



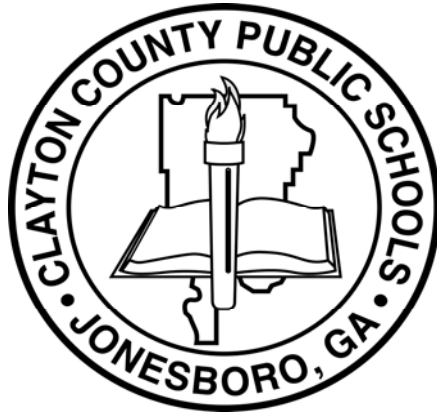
# **Comprehensive Annual Financial Report**

*Fiscal Year Ended June 30, 2017*

**1058 Fifth Avenue • Jonesboro, Georgia 30236**

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# **Comprehensive Annual Financial Report**

*Fiscal Year Ended June 30, 2017*

**Prepared by:  
Division of Business Services**

**1058 Fifth Avenue • Jonesboro, Georgia 30236**

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**CLAYTON COUNTY BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**CLAYTON COUNTY BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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# **Introductory Section**

**Clayton County  
Public Schools**

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# Clayton County Public Schools

## Office of the Superintendent

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1058 Fifth Avenue • Jonesboro, Georgia 30236 • (770) 473-2712

DR. MORCEASE J. BEASLEY  
Superintendent of Schools

March 23, 2018

Clayton County Board of Education  
Jonesboro, Georgia

The Comprehensive Annual Financial Report (CAFR) of the Clayton County Board of Education (Board) for the fiscal year ended June 30, 2017, is submitted herewith. This report was prepared by the Business Services Division. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education.

We believe the data, as presented, is accurate in all material aspects. We believe that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Board of Education as measured overall and by the financial activity of its various funds. The data includes all disclosures and required supplementary information necessary to enable the reader to gain the maximum understanding of the Board's financial activity.

Readers of this report are encouraged to consider the information presented here in conjunction with additional information presented in Management's Discussion and Analysis beginning on page 4 of this report.

### **The Board's History and Services**

Clayton County, Georgia, was created by an act of the State Legislature on November 30, 1858. It was named for the Honorable Augustin S. Clayton (1783-1839), a judge of the Western Circuit of Georgia, a member of the legislature and of Congress. The City of Jonesboro is the county seat and was originally called "Leaksville". The State of Georgia granted a charter for the Leaksville Academy on December 22, 1823 and Mr. Allen D. Candler organized the Clayton High School around the year 1858.

Georgia had no regularly organized system of common schools supported by public taxation before the War Between the States, although unsuccessful efforts were made in 1845 and again in 1856 to inaugurate such a program. The first real school organization came about as a result of an act on October 13, 1870.

The Clayton County School System operated from 1870-1890 under the supervision of a County Commission of Education. Data indicates that the Clayton County School System as it is known today was formally established by an act of the State Legislature in Jonesboro on September 21, 1891, and a tax was levied on taxable property in the amount of 7 ½ mills. A Board of Education composed of nine members was authorized and provision was made to receive a pro-rata share of county funds for schools.

Today the nine-member elected Board of Education has full authority to control and manage the schools within Clayton County. Clayton County Public Schools is the fifth largest school system in the State of Georgia with approximately 54,000 students currently enrolled in 36 elementary schools, 14 middle schools, one K-8 school, 10 high schools, one alternative school program and one high school alternative program for the budget year of 2016 - 2017.

The Board provides all basic services required by state law and policies of the State Board of Education and State Department of Education. These services include: preschool for three and four-year old students with disabilities, regular preschool for four-year olds students, regular and special education instructional programs at the elementary (kindergarten through 5<sup>th</sup> grade), middle (6<sup>th</sup> through 8<sup>th</sup> grade), and secondary (9<sup>th</sup> through 12<sup>th</sup> grade) levels. Additional services include programs for Career Technical Education in partnership with post-secondary institutions in the area as well as joint enrollment opportunities for high school students with Clayton State University and Atlanta Technical College.

### **Economic Condition and Outlook**

Clayton County is part of the Metropolitan Atlanta Area, and is south of the City of Atlanta. Hartsfield-Jackson Atlanta International Airport is within the boundaries of Clayton County, and as the country's largest passenger airport and the second largest cargo facility in the world, is one of the primary revenue sources in the county. Because of this location, the school district is impacted by the economy of the airport and the airline industry. Four of the school system's largest taxpayers have businesses directly related to operations at the airport.

In addition to private industry, the county is also home to a military facility that closed in 2012. Revitalization of the Fort Gillem property is underway with the hope that this will continue to bring new economic opportunities to the county. The county is exploring many ideas to revitalize various areas of the county to help boost the local economy.

FY 2015 marked a turning point in the recovery of the local economy from the recession that continued during FY 2017. Property value is rebounding slowly with a slight increase in the residential base. The collection of County revenues has stabilized and Clayton County Public Schools has seen an increase in Special Purpose Local Option Sales Tax (SPLOST) collections. In fact, the overall tax base of the county increased by approximately 1% from FY 2016 to FY 2017. However, commercial values remain down. This resulted in an increase of \$1.2 million in local tax revenues to the school system. Further, a reduction in the austerity cuts to the "Quality Basic Education" Act funding continued.

### **Long-Term Financial Planning**

The school system prioritizes its capital improvements based upon the approved referendums adopted by the citizens of Clayton County. Capital needs are prioritized by student population and facility repair and maintenance needs. These projects are funded by the 2013 Special Purpose Local Option Sales Tax (SPLOST) and remaining projects from the 2009 SPLOST, in addition to state capital outlay funds from the State of Georgia Department of Education. Renovations, additions, and new construction are continuously underway as the school system works to ensure that its facilities provide a safe and welcoming environment.

The school system has financial policies that provide us with an infrastructure for our future financial management decisions. These policies cover topics including operating budget, reserve fund balances, accounting and financial reporting, and purchasing.

### **Major Initiatives**

On September 4, 2013 the district was notified by AdvancEd that it had obtained district-wide accreditation for the ensuing five years. Previously each school received its own accreditation.

During FY 2016 the district began the process for the purchase of a new enterprise resource planning (ERP) system. This system is expected to improve operational efficiencies in Finance, Human Resources, and Technology.

Utilizing SPLOST funds, the Board of Education also began and completed construction of a new gymnasium at Riverdale High School and completed construction of new schools for the Elite Scholars Academy and East Clayton Elementary. Additional initiatives include; Lee Street

Elementary renovation, Arnold Elementary Renovations, and HVAC replacement at six existing schools.

Clayton County government implemented a multi-year Road Infrastructure Improvement Program which is helping our schools. The road program encompasses various safety projects including the installation of 96 miles of sidewalk, improving access and traffic congestion at schools. Clayton County is also installing school flashers for every school and adding reduced speed zone signs.

During fiscal year 2009, the Board of Education revised its mission, vision, and beliefs statements for the school system. The process involved principals, central office administrators, the superintendent's cabinet, and the community. The Board adopted these revisions in July 2010. The Mission, Vision, and Core Belief statements and the Strategic Goals of the district are reviewed annually.

#### **Mission Statement**

The mission of Clayton County Public Schools is to be accountable to all stakeholders for providing a globally competitive education that empowers students to achieve academic and personal goals and to become college and career ready, productive, responsible citizens.

#### **Vision Statement**

The vision of Clayton County Public Schools is to be a district of excellence preparing ALL students to live and compete successfully in a global economy.

#### **Core Belief Statements**

- We believe children have first priority on all of our resources.
- We believe education is the shared responsibility of the student, the parent/guardian, the school, and the community.
- We believe communication and understanding among all stakeholders of our diverse community are essential to achieving the goals of education.
- We believe that learning is a continuous process and most productive when the needs of each child are met through instruction provided by competent and caring teachers.
- We believe a learning environment where children experience security, care, dignity, and respect is essential.

#### **Strategic Goals**

1. To increase academic achievement for all students in Clayton County Public Schools as evidenced by state, national and international assessment results.
2. To provide and maintain a safe, orderly and secure learning environment.
3. To create an environment that promotes active engagement, accountability, and collaboration of all stakeholders to maximize student achievement.
4. To effectively communicate the system's vision and purpose and allow stakeholder involvement in an effort to build understanding and support.
5. To provide high quality support services delivered on time and within budget to promote student academic success in the Clayton County Public Schools.
6. To recruit and retain highly qualified and effective staff.

## **Accounting System**

### **Internal Controls**

In developing and evaluating the Board of Education's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide assurance of the following within reasonable constraints:

- the safeguarding of assets and gains and losses from unauthorized use and/or disposition
- the reliability of financial records for preparing financial statements and maintaining accountability for assets

### **Budgetary Controls**

An annual budget is prepared in accordance with state law. Budgetary control is maintained at the fund level by encumbrance accounting.

The budget process is comprised of five phases – planning, preparation, adoption, implementation and evaluation. These phases ensure adequate administration and control of all Board funds. To maintain compliance with Board budget policies and State of Georgia law, a budget development calendar is adopted by the Board of Education in October of each year. The calendar outlines the budget development process for the next fiscal year.

The budget process is inclusive of central level and school level staff as well as a citizen's budget committee. Work sessions with the Board and public hearings are held prior to the adoption of the budget in June of each year.

### **Single Audit**

As a recipient of federal financial assistance, the Board is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by the Board's management.

### **Independent Audit**

The Clayton County Board of Education and the State of Georgia require an annual audit of the school district's financial statements by independent certified public accountants. Mauldin & Jenkins is the current accounting firm under contract with the Board to perform this function. The Independent Auditor's Report on the Basic Financial Statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section.

### **Financial Reporting Awards**

The Clayton County Public School System submitted its comprehensive annual financial report (CAFR) for review by the Association of School Business Officials (ASBO) for consideration in the Certificate of Excellence in Financial Reporting Program. With great pride, the Clayton County Public School System received the ASBO Certificate of Excellence every year from 2007–2011, and then again in 2015 and 2016. The receipt of this award confirmed that the reports substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. The award was granted only after an extensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe that the CAFR for the current year ending June 30, 2017, also conforms to the exact same principles and standards.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Clayton County Public Schools for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

We wish to express our appreciation to the Business Services Division staff members whose dedicated efforts have enabled this report to be prepared.

Respectfully submitted,



Morcease Beasley  
Superintendent



# Clayton County Board of Education

## Function and Composition

All matters relating to education and operation of the Clayton County Board of Education schools are governed and controlled by the Board of Education (Board), as provided by Georgia Law.

The Board has the responsibility to maintain a reasonably uniform system of public schools providing quality education for all young people of Clayton County. With the advice of the Superintendent, it must determine the policies and prescribe the rules and regulations for the management of the school system.

The Board holds a work session and a regular public meeting once a month to conduct normal business. Additional called meetings are sometimes necessary for a specific purpose.

The Board is composed of nine members who are elected on a district basis. Each member resides within one of the nine voting districts.

The Board elects a Chairperson for a two year term and a Vice Chairperson for a one year term from its members.

As of January 1, 2017, the members of the Board and years of expiration of their terms are as follows:

<b>TITLE</b>	<b>NAME</b>	<b>TERM EXPIRES</b>
Chairperson	Dr. Pam Adamson	12-31-2018
Vice Chairperson	Ms. Mary Baker	12-31-2020
Board Member	Mr. Mark Christmas	12-31-2020
Board Member	Ms. Jessie Goree	12-31-2020
Board Member	Mr. Michael King	12-31-2018
Board Member	Ms. Ophelia Burroughs	12-31-2020
Board Member	Ms. Judy Johnson	12-31-2020
Board Member	Dr. Alieka Anderson	12-31-2018
Board Member	Mr. Benjamin Straker	12-31-2018

### MISSION STATEMENT

The mission of Clayton County Public Schools is to be accountable to all stakeholders for providing a globally competitive education that empowers students to achieve academic and personal goals and to become college and career ready, productive, responsible citizens.

