,860
Capacity	675	675	675	675
Enrollment	443	471	493	544
Brooks (1962)				
Square feet	60,413	60,413	60,413	60,413
Capacity	525	525	525	525
Enrollment	243	298	307	313
Robt. J. Burch (1989)				
Square feet	73,146	73,146	73,146	73,146
Capacity	675	675	675	675
Enrollment	557	576	634	664
Crabapple Lane (2004)				
Square feet	94,816	94,816	94,816	94,816
Capacity	800	800	800	800
Enrollment	536	508	535	554
East Fayette (1955)				
Square feet	53,386	53,386	53,386	53,386
Capacity	-	-	-	-
Enrollment	-	-	-	-
Fayetteville Intermediate (1974)				
Square feet	72,673	72,673	72,673	72,673
Capacity	550	550	550	550
Enrollment	395	389	421	455
Hood Avenue (1970)				
Square feet	73,176	73,176	73,176	73,176
Capacity	575	575	575	575
Enrollment	370	365	394	404
Huddleston (1979)				
Square feet	79,694	79,694	79,694	79,694
Capacity	625	625	625	625
Enrollment	590	562	565	590
Inman Road (2009)				
Square feet	86,172	86,172	86,172	86,172
Capacity	663	663	663	663
Enrollment	467	490	507	546
Kedron (1995)				
Square feet	87,734	87,734	87,734	87,734
Capacity	725	725	725	725
Enrollment	518	560	586	597

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.

2009	2008	2007	2006	2005	2004
70,860	70,860	70,860	70,860	70,860	70,860
675	675	675	675	675	675
568	516	504	519	519	586
60,413	60,413	60,413	52,725	52,725	52,725
525	525	525	450	450	450
315	324	326	358	354	358
73,146	73,146	73,146	73,146	73,146	73,146
675	675	675	675	675	675
701	734	726	754	628	588
94,816	94,816	94,816	94,179	94,179	94,179
800	800	800	800	800	800
565	488	560	495	481	463
53,386	53,386	53,386	53,386	53,386	51,014
-	550	550	575	575	575
-	572	586	617	580	587
72,673	72,673	72,673	65,792	65,792	65,792
550	550	550	550	550	550
469	469	486	471	429	480
73,176	73,176	73,176	73,176	73,176	73,176
575	575	575	575	575	575
417	425	438	410	415	429
79,694	79,694	79,694	79,694	79,694	79,694
625	625	625	625	625	625
633	619	624	607	605	631
86,172	-	-	-	-	-
663	-	-	-	-	-
539	-	-	-	-	-
87,734	87,734	87,734	87,734	87,734	87,734
725	725	725	725	725	725
592	510	527	422	434	471

continued

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

	2013	2012	2011	2010
Elementary - continued				
Cleveland (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	547	523	542	556
S. H. Minter (2003)				
Square feet	94,179	94,179	94,179	94,179
Capacity	800	800	800	800
Enrollment	599	593	593	613
North Fayette (1980)				
Square feet	75,785	75,785	75,785	75,785
Capacity	750	750	750	750
Enrollment	478	478	458	478
Oak Grove (1986)				
Square feet	71,040	71,040	71,040	71,040
Capacity	725	725	725	725
Enrollment	556	521	514	516
Peachtree City (1968)				
Square feet	62,732	62,732	62,732	62,732
Capacity	525	525	525	525
Enrollment	509	509	490	467
Peeples (1998)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	589	618	669	699
Spring Hill (1996)				
Square feet	94,655	94,655	94,655	94,655
Capacity	800	800	800	800
Enrollment	497	512	518	542
Tyrone (1980)				
Square feet	59,580	59,580	59,580	59,580
Capacity	450	450	450	450
Enrollment	337	344	346	338
Middle				
Fayette (1986)				
Square feet	135,649	135,649	135,649	135,649
Capacity	1,125	1,125	1,125	1,125
Enrollment	696	720	751	791