**Clayton County Board of Education**  
**Elected Officials**  
**and**  
**Superintendent of Schools**



**Chairperson**  
**Dr. Pam Adamson**



**Mary Baker**



**Mark Christmas**



**Jessie Goree**



**Michael King**



**Ophelia Burroughs**



**Judy Johnson**



**Vice Chairperson**  
**Dr. Alieka Anderson**



**Benjamin Straker**



**Superintendent**  
**Luvenia Jackson**

# Clayton County Public Schools

## Executive Staff

### **Superintendent's Office**

Ms. Luvenia Jackson

Superintendent

### **Division of School Improvement**

Dr. Morcease Beasley

Dr. Keith Colbert

Dr. Anthony Smith

Mr. Tim Guiney

Mr. Kemith Thompson

Mr. Harold Walker

Ms. Audrey Hamilton

Mr. Samuel Cogger

Mr. Kevin May

Mr. Rod Smith

Mr. Howard Langford

Ms. April Mayo

Mr. Ronick Joseph

Chief School Improvement Officer

North Cluster Superintendent

South Cluster Superintendent

Improvement Cluster Superintendent

Executive Director of Operations

Director of Transportation

Director of School Nutrition

Director of Maintenance

Director of Athletics

Executive Director of Technology

Director of Information Systems

Director of Instructional Technology

Coordinator of SPLOST

### **Division of Safety and Security**

Mr. Thomas Trawick

Chief of Police for Clayton County Public Schools

### **Division of Communications**

Ms. Jada Dawkins

Director of Communications/Public Information

### **Division of Teaching & Learning**

Dr. Folasade Oladele

Ms. Tamera Foley

Dr. Delphia Young

Dr. Katrina King

Ms. Katrina Thompson

Dr. Chantel Normil

Dr. Angela Collier

Dr. Gloria Duncan

Dr. Monika Wiley

Chief Academic Officer

Executive Director Teaching and Learning

Executive Director of Assessment and Accountability

Director Special Education

Director Federal, State, Local Programs

Director English as Second Language

Director of Student Services

Director Professional Learning

Director Performing Arts

### **Division of Human Resources**

Dr. Doug Hendrix

Mr. Greg Curry

Dr. Damaris Garrett

Ms. Teresa Reese

Mr. Randy Iddins

Ms. Claire Starkey

Ms. Latasha Lowe

Chief Human Resources Officer

Director Human Resources

Director Human Resources

Director of Personnel Review

Director of Personnel Review

Director of Personnel Review

Legal Compliance Officer

### **Division of Business Services**

Mr. Kenneth Thompson

Ms. Debra Brewer

Mr. David Smith

Chief Financial Officer

Director of Purchasing

Director of Finance

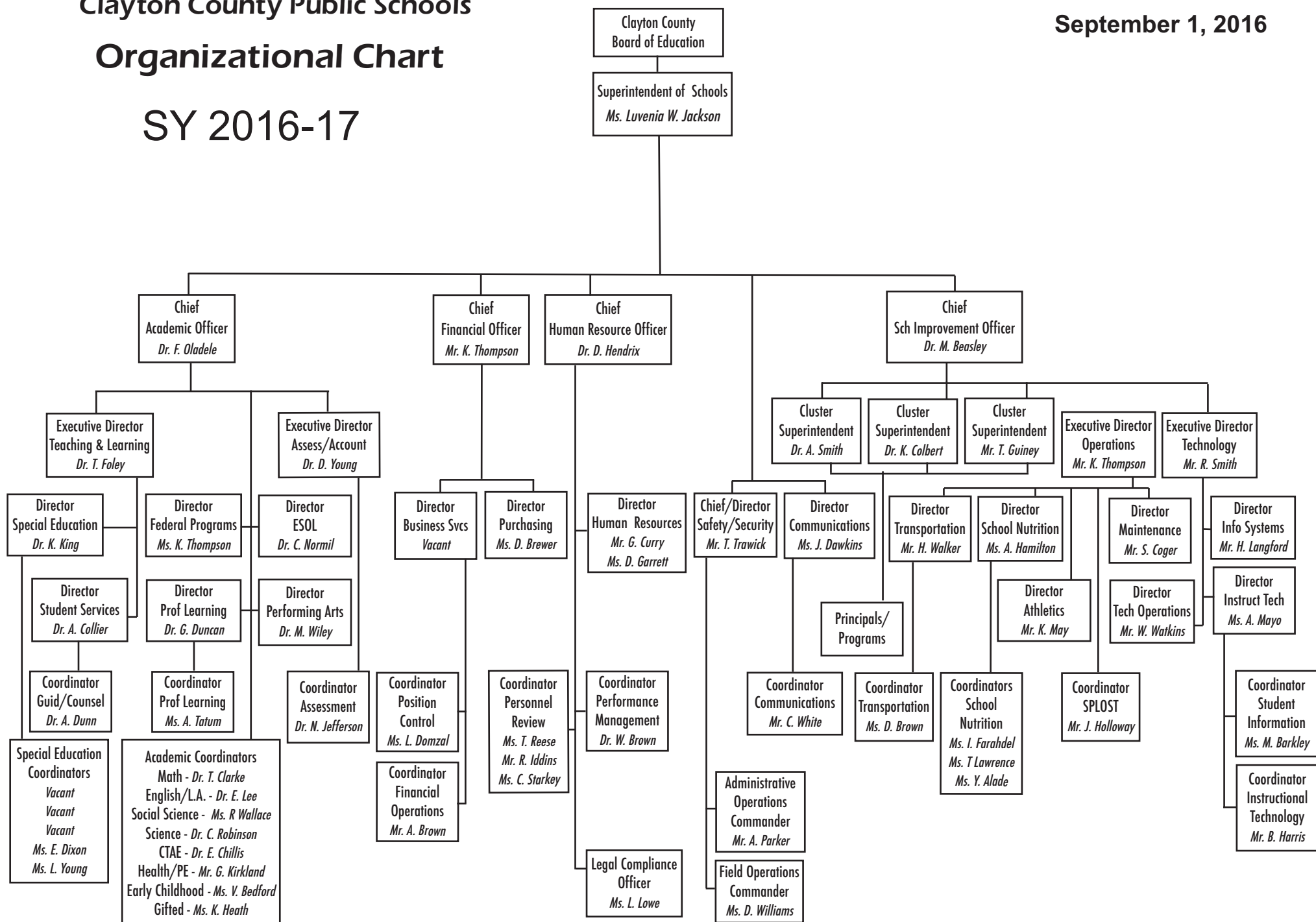


# Clayton County Public Schools

September 1, 2016

## Organizational Chart

SY 2016-17





Government Finance Officers Association

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

Presented to

**Clayton County Public Schools  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Clayton County Public Schools**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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

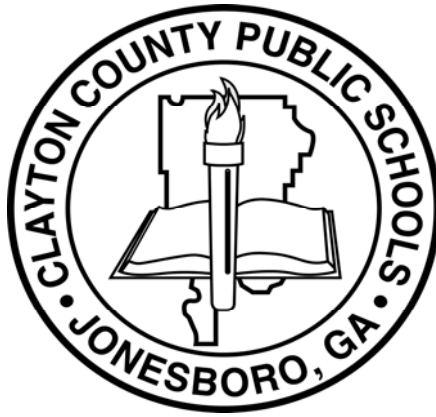


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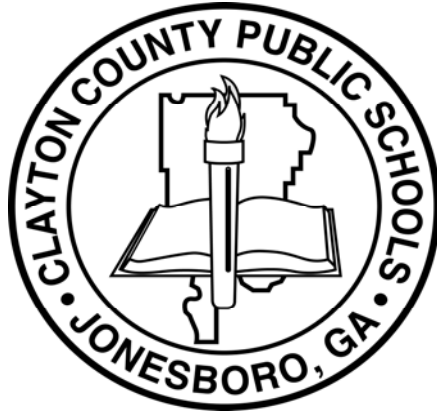
**Anthony N. Dragona, Ed.D., RSBA**  
President

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

**John D. Musso, CAE**  
Executive Director



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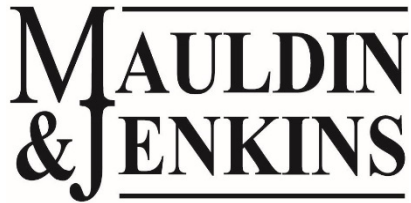


## **Financial Section**

**Clayton County  
Public Schools**

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## INDEPENDENT AUDITOR'S REPORT

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To the Superintendent and Members of the  
Clayton County Board of Education  
Jonesboro, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Clayton County Board of Education** as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Clayton County Board of Education'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 principles 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Clayton County Board of Education as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows, thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 14) and the schedules of Clayton County Board of Education's proportionate share of the net pension liability and the schedules of Clayton County Board of Education's contributions on pages 61 through 68 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.



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*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clayton County Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and 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 federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards, (collectively "the supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

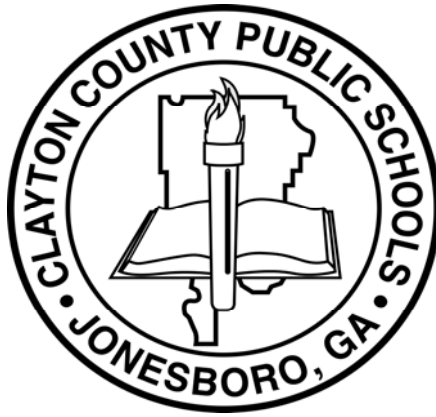
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

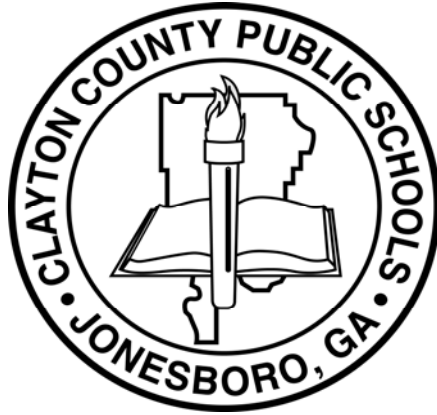
In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2018, on our consideration of Clayton County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clayton County Board of Education's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
March 23, 2018



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# **Management's Discussion and Analysis**

**Clayton County  
Public Schools**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Clayton County Board of Education's (the Board's) annual financial report presents its discussion and analysis of the Board's financial performance during the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to examine the Board's financial performance as a whole. Readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Board's financial condition.

The reporting model is a combination of both government-wide financial statements and fund financial statements. The basic financial statements contain three components:

1. Government-wide financial statements including the Statement of Net Position and the Statement of Activities for both Governmental and Business-Type activities which provide a broad, long-term view of the Board's finances.
2. Fund financial statements including the balance sheets that provide a greater level of detail and focus on how well the Board has performed in the short term in the most significant or major funds.
3. Notes to the financial statements.

This report presents the financial highlights for the year ended June 30, 2017, and other supplementary information.

As with other sections of this financial report, the information contained within this Management's Discussion and Analysis should be considered only as part of a greater whole. The reader of this analysis should take the time to read and evaluate all sections of the report, including the notes to the financial statements.

### **Financial Highlights**

Key financial highlights for fiscal year 2017 are as follows:

#### **❖ Government-wide financial statements:**

- The assets and deferred outflows of the Clayton County Board of Education (Board) exceeded its liabilities and deferred inflows at the fiscal year ended June 30, 2017 by \$504 million.
- **Governmental Activities**
  - The Board experienced an increase of \$31.3 million in net capital assets. This is the amount by which capital outlays exceeded depreciation in the current period. The net position of the total governmental funds decreased \$19.4 million.

- The General Fund (the primary operating fund), presented on a current financial resources basis, ended the year with a fund balance of \$42.0 million, a decrease of \$41.1 million from June 30, 2016.
- The Capital Projects Fund ended the year with a fund balance of \$51.3 million, an increase of \$2.2 million.
- The Board increased its outstanding long-term liability by \$109.3 million primarily due to net pension liability due in more than one year.
- Program revenues, which include operating grants, accounted for \$305.9 million, or 59.9% of the \$510.5 million in total governmental activity revenues. General revenues, primarily property taxes and sales taxes accounted for \$204.6 million, or 40.1%.
- The Board reported \$530.0 million in expenses for the governmental activities. This amount was offset by the \$305.9 million of program specific grants, charges for services or contributions indicated above. General revenues, primarily property taxes and sales taxes, were used to provide for the remaining expenses of these programs.
- **Business-type Activities**
  - The net position of the Board's business-type activities increased \$1.3 million. The Board has two business-type funds reported. The first is the school nutrition program and the second is the Performing Arts Center. Total expenses for school food service activities were \$38.3 million, while expenses of the Performing Arts Center were \$0.2 million. Program revenues, operating grants and contributions, and capital contributions for these business type activities totaled \$40.0 million.

## **Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Board:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Board's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Board, reporting the Board's operations in more detail than the government-wide statements.
  - ❖ The governmental funds statements tell how basic services such as instruction and instructional support services were financed in the short term as well as what remains for future spending.
  - ❖ Proprietary fund statements offer short and long-term financial information about the activities the Board operates like businesses, specifically the school nutrition program and the Performing Arts Center.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Board's budget for the year.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

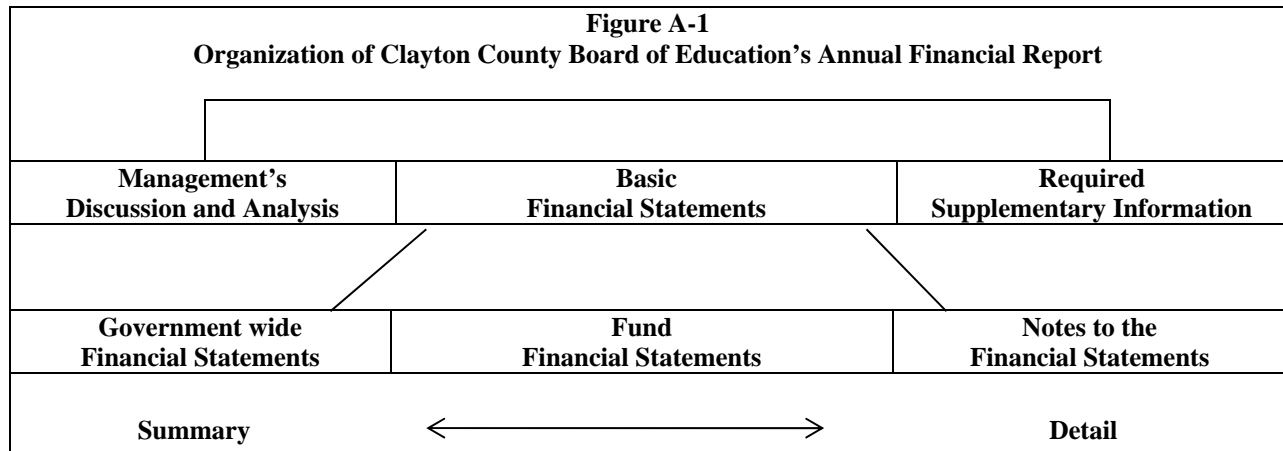


Figure A-2 summarizes the major features of the Board's financial statements, including the portion of the Board's activities they cover and the types of information they contain.

Figure A-2 Major Features of the Board of Education's Financial Statements			
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire Board (except fiduciary funds)	The activities of the Board that are not proprietary or fiduciary, such as instruction, school administration, and building maintenance	Activities the Board operates similar to private business: food services
Required financial statements	- Statement of net position - Statement of activities	- Balance sheet - Statement of revenues, expenditures, and changes in fund balance	- Statement of net position - Statement of revenues, expenses, and changes in fund net position - Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Types of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

## **Government-wide Statements**

The government-wide statements report information about the Board as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Board's assets and liabilities. 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.

The two government-wide statements report the Board's net position and how it has changed. Net position, the difference between the Board's assets and liabilities, is one way to measure the Board's financial health or position.

Over time, increases or decreases in the Board's net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the Board, additional non-financial factors, such as changes in the property tax base, community support for education and student achievement should be considered.

The government-wide financial statements of the Board are divided into two categories:

- **Governmental activities** – All of the Board's basic services are included here, such as instruction and instructional support, administration, student transportation and maintenance and operation of facilities.
- **Business type activities** – The Board operates a food service operation and charges fees to staff, students and visitors to help cover the cost of the food service operation. The Board also operates a performing arts center that is accounted for as a business-type activity.

## **Fund Financial Statements**

The Board's fund financial statements, which begin on page 18, provide detailed information about the most significant funds, not the Board as a whole.

***Governmental funds*** – Most of the Board's activities are reported in governmental funds, which focus on the determination of financial position and changes in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Board's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.



**Proprietary funds** – Services for which the Board charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The Board’s *enterprise fund* (one type of proprietary fund) is the same as its business-type activities but provides more detail and additional information, such as cash flows. The Board uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. As of June 30, 2011, the Board’s only internal service fund for the employee dental benefit program was closed.

### Financial Analysis of the Board as a Whole.

Table A-1, below, provides a summary of the Board’s net position for the year ended June 30, 2017 compared to June 30, 2016.

<b>Table A-1</b> <b>Condensed Summary of Net Position</b> <b>(in millions of dollars)</b>							
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Percentage Change 2017-2016</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	
Current and other Assets	\$ 162.7	\$ 197.8	\$ 14.3	\$ 12.5	\$ 177.0	\$ 210.3	-15.8%
Net capital assets	732.9	701.5	4.4	4.5	737.3	706.0	4.4%
Total Assets	895.6	899.3	18.7	17.0	914.3	916.3	-0.2%
Deferred outflows	110.3	36.2	1.0	0.3	111.3	36.5	204.9%
Current and other liabilities	62.5	54.9	2.9	2.6	65.4	57.5	13.7%
Long-term liabilities	443.5	338.2	4.0	3.0	447.5	341.2	31.2%
Total Liabilities	506.0	393.1	6.9	5.6	512.9	398.7	28.6%
Deferred inflows	8.6	31.6	0.1	0.3	8.7	31.9	-72.7%
Net Position							
Net investment in Capital Assets	732.9	701.5	4.3	4.5	737.2	706.0	4.4%
Restricted for Capital Projects	51.3	49.1	-	-	51.3	49.1	4.5%
Unrestricted	(292.9)	(239.8)	8.4	6.9	(284.5)	(232.9)	22.2%
Total net position	\$ 491.3	\$ 510.8	\$ 12.7	\$ 11.4	\$ 504.0	\$ 522.2	-3.5%

The Board's combined net position decreased by 3.5% to \$504 million. The net position of the Board's business-type activities increased \$1.3 million or 11.4%. These increases were due primarily to the increased investment in capital projects. The Board reported a restricted net position amount of \$51.3 million. This is an increase of 4.5% from the restricted amount reported as of June 30, 2016. The change is due to a temporary increase in cash reserves as projects begin under the most recently authorized Special Purpose Local Option Sales Tax (SPLOST). The amount set aside as restricted in the governmental activities is related to net position required by a third party or state law to be spent for a specific purpose.

**Table A-2**  
**Changes in Net Position**  
**Fiscal Year Ended June 30, 2017**

Table A-2 takes the information from the Statement of Activities and presents it in a format that shows total revenues first and then expenses and the resulting increase in net position. Table A-2 shows that revenues from governmental activities for 2017 were \$510.5 million, while total expenses were \$530.0 million. Governmental activities contributed \$19.5 million negatively to the total net position, while business-type activities resulted in a \$1.3 million positive contribution.

Program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions increased \$3.8 million. This increase was primarily the result of an increase in state and federal grants received for instructional programs.

Property taxes comprise the largest percentage of the general revenues for the Board with 20.4% of total revenues coming from this source. The increase of .5% from the previous year is due in part to a slight increase in the value of the tax digest. Sales tax revenues generated by the Special Purpose Local Option Sales Tax (SPLOST) increased \$2.6 million to a total of \$53.9 million. Interest and investment earnings remained minimal, reflecting the low interest being paid on account balances.

<b>Table A-2</b> <b>Changes in Net Position from Operating Results</b> (in millions of dollars)							
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Percentage Change</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017-2016</b>
<b>Revenues:</b>							
<b>Program revenues:</b>							
Charges for services	\$ 14.8	\$ 16.2	\$ 0.4	\$ 0.8	\$ 15.2	\$ 17.0	-10.6%
Operating grants and contributions	290.5	283.3	39.6	37.4	330.1	320.7	2.9%
Capital grants and contributions	0.6	2.6	-	-	0.6	2.6	-76.9%
<b>General revenues:</b>							
Property taxes	104.2	103.7	-	-	104.2	103.7	0.5%
Sales taxes	53.9	51.3	-	-	53.9	51.3	5.1%
Other taxes	8.8	9.4	-	-	8.8	9.4	-6.4%
Non-program specific state and federal aid	37.3	40.9	-	-	37.3	40.9	-8.8%
Interest and investment earnings	0.1	-	-	-	0.1	-	0.0%
Gain on Sale of Capital Assets	0.3	0.1	-	-	0.3	0.1	
<b>Total Revenues</b>	<b>510.5</b>	<b>507.5</b>	<b>40.0</b>	<b>38.2</b>	<b>550.5</b>	<b>545.7</b>	<b>0.9%</b>
					-	-	
<b>Expenses:</b>							
Instruction	355.5	310.6	-	-	355.5	310.6	14.5%
Pupil Services	20.6	15.5	-	-	20.6	15.5	32.9%
Instructional services	24.4	22.3	-	-	24.4	22.3	9.4%
Educational media services	6.3	5.2	-	-	6.3	5.2	21.2%
General administration	13.2	3.5	-	-	13.2	3.5	277.1%
School administration	28.9	24.8	-	-	28.9	24.8	16.5%
Business services	3.7	2.9	-	-	3.7	2.9	27.6%
Maintenance and operations	37.2	33.5	-	-	37.2	33.5	11.0%
Student transportation	22.3	19.8	-	-	22.3	19.8	12.6%
Central support services	11.0	9.8	-	-	11.0	9.8	12.2%
Other support services	4.0	8.5	-	-	4.0	8.5	-52.9%
Other non-instructional services	1.3	1.2	-	-	1.3	1.2	8.3%
Community services	1.6	1.5	-	-	1.6	1.5	6.7%
Performing Arts Center	-	-	0.3	0.2	0.3	0.2	
Interest	-	-	-	-	-	-	
Food services	-	-	38.4	37.1	38.4	37.1	3.5%
<b>Total Expenses</b>	<b>530.0</b>	<b>459.1</b>	<b>38.7</b>	<b>37.3</b>	<b>568.7</b>	<b>496.4</b>	<b>14.6%</b>
<b>Excess (deficiency) in net position</b>	<b>(19.5)</b>	<b>48.4</b>	<b>1.3</b>	<b>0.9</b>	<b>(18.2)</b>	<b>49.3</b>	<b>-136.9%</b>
<b>Net Position - beginning of year</b>	<b>510.8</b>	<b>462.4</b>	<b>11.4</b>	<b>10.5</b>	<b>522.2</b>	<b>472.9</b>	
<b>Net Position - end of year</b>	<b>\$ 491.3</b>	<b>\$ 510.8</b>	<b>\$ 12.7</b>	<b>\$ 11.4</b>	<b>\$ 504.0</b>	<b>\$ 522.2</b>	

Table A-3 summarizes the cost of the Board's activities into eight functional categories—Instruction; Pupil, Instructional and Media services; General and Business Administration; School administration; Maintenance and operations; Pupil transportation; Central support and other support; and Community Services and non-instructional. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the Board's local taxpayers by each of these functions.