2009	2008	2007	2006	2005	2004
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
556	539	508	469	437	374
94,179	94,179	94,179	94,179	94,179	94,179
800	800	800	800	800	800
648	689	711	732	738	717
75,785	75,785	75,785	75,785	75,785	75,785
750	750	750	750	750	750
492	476	471	521	481	487
71,040	71,040	71,040	71,040	71,040	71,040
725	725	725	725	725	725
485	506	496	465	474	543
62,732	62,732	62,732	62,732	62,732	62,732
525	525	525	550	550	550
446	550	507	562	481	463
94,655	94,655	94,655	94,655	87,734	87,734
800	800	800	800	725	725
751	839	876	846	842	823
94,655	94,655	94,655	94,655	87,734	87,734
800	800	800	800	725	725
556	582	582	599	648	598
59,580	59,580	59,580	59,580	59,580	59,580
450	450	450	450	450	450
329	336	367	418	388	362
135,649	135,649	135,649	135,649	135,649	135,649
1,125	1,125	1,125	1,162	1,162	1,162
820	823	1,030	1022	989	955

continued

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

	2013	2012	2011	2010
Middle continued				
Bennett's Mill (2008)				
Square feet	158,653	158,653	158,653	158,653
Capacity	1,475	1,475	1,475	1,175
Enrollment	594	598	607	625
J. C. Booth (1979)				
Square feet	139,581	139,581	139,581	139,581
Capacity	1,175	1,175	1,175	1,175
Enrollment	1,052	1,025	1,021	1,018
Flat Rock (1989)				
Square feet	137,068	137,068	137,068	137,068
Capacity	1,012	1,012	1,012	1,012
Enrollment	854	824	839	826
Rising Starr (1996)				
Square feet	156,409	156,409	156,409	156,409
Capacity	1,175	1,175	1,175	1,175
Enrollment	1,035	1,039	1,039	1,103
Whitewater (1989)				
Square feet	137,879	137,879	137,879	137,879
Capacity	1,050	1,050	1,050	1,050
Enrollment	739	817	818	855
High				
Fayette County (1998*)				
Square feet	259,536	259,536	259,536	259,536
Capacity	1,725	1,725	1,725	1,725
Enrollment	1,255	1,280	1,360	1,431
McIntosh (1981)				
Square feet	270,793	270,793	270,793	270,793
Capacity	1,625	1,625	1,625	1,625
Enrollment	1,587	1,578	1,636	1,621
Sandy Creek (1990)				
Square feet	248,280	248,280	248,280	248,280
Capacity	1,625	1,625	1,625	1,625
Enrollment	1,167	1,157	1,178	1,240
Starr's Mill (1998)				
Square feet	226,980	226,980	226,980	226,980
Capacity	1,650	1,650	1,650	1,650
Enrollment	1,500	1,480	1,555	1,508
Whitewater (2004)				
Square feet	279,822	279,822	279,822	279,822
Capacity	1,475	1,475	1,475	1,475
Enrollment	1,380	1,453	1,533	1,623

2009	2008	2007	2006	2005	2004
158,653	158,653	-	-	-	-
1,175	1,175	-	-	-	-
569	548	-	-	-	-
139,581	139,581	139,581	139,581	139,581	139,581
1,175	1,175	1,175	1,175	1,175	1,175
988	994	1,200	1,192	1,166	1,142
137,068	137,068	137,068	137,068	137,068	137,068
1,012	1,012	1,012	1,075	1,075	1,075
840	845	926	945	928	868
156,409	156,409	156,409	141,013	141,013	141,013
1,175	1,175	1,175	1,087	1,087	1,087
1,077	1,058	1,091	1,120	1,213	1,158
137,879	137,879	137,879	137,879	137,879	137,879
1,050	1,050	1,050	1,070	1,070	1,070
907	935	1,177	1,185	1,158	1,078
259,536	259,536	259,536	259,536	259,536	259,536
1,725	1,725	1,725	1,700	1,700	1,700
1,451	1,359	1,291	1528	1736	1976
270,793	270,793	270,793	270,793	205,598	205,598
1,625	1,625	1,625	1,600	1,600	1,600
1,600	1,598	1,552	1,568	1,569	1,499
248,280	248,280	248,280	248,280	248,280	248,280
1,625	1,625	1,625	1,562	1,562	1,562
1,278	1,329	1,342	1,327	1,285	1,243
226,980	226,980	226,980	226,980	226,980	226,980
1,650	1,650	1,650	1,625	1,625	1,625
1,621	1,653	1,611	1,722	1,717	1,751
279,822	279,822	279,822	279,822	279,822	279,822
1,475	1,475	1,475	1,475	1,475	1,475
1,679	1,679	1,696	1249	826	435

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

	2013	2012	2011	2010	2009
Position					
Administrators	103	101	100	100	102
Teachers	1,423	1,483	1,483	1,493	1,570
Media	28	28	28	28	36
Counselors	57	58	58	58	61
Clerical	152	156	157	160	162
Paraprofessionals	303	296	320	320	350
Custodians	152	171	171	177	178
Lunchroom	157	178	178	174	174
Other Areas*	419	432	420	428	456
Total employees	2,794	2,903	2,915	2,938	3,088