Table A-3						
Net Cost of Governmental Activities						
(in millions of dollars)						
	Total Cost of Services		Percentage Change 2017-2016	Net Cost of Services		Percentage Change 2017-2016
	2017	2016		2017	2016	
Instruction	\$ 355.5	\$ 310.6	14.5%	\$ 112.7	\$ 69.3	62.6%
Pupil, Instructional and Media Services	51.3	43.0	19.3%	30.8	26.3	17.1%
General and Business Administration	16.9	6.4	164.1%	13.1	2.8	367.9%
School administration	28.9	24.8	16.5%	17.4	13.3	30.8%
Maintenance and operations	37.2	33.5	11.0%	22.4	19.1	17.3%
Student transportation	22.3	19.8	12.6%	19.0	16.9	12.4%
Central Support and other support	15.0	18.3	-18.0%	13.1	13.6	-3.7%
Community Services and non-instructional	2.9	2.7	7.4%	(4.5)	(4.3)	4.7%
Total Governmental Activities	\$ 530.0	\$ 459.1	15.4%	\$ 224.0	\$ 157.0	42.7%
Less: Unrestricted federal and state aid:				37.3	40.9	-8.8%
Total needs from local taxes and other revenues:				\$ 186.7	\$ 116.1	60.8%

The total cost of governmental activities increased 15.4%, and the net cost of services increased 45.3% reflecting the increase in targeted initiatives to improve instructional achievement.

## Business Type Activities

Revenues for the Board's business-type activities (school nutrition and performing arts center) were comprised of charges for services, federal and state reimbursements and investment earnings. (See Table A-2).

- Business type revenues exceeded expenses during the year for an increase of \$1.3 million in net position.
- Charges for services represent \$.04 million of revenue. This represents amounts paid by teachers and other customers of the cafeteria operations and the performing arts center.
- Federal and state reimbursement for meals, including payments for free and reduced lunches, was \$39.6 million.

The Statement of Revenues, Expenses and Changes in Fund Net Position for these proprietary funds will further detail the actual results of operations.

### **Analysis of the Board's Funds**

At June 30, 2017, the Board's governmental funds reported a combined fund balance of \$98.2 million. This is a decrease of \$38.7 million. The primary reason for this decrease is attributed to a \$41.1 million targeted initiative to reduce the General Fund balance to Georgia state law limits.

The fund balance of the General Fund was \$42.0 million at June 30, 2017. The Capital Projects ending fund balance was \$51.3 million while all other Governmental Funds had a total fund balance of \$4.9 million at June 30, 2017.

The fund balance of the General Fund declined primarily because of the school system's conscious efforts to reduce fund balance. This was a strategic initiative utilized to recruit and retain quality teachers through signing bonuses.

The increase in the Capital Projects Funds is the result of a temporary increase in cash reserves as projects begin under the most recently authorized SPLOST.

### **General Fund Budgeting Highlights**

The Board's budget is prepared according to Georgia state law. The most significant budgeted fund is the General Operating Fund.

In accordance with GAAP, the Board amended its General Fund to reflect funding changes.

The total expenditures increased \$47.3 million. This was due to focused attention to instruction and pupil services, increasing general administration to address achievement objectives, and targeted initiatives, offset by attrition, conservative spending and efficient use of resources.

The total revenue had a positive variance of \$4.7 million. There was \$3.8 million in increased QBE funding from growth in student enrollment and improved scheduling.

## Capital Asset and Debt Administration

### Capital Assets

At June 30, 2017, the Board had \$732.9 million invested in a broad range of capital assets, including land, buildings and furniture and equipment for its governmental activities. The Board is currently funding a five-year capital improvement program with revenue from a one-cent local option sales tax that was approved by the citizens of Clayton County in November, 2013. The maximum amount of collections approved by this referendum was \$280.3 million. The sales tax revenue, along with state capital outlay grants will fund the program through 2019.

<b>Table A-4</b> <b>Capital Assets (net of depreciation)</b> <b>(in millions of dollars)</b>							
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Percentage Change</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017-2016</b>
Land	\$ 33.6	\$ 33.6	-	-	33.6	33.6	0.0%
Construction in progress	59.2	17.9	-	-	59.2	17.9	230.7%
Buildings and improvements	626.1	635.5	3.4	3.4	629.5	638.9	-1.5%
Machinery and equipment	14.0	14.5	1.0	1.1	15.0	15.6	-3.8%
<b>Total capital assets net of depreciation</b>	<b>\$ 732.9</b>	<b>\$ 701.5</b>	<b>\$ 4.4</b>	<b>\$ 4.5</b>	<b>\$ 737.3</b>	<b>\$ 706.0</b>	<b>4.4%</b>

More detailed information about capital assets can be found in Note 7 of the Notes to the Basic Financial Statements.

### Debt Administration

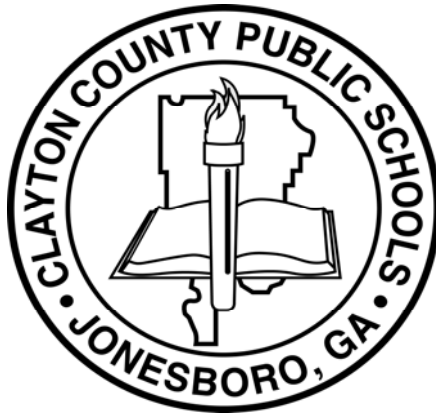
At June 30, 2017, the Board had no outstanding long-term bond debt. Because of the availability of the one cent sales tax for capital improvements since 1997, the Board has not had the need to issue any new debt and used proceeds from the sales tax to retire all of the previously existing long-term bond debt.

## **Economic Factors**

- FY 2015 marked a turning point that will hopefully continue in the recovery of the local economy from the recession. Property value is rebounding slowly. Further, a reduction in the austerity cuts to the “Quality Basic Education” Act funding continued for FY 2017.
- The percentage of students that qualify for free or reduced priced lunches exceeds approximately 80% district-wide. As a result, all schools in the district are eligible to receive Title I federal funding under the No Child Left Behind Act for the Economically Disadvantaged.

## **Contacting the Board’s Financial Management**

This financial report is designed to provide the Board’s citizens, taxpayers, customers, and investors and creditors with a general overview of the Board’s finances and to demonstrate the Board’s accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Business Services Division, Clayton County Public Schools, 1058 Fifth Avenue, Jonesboro, Georgia 30236.



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# **Basic Financial Statements**

**Clayton County  
Public Schools**

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# CLAYTON COUNTY BOARD OF EDUCATION

## STATEMENT OF NET POSITION JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 104,517,948	\$ 12,934,462	\$ 117,452,410
Investments	1,387,145	-	1,387,145
Receivables:			
Accounts	31,753	4,207	35,960
Intergovernmental	44,337,857	499,843	44,837,700
Taxes	12,522,394	-	12,522,394
Internal balances	(284,906)	284,906	-
Inventories	-	597,314	597,314
Prepaid items	141,640	-	141,640
Capital assets, nondepreciable	92,839,251	-	92,839,251
Capital assets, depreciable (net of accumulated depreciation)	640,113,411	4,311,562	644,424,973
Total assets	895,606,493	18,632,294	914,238,787
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	110,268,593	986,336	111,254,929
Total deferred outflows of resources	110,268,593	986,336	111,254,929
<b>LIABILITIES</b>			
Accounts payable	3,317,771	227,437	3,545,208
Contracts payable	481,119	-	481,119
Retainage payable	3,158,668	-	3,158,668
Accrued payroll and payroll withholdings	49,962,926	2,531,676	52,494,602
Unearned revenue	1,178,381	99,743	1,278,124
Other current liabilities	11,448	-	11,448
Claims payable due within one year	2,546,033	-	2,546,033
Claims payable due in more than one year	784,362	-	784,362
Compensated absences due within one year	1,716,230	45,807	1,762,037
Compensated absences due in more than one year	2,281,459	40,419	2,321,878
Net pension liability, due in more than one year	440,479,769	3,940,787	444,420,556
Total liabilities	505,918,166	6,885,869	512,804,035
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	8,638,954	76,599	8,715,553
Total deferred inflows of resources	8,638,954	76,599	8,715,553
<b>NET POSITION</b>			
Investment in capital assets	732,952,662	4,311,562	737,264,224
Restricted for capital projects	51,276,442	-	51,276,442
Unrestricted	(292,911,138)	8,344,600	(284,566,538)
Total net position	\$ 491,317,966	\$ 12,656,162	\$ 503,974,128

The accompanying notes are an integral part of these financial statements.

# CLAYTON COUNTY BOARD OF EDUCATION

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction	\$ 355,548,266	\$ 7,733,558	\$ 234,520,895	\$ 560,363
Pupil services	20,604,479	-	6,574,739	-
Improvement of instructional services	24,409,886	117,332	8,043,825	-
Educational media services	6,346,177	-	5,794,772	-
General administration	13,165,267	-	2,396,324	-
School administration	28,908,499	-	11,500,620	-
Business services	3,699,757	-	1,418,482	-
Maintenance and operations	37,154,682	-	14,766,148	-
Student transportation	22,327,835	-	3,357,748	-
Central support services	10,985,292	-	1,477,935	-
Other support services	4,013,195	14,752	362,279	-
Other non-instructional services	1,271,329	5,460,542	297,719	-
Community services	1,464,021	1,495,173	-	-
Total governmental activities	<u>529,898,684</u>	<u>14,821,357</u>	<u>290,511,486</u>	<u>560,363</u>
Business-type activities:				
School food service	38,527,414	262,146	39,694,915	-
Performing arts center	300,235	141,847	-	-
Total business-type activities	<u>38,827,649</u>	<u>403,993</u>	<u>39,694,915</u>	<u>-</u>
Total	<u>\$ 568,726,333</u>	<u>\$ 15,225,350</u>	<u>\$ 330,206,401</u>	<u>\$ 560,363</u>
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Gain on sale of capital assets				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (112,733,450)	\$ -	\$ (112,733,450)
(14,029,740)	-	(14,029,740)
(16,248,729)	-	(16,248,729)
(551,405)	-	(551,405)
(10,768,943)	-	(10,768,943)
(17,407,879)	-	(17,407,879)
(2,281,275)	-	(2,281,275)
(22,388,534)	-	(22,388,534)
(18,970,087)	-	(18,970,087)
(9,507,357)	-	(9,507,357)
(3,636,164)	-	(3,636,164)
4,486,932	-	4,486,932
31,152	-	31,152
(224,005,478)	-	(224,005,478)
-	1,429,647	1,429,647
-	(158,388)	(158,388)
-	1,271,259	1,271,259
(224,005,478)	1,271,259	(222,734,219)
104,169,552	-	104,169,552
53,919,064	-	53,919,064
8,779,960	-	8,779,960
37,313,744	-	37,313,744
92,036	-	92,036
290,384	-	290,384
204,564,740	-	204,564,740
(19,440,738)	1,271,259	(18,169,479)
510,758,704	11,384,903	522,143,607
\$ 491,317,966	\$ 12,656,162	\$ 503,974,128

# CLAYTON COUNTY BOARD OF EDUCATION

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2017

ASSETS	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash	\$ 51,661,594	\$ 48,507,309	\$ 4,349,045	\$ 104,517,948
Investments	204,396	1,182,749	-	1,387,145
Receivables:				
Accounts	24,208	-	7,545	31,753
Taxes	7,815,183	4,707,211	-	12,522,394
Intergovernmental	35,684,701	530,342	8,122,814	44,337,857
Due from other funds	5,682,855	-	2,199,480	7,882,335
Prepaid items	141,640	-	-	141,640
Total assets	<u>\$ 101,214,577</u>	<u>\$ 54,927,611</u>	<u>\$ 14,678,884</u>	<u>\$ 170,821,072</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 2,411,487	\$ -	\$ 906,284	\$ 3,317,771
Contracts payable	-	481,119	-	481,119
Retainage payable	-	3,158,668	-	3,158,668
Due to other funds	2,484,386	4	5,682,851	8,167,241
Accrued payroll and payroll withholdings	47,945,404	-	2,017,522	49,962,926
Unearned revenue	-	-	1,178,381	1,178,381
Other current liabilities	-	11,378	70	11,448
Total liabilities	<u>52,841,277</u>	<u>3,651,169</u>	<u>9,785,108</u>	<u>66,277,554</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	<u>6,355,906</u>	<u>-</u>	<u>-</u>	<u>6,355,906</u>
Total deferred inflows of resources	<u>6,355,906</u>	<u>-</u>	<u>-</u>	<u>6,355,906</u>
<b>FUND BALANCES</b>				
Fund balances:				
Nonspendable - prepaid items	141,640	-	-	141,640
Restricted for capital projects	-	51,276,442	-	51,276,442
Assigned for student programs	-	-	4,893,776	4,893,776
Assigned for subsequent year's budget	34,731,866	-	-	34,731,866
Unassigned	7,143,888	-	-	7,143,888
Total fund balances	<u>42,017,394</u>	<u>51,276,442</u>	<u>4,893,776</u>	<u>98,187,612</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 101,214,577</u>	<u>\$ 54,927,611</u>	<u>\$ 14,678,884</u>	<u>\$ 170,821,072</u>

The accompanying notes are an integral part of these financial statements.

# CLAYTON COUNTY BOARD OF EDUCATION

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2017

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

Fund balances - total governmental funds	\$	98,187,612
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		732,952,662
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		6,355,906
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(346,178,214)</u>
Net position of governmental activities	\$	<u><u>491,317,966</u></u>

The accompanying notes are an integral part of these financial statements.

# CLAYTON COUNTY BOARD OF EDUCATION

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Local sources	\$ 118,291,459	\$ 53,919,064	\$ 9,493,919	\$ 181,704,442
State sources	284,056,337	560,363	6,576,670	291,193,370
Federal sources	903,955	-	35,529,328	36,433,283
Interest income	27,405	64,631	-	92,036
Total revenues	403,279,156	54,544,058	51,599,917	509,423,131
<b>EXPENDITURES</b>				
Current:				
Instruction	292,367,713	-	34,778,085	327,145,798
Pupil services	14,888,173	-	5,309,506	20,197,679
Improvement of instructional services	16,763,038	-	7,049,039	23,812,077
Educational media services	6,159,344	-	-	6,159,344
General administration	11,965,345	-	1,001,397	12,966,742
School administration	26,709,247	-	974,590	27,683,837
Business services	3,604,838	-	-	3,604,838
Maintenance and operations	36,473,227	-	15,193	36,488,420
Student transportation	20,940,770	-	259,567	21,200,337
Central support services	10,362,863	-	9,925	10,372,788
Other support services	3,632,028	-	308,481	3,940,509
Other non-instructional services	294,989	-	818,856	1,113,845
Community service	-	-	1,460,191	1,460,191
Capital outlay	-	52,344,359	-	52,344,359
Total expenditures	444,161,575	52,344,359	51,984,830	548,490,764
Excess (deficiency) of revenues over (under) expenditures	(40,882,419)	2,199,699	(384,913)	(39,067,633)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	297,610	-	-	297,610
Transfers in	-	-	559,712	559,712
Transfers out	(559,712)	-	-	(559,712)
Total other financing sources (uses)	(262,102)	-	559,712	297,610
Net change in fund balances	(41,144,521)	2,199,699	174,799	(38,770,023)
<b>FUND BALANCES, beginning of year</b>	83,161,915	49,076,743	4,718,977	136,957,635
<b>FUND BALANCES, end of year</b>	\$ 42,017,394	\$ 51,276,442	\$ 4,893,776	\$ 98,187,612

The accompanying notes are an integral part of these financial statements.



# CLAYTON COUNTY BOARD OF EDUCATION

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Net change in fund balances - total governmental funds	\$ (38,770,023)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	31,499,856
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(7,226)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	366,187
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(12,529,532)</u>
Change in net position - governmental activities	<u>\$ (19,440,738)</u>

**The accompanying notes are an integral part of these financial statements.**

# CLAYTON COUNTY BOARD OF EDUCATION

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ 121,294,000	\$ 121,874,831	\$ 118,291,459	\$ (3,583,372)
State sources	287,516,712	289,429,429	281,887,347	(7,542,082)
Federal sources	687,700	893,700	903,955	10,255
Interest income	30,000	30,000	27,405	(2,595)
Total revenues	409,528,412	412,227,960	401,110,166	(11,117,794)
<b>EXPENDITURES</b>				
Current:				
Instruction	294,733,787	294,751,173	286,716,539	8,034,634
Pupil services	14,303,767	14,658,600	14,888,173	(229,573)
Improvement of instructional services	18,927,711	19,762,871	16,763,038	2,999,833
Educational media services	5,571,184	5,580,344	6,159,344	(579,000)
General administration	4,828,735	14,916,520	11,965,252	2,951,268
School administration	27,413,371	27,605,015	26,709,247	895,768
Business services	4,987,693	7,213,318	3,581,190	3,632,128
Maintenance and operations	37,173,635	33,434,950	36,174,294	(2,739,344)
Student transportation	18,650,692	19,694,041	20,715,057	(1,021,016)
Central support services	11,553,018	12,234,030	10,289,690	1,944,340
Other support services	2,663,664	3,164,457	3,340,368	(175,911)
Other non-instructional services	-	753,501	294,989	458,512
Total expenditures	440,807,257	453,768,820	437,597,181	16,171,639
Deficiency of revenues over expenditures	(31,278,845)	(41,540,860)	(36,487,015)	5,053,845
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	297,610	297,610
Transfers out	(230,266)	(230,266)	(559,712)	(329,446)
Total other financing sources (uses)	(230,266)	(230,266)	(262,102)	(31,836)
Net change in fund balances	\$ (31,509,111)	\$ (41,771,126)	\$ (36,749,117)	\$ 5,022,009

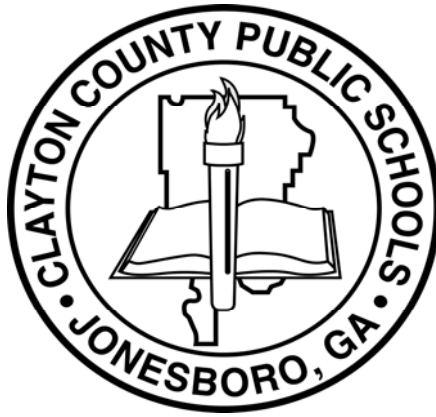
The accompanying notes are an integral part of these financial statements.

# CLAYTON COUNTY BOARD OF EDUCATION

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2017

ASSETS	Business-type Activities - Enterprise Funds		
	School Food Service	Nonmajor Performing Arts Center	Totals
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 12,934,462	\$ -	\$ 12,934,462
Receivables:			
Intergovernmental	499,843	-	499,843
Account	4,207	-	4,207
Inventories	597,314	-	597,314
Due from other funds	18,208	266,698	284,906
Total current assets	14,054,034	266,698	14,320,732
<b>CAPITAL ASSETS</b>			
Buildings	-	7,308,375	7,308,375
Furniture and equipment	5,291,529	6,167	5,297,696
Intangibles	53,643	-	53,643
Total depreciable assets	5,345,172	7,314,542	12,659,714
Less accumulated depreciation and amortization	(4,322,383)	(4,025,769)	(8,348,152)
Total capital assets	1,022,789	3,288,773	4,311,562
Total assets	15,076,823	3,555,471	18,632,294
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	986,336	-	986,336
Total deferred outflows of resources	986,336	-	986,336
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	226,725	712	227,437
Accrued payroll and payroll withholdings	2,617,902	-	2,617,902
Unearned revenue	99,743	-	99,743
Total current liabilities	2,944,370	712	2,945,082
<b>NONCURRENT LIABILITIES</b>			
Net pension liability	3,940,787	-	3,940,787
Total noncurrent liabilities	3,940,787	-	3,940,787
Total liabilities	6,885,157	712	6,885,869
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	76,599	-	76,599
Total deferred inflows of resources	76,599	-	76,599
<b>NET POSITION</b>			
Investment in capital assets	1,022,789	3,288,773	4,311,562
Unrestricted	8,078,614	265,986	8,344,600
Total net position	\$ 9,101,403	\$ 3,554,759	\$ 12,656,162

The accompanying notes are an integral part of these financial statements.



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# CLAYTON COUNTY BOARD OF EDUCATION

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds		
	School Food Service	Nonmajor Performing Arts Center	Totals
<b>OPERATING REVENUES</b>			
Local sources	\$ 262,146	\$ 141,847	\$ 403,993
Total operating revenues	262,146	141,847	403,993
<b>OPERATING EXPENSES</b>			
Food service operations	37,864,379	-	37,864,379
Enterprise operation	-	154,068	154,068
Maintenance and operations	481,428	-	481,428
Depreciation	191,774	146,167	337,941
Total operating expenses	38,537,581	300,235	38,837,816
Operating loss	(38,275,435)	(158,388)	(38,433,823)
<b>NON-OPERATING REVENUES</b>			
Intergovernmental revenues	39,694,915	-	39,694,915
Gain on disposal of assets	10,167	-	10,167
Total non-operating revenues	39,705,082	-	39,705,082
Change in net position	1,429,647	(158,388)	1,271,259
<b>NET POSITION, beginning of year</b>	7,671,756	3,713,147	11,384,903
<b>NET POSITION, end of year</b>	\$ 9,101,403	\$ 3,554,759	\$ 12,656,162

The accompanying notes are an integral part of these financial statements.

# CLAYTON COUNTY BOARD OF EDUCATION

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds		
	School Food Service	Nonmajor Performing Arts Center	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from local sources	\$ 197,982	\$ 154,602	\$ 352,584
Payments to suppliers	(22,842,023)	(26,127)	(22,868,150)
Payments to employees	(11,804,197)	(109,550)	(11,913,747)
Payments on behalf of employees	(5,085,375)	(18,925)	(5,104,300)
Net cash used in operating activities	(39,533,613)	-	(39,533,613)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Subsidy from federal and state grants	39,492,123	-	39,492,123
Net cash provided by noncapital financing activities	39,492,123	-	39,492,123
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(115,647)	-	(115,647)
Proceeds from disposition of capital assets	13,079	-	13,079
Net cash used in capital and related financing activities	(102,568)	-	(102,568)
Net decrease in cash and cash equivalents	(144,058)	-	(144,058)
Cash and cash equivalents, beginning of year	13,078,520	-	13,078,520
Cash and cash equivalents, end of year	\$ 12,934,462	\$ -	\$ 12,934,462

# CLAYTON COUNTY BOARD OF EDUCATION

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds		
	School Food Service	Nonmajor Performing Arts Center	Totals
<b>Reconciliation of operating loss to net cash used in operating activities</b>			
Operating loss	\$ (38,275,435)	\$ (158,388)	\$ (38,433,823)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation	191,774	146,167	337,941
Increase in accounts receivable	(4,207)	-	(4,207)
Increase (decrease) in due from other funds	(18,208)	12,755	(5,453)
Increase in inventories	(167,861)	-	(167,861)
Increase in deferred outflows - pensions	(663,283)	-	(663,283)
Increase (decrease) in accounts payable	144,625	(534)	144,091
Decrease in due to other funds	(1,631,436)	-	(1,631,436)
Increase in accrued payroll and other withholdings	165,102	-	165,102
Decrease in deferred inflows - pensions	(206,012)	-	(206,012)
Increase in net pension liability	973,077	-	973,077
Decrease in unearned revenue	(41,749)	-	(41,749)
Net cash used in operating activities	<u>\$ (39,533,613)</u>	<u>\$ -</u>	<u>\$ (39,533,613)</u>

### NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

The School System received \$2,856,963 in commodities from the United States Department of Agriculture during the fiscal year ended June 30, 2017.

The accompanying notes are an integral part of these financial statements.

**CLAYTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**JUNE 30, 2017**

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	<u>Agency Fund</u>
	<u>Student</u>
<b>ASSETS</b>	<u>Activities</u>
Cash	\$ 475,165
Total assets	<u>\$ 475,165</u>
<b>LIABILITIES</b>	
Due to others	\$ 475,165
Total liabilities	<u>\$ 475,165</u>

The accompanying notes are an integral part of these financial statements.