Source: School System records

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

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

2008	2007	2006	2005	2004
102	103	102	97	99
1,675	1,620	1,565	1,529	1,515
35	36	35	34	32
65	59	59	57	56
189	169	163	161	157
356	339	303	291	294
177	184	183	172	169
174	170	166	159	162
510	570	557	480	393
3,283	3,250	3,133	2,980	2,877

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

	2013	2012	2011	2010
Lunch Meals Served				
Free	541,183	561,152	544,183	487,840
Reduced	112,478	116,127	102,357	126,018
Paid	802,143	920,006	975,988	1,063,608
Total	1,455,804	1,597,285	1,622,528	1,677,466
Daily Average	8,262	8,899	9,150	9,449
Student Price	$2.25 - $2.35	$2.15 - $2.35	$2.10 - $2.25	$2.05 - $2.15
Breakfast Meals Served				
Free	133,860	116,773	112,236	101,422
Reduced	18,599	15,550	14,370	17,014
Paid	36,800	29,779	33,602	27,857
Total	189,259	162,102	160,208	146,293
Daily Average	1,101	923	932	853
Student Price	$1.45 - $1.50	$1.35 - $1.45	$1.35 - $1.45	$1.35 - $1.45
Total Meals Served				
Free	675,043	677,925	656,419	589,262
Reduced	131,077	131,677	116,727	143,032
Paid	838,943	949,785	1,009,590	1,091,465
Total	1,645,063	1,759,387	1,782,736	1,823,759
Daily Average	9,363	9,822	10,082	10,302

2009	2008	2007	2006	2005	2004
417,595	360,542	337,321	320,901	256,984	225,978
125,967	119,440	116,103	101,313	84,992	76,517
1,214,298	1,309,593	1,324,475	1,342,753	1,336,162	1,355,843
1,757,860	1,789,575	1,777,899	1,764,967	1,678,138	1,658,338
9,861	9,966	9,913	9,961	9,457	9,384
$2.00 - $2.10	$1.90 - $2.00	$1.90 - $2.00	$1.90	$1.90	$1.75
80,954	71,146	59,899	57,145	40,096	35,421
14,437	15,442	11,407	10,015	8,544	6,830
29,936	27,955	24,148	29,319	24,744	23,628
125,327	114,543	95,454	96,479	73,384	65,879
688	688	561	582	443	398
$1.35 - $1.45	$1.25	$1.25	$1.15	$1.15	$1.00
498,549	431,688	397,220	378,046	297,080	261,399
140,404	134,882	127,510	111,328	93,536	83,347
1,244,234	1,337,548	1,348,623	1,372,072	1,360,906	1,379,471
1,883,187	1,904,118	1,873,353	1,861,446	1,751,522	1,724,217
10,549	10,654	10,474	10,543	9,900	9,782

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]
2013	NA	NA	NA	20,318	8.2%
2012	107,524	5,097,304	47,406	20,506	8.5%
2011	107,353	4,946,824	46,080	21,120	8.9%
2010	107,064	4,616,537	43,119	21,683	8.3%
2009	105,493	4,612,836	43,726	22,047	9.0%
2008	105,192	4,819,778	45,819	22,108	5.2%
2007	104,989	4,947,087	47,120	22,367	4.1%
2006	104,099	4,477,449	43,011	22,291	4.5%
2005	101,961	4,238,048	41,565	22,338	5.0%
2004	99,443	4,029,331	40,519	21,624	4.3%

Source [1] Bureau of Economic Analysis, U.S. Department of Commerce, Table CA 1-3, updated November 21, 2013, with revised population estimates for 2010-2012 as of March 2013 and revised personal income and per capita data based on comprehensive revision to the national income and product accounts released in July 2013.

[2] Bureau of Labor Statistics, U.S. Department of Labor, for June of each year, updated with data extracted from BLS website on November 15, 2013

NA Data not available.

Fayette County Board of Education
Major Employers
Current Year

Employer	Employees [1]	Percentage of County Employment [2]
Piedmont Fayette Hospital	1,400	4.45%
NCR	1,200	3.81%
Cooper Lighting	600	1.91%
Hoshizaki America, Inc.	330	1.05%
Panasonic	300	0.95%
World Airways	255	0.81%
FAA Tracon	190	0.60%
TDK Components	130	0.41%
Cooper Wiring Device	130	0.41%
SANY America	126	0.40%
Total	4,661	14.81%

Sources: [1] Fayette County Development Authority, www.fayettega.org website data as of December 2013

[2] Based on total private sector employment of Fayette County of 31,465. Georgia Department of Labor 2011 data, as updated October 2012.

Note 1: Data for FY 2004 not available.

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



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