# **Notes to Financial Statements**

**Clayton County  
Public Schools**

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# CLAYTON COUNTY BOARD OF EDUCATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The Clayton County Board of Education (the "School System") operates under a Board/Superintendent form of government. The nine-member Board is elected by the public and the Board appoints the superintendent. These nine elected members have decision making authority, the power to designate management, and the ability to significantly influence operations. The Board determines the millage rate at which school taxes are levied and may incur bonded indebtedness with voter approval.

#### B. Government-wide and Fund Financial Statements

The government-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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 eligibility requirements imposed by the provider have been met.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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. For this purpose, the School System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for amounts related to reimbursement based grants, which are considered available when all eligibility criteria has been met. 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.

The fiduciary fund financial statements are reported using the *accrual basis of accounting*.

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education (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 12-month contract period, generally, September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School System over the same 12-month period in which teachers are paid, funding the academic school year expenditures.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year is accrued, as the State of Georgia 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 of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia'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 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 **Capital Projects Fund** accounts for the proceeds of a one percent Special Purpose Local Option Sales Tax as well as revenues from local and state sources to be used for land and building acquisitions and construction and renovations of new educational and administrative facilities.

The School System reports the following major proprietary fund:

The **School Food Service Fund** accounts for the monies and commodities received from the federal and state governments and the School Food Service's cafeteria sales for the purpose of maintaining the School System's breakfast, lunch, and snack programs.

Additionally, the School System reports the following fund types:

The **Special Revenue Funds** account for Federal and state 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 Board, for collecting, controlling, disbursing, and accounting for his or her school's funds. All resources of the fund, including earnings on invested resources, may be used to support the schools' activities.

The **Agency Fund** is used to account for student club and class accounts.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the School System's school food service program and the General Fund. Elimination of these charges would distort the direct costs reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

#### D. Cash and Investments

The School System's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

#### E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **F. On-Behalf Payments**

The State of Georgia makes certain pension plan payments on behalf of the School System for its employees. The School System records these payments as both a revenue and expenditure in the General Fund. The total of the on-behalf payments for the fiscal year ended June 30, 2017, was \$913,220.

#### **G. Inventories and Prepaid Items**

Inventories are stated at cost using the first-in, first-out method. Donated food commodities are recorded at fair value. The School System utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenses when 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 an asset for the prepaid amount and reflecting expenditure/expense in the year in which services are consumed.

#### **H. Non-Monetary Transactions**

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$2,856,963 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenue and an expense in the financial statements.

#### **I. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the School System as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I. Capital Assets (Continued)

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Improvements	20-50
Buildings	20-50
Machinery and equipment	4-10

#### J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Other than the pension related items discussed below, the School System did not have any items that qualified for reporting in this category for the year ended June 30, 2017.

In addition to liabilities, the statement of financial position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Other than the pension related items discussed below, the School System has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

#### K. Pensions

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



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Pensions (Continued)

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

#### L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

#### M. Compensated Absences

It is the School System's policy to permit employees to accumulate unused vacation and sick pay benefits. Accumulated unpaid sick leave benefits do not vest and therefore are not accrued in any fund, but are recognized as expenditures or expenses when incurred. Accumulated unpaid vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

#### N. Fund Equity

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Fund Equity (Continued)

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

**Nonspendable:** Fund balances that are not in spendable form (e.g., prepaid items) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).

**Restricted:** Fund balances that can be spent only for the specific purposes stipulated by external parties, either constitutionally or through enabling legislation (e.g., grants or donations).

**Committed:** Fund balances that can be used only for the specific purposes determined by an approved resolution of the Clayton County Board of Education. Commitments may be changed or lifted only by referring to formal action that imposed the original constraint on the fund (e.g., the School System's commitment in connection with future construction projects).

**Assigned:** Fund balances intended to be used by the School System for specific purposes. Pursuant to the fund balance policy, intent can be expressed by the Clayton County Board of Education or by a designee to whom the Clayton County Board of Education delegates authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at minimum, intended to be used for the purpose of that fund.

**Unassigned:** Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The School System reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

The responsibility for designating funds to specific classifications is as follows:

**Committed:** The Clayton County Board of Education is the School System's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board.

**Assigned:** The Clayton County Board of Education has authorized the Superintendent and the Chief Financial Officer as officials authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

When multiple categories of fund balance are available for expenditures (e.g., a project is being funded partly by a grant, funds set aside by the Clayton County Board of Education, and unassigned fund balance), the School System will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### O. Use of Estimates

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

#### P. Tax Abatement Agreements

During the year ended June 30, 2017, the Board of Education implemented Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires the Board of Education to disclose information for any tax abatement agreements either entered into by the Board of Education, or agreements entered into by other governments that reduce the Board of Education's tax revenues. As of June 30, 2017, the Board of Education did not have any such agreements, either entered into by the Board of Education or by other governments that exceeded the quantitative threshold for disclosure.

### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

#### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$346,178,214 difference are as follows:

Workers' compensation claims payable	\$ (3,330,395)
Compensated absences	(3,997,689)
Net pension liability	(440,479,769)
Pensions - deferred inflows of resources	(8,638,954)
Pensions - deferred outflows of resources	<u>110,268,593</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (346,178,214)</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

#### B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$31,499,856 difference are as follows:

Capital outlay	\$ 50,993,475
Depreciation expense	(19,493,619)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 31,499,856</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$12,529,532 difference are as follows:

Compensated absences	\$ (281,397)
Workers' compensation claims payable	(671,840)
Change in net pension liability and deferred inflows and outflows related to pension activity	(11,576,295)
Net adjustment to decrease <i>net change in fund balances - governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ (12,529,532)</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

**Budgets.** The School System adopts annual budgets for its general and special revenue funds, except that an annual budget is not adopted for the School Discretionary special revenue fund. The School System does not employ encumbrance accounting and, accordingly, all appropriations lapse at year-end. After the School System has tentatively adopted a budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board members after the advertisement, the budget is revised as necessary and adopted as the final budget. This final budget is then submitted to the Georgia Department of Education in accordance with provisions of the Quality Basic Education Act (QBE).

The level of budgetary control (the level at which expenditures may not exceed appropriations) is at the fund level.

The Statement of Revenues and Expenditures – Budget (Non-GAAP) to 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 the accounting principles generally accepted in the United States of America (“GAAP”) are:

- a. State QBE revenue is recorded when received (budget) rather than when susceptible to accrual (GAAP).
- b. Salaries and employee benefits paid to teachers under contract are recorded when paid (budget) rather than when the liability is incurred (GAAP).
- c. Payments made by the State of Georgia for School System employee benefits are recognized as revenues and expenditures under GAAP and are not recognized on the budget basis.

Adjustments necessary to convert the General Fund’s net change in fund balance from the GAAP basis to the budgetary basis are as follows:

GAAP basis net change in fund balance	\$ (41,144,521)
Adjustment for:	
State QBE revenue	(1,255,770)
Salaries and employee benefits	5,651,174
State paid employee benefit revenue	(913,220)
State paid employee benefit expenditures	913,220
	<hr/>
Budget basis net change in fund balance	\$ (36,749,117)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. DEPOSITS AND INVESTMENTS

**Credit Risk.** State statutes authorize the School System to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund 1).

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the Board of Education's investment in the Georgia Fund 1 is reported at fair value. The Board of Education considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. The School System does not have a policy for credit risk beyond the types of investments authorized by Georgia State law.

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

Investment	Maturities	Fair Value
Georgia Fund 1	26 day weighted average	\$ 1,387,145

**Interest Rate Risk.** 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.

**Fair Value Measurements.** The school system categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs

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

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2017, the School System's bank balance was fully collateralized.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. RECEIVABLES

Receivables at June 30, 2017, for the School System's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<b>General</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>School Food Service</b>	<b>Total</b>
Intergovernmental	\$ 35,684,701	\$ 530,342	\$ 8,122,814	\$ 499,843	\$ 44,837,700
Taxes	14,171,089	4,707,211	-	-	18,878,300
Accounts	24,208	-	7,545	4,207	35,960
	<u>49,879,998</u>	<u>5,237,553</u>	<u>8,130,359</u>	<u>504,050</u>	<u>63,751,960</u>
Less allowance for uncollectible	(6,355,906)	-	-	-	(6,355,906)
Net total receivable	<u>\$ 43,524,092</u>	<u>\$ 5,237,553</u>	<u>\$ 8,130,359</u>	<u>\$ 504,050</u>	<u>\$ 57,396,054</u>

Intergovernmental receivables consist of grant reimbursements due primarily from the Georgia Department of Education, sales taxes which are collected by the state on the School System's behalf, and property taxes collected by Clayton County Tax Commissioner on the School System's behalf.

### NOTE 6. PROPERTY TAXES

Clayton County bills and collects property taxes for the School System. Property taxes are levied (assessed) on all taxable real, public utility and personal property (including vehicles) located within the County as of January 1st of each year. State law limits the School System's tax levy for operations to 20 mills (one mill equals \$1 per thousand dollars of assessed value). Assessed values for property tax purposes are determined by the Clayton County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. The State of Georgia establishes values for public utilities and motor vehicles.

Real property taxes were levied on September 15, 2016 and were due November 15, 2016. Clayton County may place liens on property once the related tax payments become delinquent. The property tax receivable allowance is equal to 50% of outstanding property taxes at June 30, 2017, net of amounts collected within 60 days of year-end.

Vehicle personal property taxes are due upon each respective payor's date of birth on an annual basis.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 33,647,096	\$ -	\$ -	\$ -	\$ 33,647,096
Construction in progress	17,879,561	48,374,400	-	(7,061,806)	59,192,155
Total	<u>51,526,657</u>	<u>48,374,400</u>	<u>-</u>	<u>(7,061,806)</u>	<u>92,839,251</u>
Capital assets, being depreciated:					
Buildings	819,089,629	-	-	7,061,806	826,151,435
Improvements	4,831,696	-	-	-	4,831,696
Machinery and equipment	48,485,673	2,619,075	(2,691,834)	-	48,412,914
Total	<u>872,406,998</u>	<u>2,619,075</u>	<u>(2,691,834)</u>	<u>7,061,806</u>	<u>879,396,045</u>
Less accumulated depreciation for:					
Buildings	(185,720,744)	(16,216,651)	-	-	(201,937,395)
Improvements	(2,774,883)	(183,210)	-	-	(2,958,093)
Machinery and equipment	(33,977,996)	(3,093,758)	2,684,608	-	(34,387,146)
Total	<u>(222,473,623)</u>	<u>(19,493,619)</u>	<u>2,684,608</u>	<u>-</u>	<u>(239,282,634)</u>
Total capital assets, being depreciated, net	<u>649,933,375</u>	<u>(16,874,544)</u>	<u>(7,226)</u>	<u>7,061,806</u>	<u>640,113,411</u>
Governmental activities capital assets, net	<u>\$ 701,460,032</u>	<u>\$ 31,499,856</u>	<u>\$ (7,226)</u>	<u>\$ -</u>	<u>\$ 732,952,662</u>
<b>Business-type activities:</b>					
Capital assets, being depreciated:					
Buildings	\$ 7,308,375	\$ -	\$ -	\$ -	\$ 7,308,375
Machinery and equipment	5,413,254	62,004	(177,562)	-	5,297,696
Intangibles	-	53,643	-	-	53,643
Total	<u>12,721,629</u>	<u>115,647</u>	<u>(177,562)</u>	<u>-</u>	<u>12,659,714</u>
Less accumulated depreciation for:					
Buildings	(3,873,434)	(146,167)	-	-	(4,019,601)
Machinery and equipment	(4,311,427)	(191,774)	174,650	-	(4,328,551)
Total	<u>(8,184,861)</u>	<u>(337,941)</u>	<u>174,650</u>	<u>-</u>	<u>(8,348,152)</u>
Business-type activities capital assets, net	<u>\$ 4,536,768</u>	<u>\$ (222,294)</u>	<u>\$ (2,912)</u>	<u>\$ -</u>	<u>\$ 4,311,562</u>



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the School System as follows:

Governmental activities:

Instruction	\$ 16,380,059
Pupil services	5,479
Improvement of instructional services	55,758
Educational - media services	851
General administration	145,720
School administration	244,776
Business administration	2,670
Maintenance and operations	259,946
Student transportation	1,820,074
Central support services	404,742
Other non-instructional services	173,544

Total depreciation expense - governmental activities	<u>\$ 19,493,619</u>
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Business-type activities:

School food services	\$ 191,774
Performing arts center	146,167

Total depreciation expense - business-type activities	<u>\$ 337,941</u>
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## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2017, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Claims payable	\$ 2,658,555	\$ 3,105,352	\$ (2,433,512)	\$ 3,330,395	\$ 2,546,033
Compensated absences	3,716,292	2,031,851	(1,750,454)	3,997,689	1,716,230
Net pension liability	331,875,617	150,481,698	(41,877,546)	440,479,769	-
Governmental activities Long-term liabilities	<u>\$ 338,250,464</u>	<u>\$ 155,618,901</u>	<u>\$ (46,061,512)</u>	<u>\$ 447,807,853</u>	<u>\$ 4,262,263</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 79,356	\$ 60,652	\$ (53,782)	\$ 86,226	\$ 45,807
Net pension liability	2,967,710	1,346,389	(373,312)	3,940,787	-
Business-type activities Long-term liabilities	<u>\$ 3,047,066</u>	<u>\$ 1,407,041</u>	<u>\$ (427,094)</u>	<u>\$ 4,027,013</u>	<u>\$ 45,807</u>

The balance of claims payable, \$3,330,395, is related to workers' compensation claims. For governmental activities, compensated absences, claims payable, and net pension liability are liquidated primarily by the General Fund. For business-type activities, compensated absences, and net pension liability are liquidated primarily by the School Food Service Fund.

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from other funds:

Due to	Due from			Total
	General	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 4	5,682,851	\$ 5,682,855
School Food Service	18,208			18,208
Nonmajor governmental funds	2,199,480	-	-	2,199,480
Nonmajor enterprise funds	266,698	-	-	266,698
	<u>\$ 2,484,386</u>	<u>\$ 4</u>	<u>5,682,851</u>	<u>\$ 8,167,241</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

<u>Transfers in</u>	<u>Transfers out</u>	
	<u>General Fund</u>	<u>Total</u>
Nonmajor Governmental		
Funds	\$ 559,712	\$ 559,712
Total	<u>\$ 559,712</u>	<u>\$ 559,712</u>

Transfers are used to (1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### NOTE 10. RETIREMENT PLANS

#### Teachers Retirement System

##### **Plan Description**

All teachers of the School System as defined in §47-3-60 of the Official Code of Georgia Annotated (OCGA) and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the OCGA assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at [www.trsga.com/publications](http://www.trsga.com/publications).

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Teachers Retirement System (Continued)

##### **Benefits Provided**

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

##### **Contributions**

Per Title 47 of the OCGA, contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to OCGA §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2017. The School System's contractually required contribution rate for the year ended June 30, 2017, was 14.27% of annual School System payroll. School System contributions to TRS were \$36,775,461 for the year ended June 30, 2017.

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

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

School System's proportionate share of the net pension liability	\$ 444,157,166
State of Georgia's proportionate share of the net pension liability associated with the School System	<u>920,560</u>
Total	<u>\$ 445,077,726</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Teachers Retirement System (Continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016, was determined using standard roll-forward techniques. The School System's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2016. At June 30 2016, the School System's proportion was 2.152851%, which was a decrease of 0.04423% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School System recognized pension expense of \$48,570,848 and revenue of \$98,376 for support provided by the State of Georgia for certain support personnel. At June 30, 2017, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,616,744	\$ 2,196,360
Changes of assumptions	11,511,940	-
Net difference between projected and actual earnings on pension plan investments	56,187,710	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	75,912	6,436,788
School System contributions subsequent to the measurement date	36,775,461	-
Total	<u>\$ 111,167,767</u>	<u>\$ 8,633,148</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Teachers Retirement System (Continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

School System contributions, subsequent to the measurement date, of \$36,775,461 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### **Year ended June 30:**

2017	\$	6,944,643
2018		6,944,622
2019		30,772,398
2020		20,517,354
2021		580,141

#### **Actuarial Assumptions**

The total pension liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.75 - 9.00% average, including inflation
Investment rate of return	7.50% net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB, set forward two years for males and four years for females, was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on November 18, 2015, the numbers of expected future deaths are 8-11% less than actual number of deaths that occurred during the study period for health retirees and 9-11% less than expected under the selected table for disables retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Teachers Retirement System (Continued)

#### **Actuarial Assumptions (Continued)**

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

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

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

#### **Discount Rate**

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Teachers Retirement System (Continued)

##### **Sensitivity of the School System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	<b>1% Decrease (6.50%)</b>	<b>Current discount rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
School System's proportionate share of the net pension liability	\$ 691,336,107	\$ 444,157,166	\$ 240,646,051

##### **Pension Plan Fiduciary Net Position**

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

#### Public School Employees Retirement System (PSERS)

##### **Plan Description**

PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the OCGA. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov/formspubs/formspubs](http://www.ers.ga.gov/formspubs/formspubs).

##### **Benefits Provided**

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



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Public School Employees Retirement System (PSERS) (Continued)

##### **Benefits Provided (Continued)**

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

##### **Contributions**

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

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

##### **Pension Liabilities and Pension Expense**

At June 30, 2017, the School System did not have a liability for a proportionate share of the net pension liability of PSERS because of the related State of Georgia support. The amount of the State's proportionate share of the net pension liability associated with the School System is as follows:

State of Georgia's proportionate share of the net pension liability associated with the School System	<u>\$ 7,277,689</u>
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The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016, was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School System was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2016.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Public School Employees Retirement System (PSERS) (Continued)

For the year ended June 30, 2017, the School System recognized pension expense of \$1,193,088 and revenue of \$1,193,088 for support provided by the State of Georgia.

#### **Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Public School Employees Retirement System (PSERS) (Continued)

##### **Actuarial Assumptions (Continued)**

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

##### **Discount Rate**

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

#### Employees' Retirement System (ERS)

##### **Plan Description**

ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the OCGA assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov/formspubs/formspubs](http://www.ers.ga.gov/formspubs/formspubs).

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Employees' Retirement System (ERS) (Continued)

##### **Benefits Provided**

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest four consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

##### **Contributions**

Member contributions under the Old Plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The School System's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2017, was 24.69% of annual covered payroll for Old and New Plan members and 21.69% for GSEPS members. The School System's contributions to ERS totaled \$32,003 for the year ended June 30, 2017. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Employees' Retirement System (ERS) (Continued)

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

At June 30, 2017, the School System reported a liability for its proportionate share of the net pension liability of ERS in the amount of \$263,390. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016, was determined using standard roll-forward techniques. The School System's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2016. At June 30, 2016, the School System's proportion was 0.005568%, which was a decrease of 0.003307% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School System recognized pension expense of \$22,349. At June 30, 2017, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 608
Changes of assumptions	2,231	-
Net difference between projected and actual earnings on pension plan investments	26,779	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	18,869	81,797
Employer contributions subsequent to the measurement date	39,283	-
Total	<u>\$ 87,162</u>	<u>\$ 82,405</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Employees' Retirement System (ERS) (Continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

School System contributions subsequent to the measurement date of \$39,283 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### **Year ended June 30:**

2017	\$	(41,247)
2018		(16,667)
2019		14,438
2020		8,950

#### **Actuarial Assumptions**

The total pension liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25 - 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB, set forward two years for males and females for service retirement and dependent beneficiaries. The RP-2000 Disables Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death and disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the experience study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Employees' Retirement System (ERS) (Continued)

##### **Actuarial Assumption**

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00 %	(0.05) %
Domestic large equities	37.20	9.00
Domestic mid equities	3.40	12.00
Domestic small equities	1.40	13.50
International developed market equities	17.80	8.00
International emerging market equities	5.20	12.00
Alternatives	5.00	10.50
Total	<u>100.00 %</u>	

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

##### **Discount Rate**

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### Employees' Retirement System (ERS) (Continued)

#### **Sensitivity of the School System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	<b>1% Decrease (6.50%)</b>	<b>Current discount rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
Employer's proportionate share of the net pension liability	\$ 356,942	\$ 263,390	\$ 183,665

#### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publically available at [www.ers.ga.gov/formspubs/formspubs](http://www.ers.ga.gov/formspubs/formspubs).

#### **Aggregate Amounts**

Aggregated amounts for all pensions plans are as follows:

	<b>TRS</b>	<b>ERS</b>	<b>PSERS</b>	<b>Total</b>
Net pension liability	\$ 444,157,166	\$ 263,390	\$ -	\$ 444,420,556
Deferred outflows	111,167,767	87,162	-	111,254,929
Deferred inflows	8,633,148	82,405	-	8,715,553
Pension expense	48,570,848	22,349	1,193,088	49,786,285



## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

#### Georgia Retiree Health Benefit Fund

*Plan Description.* The School System participates in the Georgia Retiree Health Benefit Fund ("GRHBF"), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of Georgia Department of Community Health. GRHBF provides health insurance benefits to eligible retirees and their qualified beneficiaries. Pursuant to Title 45, Chapter 18 of the Official Code of Georgia Annotated, the authority to establish and amend the benefit provisions of the plan is assigned to the Board of the State of Georgia Department of Community Health. The Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary information for GRHBF. That report may be obtained from the Department of Community Health at 2 Peachtree Street, Atlanta, Georgia 30303.

*Funding Policy.* The contribution requirements of plan members and participating employers are established and may be amended by the Board of the State of Georgia Department of Community Health. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election.

Participating state employers, including local Boards of Education, are statutorily required to contribute in accordance with the employer contribution rate established by the Board. The contribution rate is established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements. The combined rate for the active and retiree plans (pay-as-you go basis) for the fiscal year ended June 30, 2017, were as follows:

#### Certified employees

<u>Period</u>	<u>Required Contribution</u>
July 2016 - June 2017	\$945.00 Per member per month

#### Classified employees

<u>Period</u>	<u>Required Contribution</u>
July 2016 - December 2016	\$746.20 Per member per month
January 2017 - June 2017	\$846.20 Per member per month

Currently, the state is requiring that local Boards of Education pay only on active employees. The School System's contribution to the health insurance plans for the fiscal years ended June 30, 2017, 2016, and 2015 were \$52,759,851, \$47,850,840 and \$45,652,108, respectively, which equaled the required contribution. Currently, the State of Georgia has been making the remaining contributions to fund the pay-as-you-go financing on behalf of all local Boards of Education (see Note 1 for discussion of on-behalf payments).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12. 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; natural disaster; Workers' Compensation; unemployment compensation; and dental benefits. The School System is self-insured for workers' compensation. The School System purchases commercial insurance for all other risks of loss. The School System has not experienced any significant reduction in insurance coverage from the previous years nor has it paid any settlements in excess of insurance coverage in the past three years.

#### Workers' Compensation

The School System is partially self-insured for Workers' Compensation claims of its employees. Claims exceeding \$250,000, but less than \$2,000,000 per occurrence are covered through a private insurance carrier. The School System is liable for any other claims filed. The School System has entered into a contract with a third party to administer the program. Activity is accounted for in the General Fund.

Changes in the balances of workers' compensation claims liabilities for the past two fiscal years for which the School System is self-insured are as follows:

<u>Workers' Compensation</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Unpaid claims, beginning of fiscal year	\$ 2,658,555	\$ 2,616,023
Incurred claims (including IBNRs)	3,105,352	2,155,919
Claim payments and changes in estimates	(2,433,512)	(2,113,387)
Unpaid claims, end of fiscal year	<u>\$ 3,330,395</u>	<u>\$ 2,658,555</u>

### NOTE 13. COMMITMENTS AND CONTINGENCIES

The School System is involved in a number of legal matters which either have or could result in litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School System's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the School System.

The School System participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School System has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2017, may be impaired. In the opinion of the School System, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 13. COMMITMENTS AND CONTINGENCIES**

The School System is committed under outstanding construction contracts in the Capital Projects Fund in the amount of \$24,719,667. Construction contracts include new school construction and expansion and renovation of existing facilities.

### **NOTE 14. SUBSEQUENT EVENT**

On October 23, 2017, the Clayton County Board of Education issued a tax anticipation note in advance of property tax collections with a financial institution in the amount of \$25,000,000. Proceeds from this short-term loan was issued to provide cash for operations until property tax collections were received by the School District. The maturity date of the note was December 29, 2017, and the note was paid in full on December 29, 2017.

**CLAYTON COUNTY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS RETIREMENT SYSTEM OF GEORGIA  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
School System's proportion of the net pension liability	2.152851%	2.197081%	2.196357%
School System's proportionate share of the net pension liability	\$ 444,157,166	\$ 334,483,765	\$ 277,480,737
State of Georgia's proportionate share of the net pension liability associated with the School System	<u>920,560</u>	<u>683,558</u>	<u>572,053</u>
Total	<u>\$ 445,077,726</u>	<u>\$ 335,167,323</u>	<u>\$ 278,052,790</u>
School System's covered-employee payroll	\$ 254,456,566	\$ 235,884,198	\$ 224,071,946
School System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	174.55%	141.80%	123.84%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	81.44%	84.03%

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

**CLAYTON COUNTY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
TEACHERS RETIREMENT SYSTEM OF GEORGIA  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 36,775,461	\$ 36,310,952	\$ 31,018,772
Contributions in relation to the contractually required contribution	<u>36,775,461</u>	<u>36,310,952</u>	<u>31,018,772</u>
Contribution deficiency (excess)	-	-	-
School System's covered-employee payroll	\$ 257,711,710	\$ 254,456,566	\$ 235,884,198
Contributions as a percentage of covered-employee payroll	14.27%	14.27%	13.15%

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

# CLAYTON COUNTY BOARD OF EDUCATION

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION TEACHERS RETIREMENT SYSTEM OF GEORGIA FOR THE YEAR ENDED JUNE 30, 2017

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### Changes of assumptions

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

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

### Method and assumptions used in calculations of actuarially determined contributions:

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

Valuation date	June 30, 2014
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	Five-year smoothed market
Inflation rate	3.00%
Salary increases	3.75% - 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Post- Retirement Benefit Increases	1.50% semi-annually

**CLAYTON COUNTY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
School System's proportion of the net pension liability	<b>0.00%</b>	0.00%	0.00%
School System's proportionate share of the net pension liability	-	-	-
State of Georgia's proportionate share of the net position liability associated with the School System	<u><b>\$ 7,277,689</b></u>	<u>\$ 4,487,155</u>	<u>\$ 3,516,516</u>
Total	<u><b>\$ 7,277,689</b></u>	<u><b>\$ 4,487,155</b></u>	<u><b>\$ 3,516,516</b></u>
School System's covered-employee payroll	<b>\$ 23,090,120</b>	\$ 21,459,053	\$ 19,768,819
School System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<b>N/A</b>	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	<b>81.00%</b>	87.00%	88.29%

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

# CLAYTON COUNTY BOARD OF EDUCATION

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30, 2017

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### Changes of assumptions

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

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

### Method and assumptions used in calculations of actuarially determined contributions:

Valuation date	June 30, 2014
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	25 years
Asset valuation method	Five-year smoothed market
Inflation rate	3.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation



**CLAYTON COUNTY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
EMPLOYEES' RETIREMENT SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
School System's proportion of the net pension liability	<b>0.005568%</b>	0.008875%	0.006853%
School System's proportionate share of the net pension liability	<b>\$ 263,390</b>	\$ 359,562	\$ 257,030
School System's covered-employee payroll	<b>\$ 129,462</b>	\$ 202,910	\$ 154,312
School System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<b>203.45%</b>	177.20%	166.57%
Plan fiduciary net position as a percentage of the total pension liability	<b>72.34%</b>	76.20%	77.99%

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

**CLAYTON COUNTY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
EMPLOYEES' RETIREMENT SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 39,283	\$ 32,003	\$ 44,559
Contributions in relation to the contractually required contribution	<u>39,283</u>	<u>32,003</u>	<u>44,559</u>
Contribution deficiency (excess)	-	-	-
School System's covered-employee payroll	\$ 159,105	\$ 129,462	\$ 202,910
Contributions as a percentage of covered-employee payroll	24.69%	24.72%	21.96%

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

# CLAYTON COUNTY BOARD OF EDUCATION

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION EMPLOYEES' RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30, 2017

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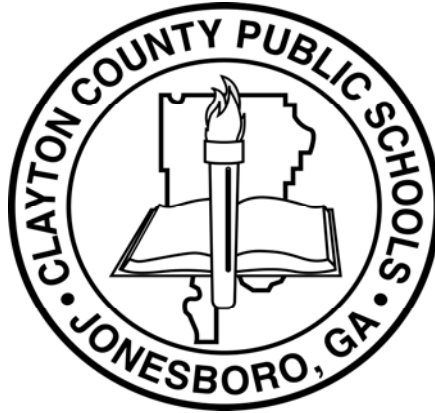
### Changes of assumptions

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal and salary increases.

### Method and assumptions used in calculations of actuarially determined contributions:

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

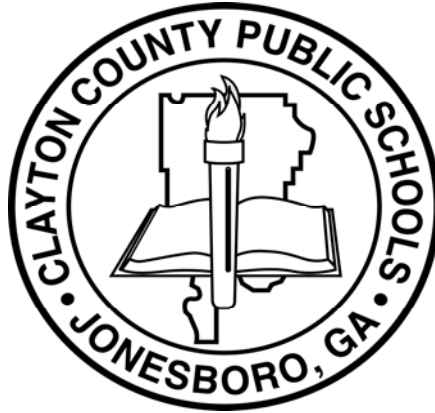
Valuation date	June 30, 2014
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	25 years
Asset valuation method	Five-year smoothed market
Inflation rate	3.00%
Salary increases	3.25%-7.00% average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation



# **Supplemental Information**

**Clayton County  
Public Schools**

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# **Combining Fund Schedules**

**Clayton County  
Public Schools**

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# CLAYTON COUNTY BOARD OF EDUCATION

## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

The **Adult Education Fund** is used to account for federal grant funds passed through the Georgia Department of Technical and Adult Education for the purpose of providing a vocational curriculum program for adults.

The **After School Program Fund** is used to account for the after school program in place at all Clayton County elementary schools. Revenues consist of fees paid for the after school care of students.

The **Athletics Fund** is used to account for athletic events held on behalf of Clayton County's schools. Revenues consist primarily of ticket and concession sales.

The **Lottery Fund** is used to account for state grant funds flowing through the State of Georgia Department of Education for various programs as established by the state.

The **South Metro Fund** is used to account for the development center for children with physical and mental handicaps.

The **Title I Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System to provide remedial education in the areas of reading and math and to provide a special education program for children who are physically handicapped.

The **Title II Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System for the purpose of training teachers in math, science, foreign language, and computer science programs.

The **Title III Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System for the purpose of providing assistance to limited English proficient children and youth in Clayton County schools in attaining English proficiency.

The **All Other Special Revenue Funds** is used to account for the activities of various other programs funded by local, state and federal funds.

The **Title VI-B Preschool Fund** is used to account for federal funds authorized by the Individuals with Disabilities Education Act that are passed through the State of Georgia Department of Education to the School System for the purpose of providing special education programs for children with disabilities ages three to five.

# CLAYTON COUNTY BOARD OF EDUCATION

## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS (CONTINUED)

The **Title VI-B Fund** is used to account for federal funds in connection with the Individuals with Disabilities Education Act that are passed 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 12th grade.

The **Vocational Programs Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System for the purpose of providing a vocational curriculum program.

The **School Discretionary Fund** is used to account for the portion of the school activity resources used for general governmental expenditures.

# CLAYTON COUNTY BOARD OF EDUCATION

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2017

	Special Revenue Funds			
	Adult Education	After School Program	Athletics	Lottery
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ 57,928	\$ -
Receivables:				
Accounts	-	-	-	-
Intergovernmental	126,199	-	-	-
Due from other funds	1,401	604,972	-	366,566
Total assets	<u>\$ 127,600</u>	<u>\$ 604,972</u>	<u>\$ 57,928</u>	<u>\$ 366,566</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 16,013
Accrued payroll and payroll withholdings	5,629	-	-	350,553
Other current liabilities	-	-	70	-
Unearned revenue	-	-	-	-
Due to other funds	121,971	-	52,000	-
Total liabilities	<u>127,600</u>	<u>-</u>	<u>52,070</u>	<u>366,566</u>
<b>FUND BALANCES</b>				
Committed for student programs	-	604,972	5,858	-
Total fund balances	<u>-</u>	<u>604,972</u>	<u>5,858</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 127,600</u>	<u>\$ 604,972</u>	<u>\$ 57,928</u>	<u>\$ 366,566</u>



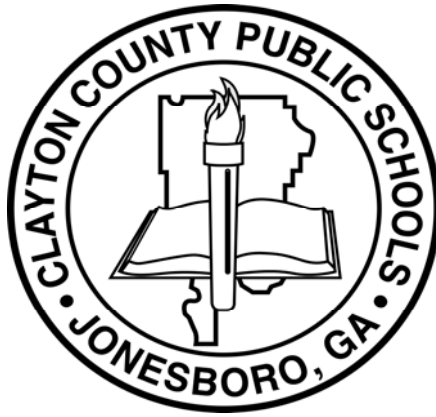
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**Special Revenue Funds**

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<b>South Metro</b>	<b>Title I</b>	<b>Title II</b>	<b>Title III</b>	<b>All Other Special Revenue</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	7,545
1,123,534	4,865,639	579,581	81,982	157,985
-	-	-	-	1,226,541
<u>\$ 1,123,534</u>	<u>\$ 4,865,639</u>	<u>\$ 579,581</u>	<u>\$ 81,982</u>	<u>\$ 1,392,071</u>
\$ 15,022	\$ 816,111	\$ 7,380	\$ 4,982	\$ 9,129
440,443	568,907	78,105	28,212	26,777
-	-	-	-	-
-	-	-	-	1,178,381
668,069	3,480,621	494,096	48,788	160,251
<u>1,123,534</u>	<u>4,865,639</u>	<u>579,581</u>	<u>81,982</u>	<u>1,374,538</u>
-	-	-	-	17,533
-	-	-	-	17,533
<u>\$ 1,123,534</u>	<u>\$ 4,865,639</u>	<u>\$ 579,581</u>	<u>\$ 81,982</u>	<u>\$ 1,392,071</u>

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# CLAYTON COUNTY BOARD OF EDUCATION

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2017

ASSETS	Special Revenue Funds				Total Nonmajor Governmental Funds
	Title VI-B Preschool	Title VI-B	Vocational Programs	School Discretionary	
Cash	\$ -	\$ -	\$ -	\$ 4,291,117	\$ 4,349,045
Receivables:					
Accounts	-	-	-	-	7,545
Intergovernmental	33,632	1,152,409	1,853	-	8,122,814
Due from other funds	-	-	-	-	2,199,480
Total assets	<u>\$ 33,632</u>	<u>\$ 1,152,409</u>	<u>\$ 1,853</u>	<u>\$ 4,291,117</u>	<u>\$ 14,678,884</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 107	\$ 11,836	\$ -	\$ 25,704	\$ 906,284
Accrued payroll and payroll withholdings	10,140	508,756	-	-	2,017,522
Other current liabilities	-	-	-	-	70
Unearned revenue	-	-	-	-	1,178,381
Due to other funds	<u>23,385</u>	<u>631,817</u>	<u>1,853</u>	<u>-</u>	<u>5,682,851</u>
Total liabilities	<u>33,632</u>	<u>1,152,409</u>	<u>1,853</u>	<u>25,704</u>	<u>9,785,108</u>
<b>FUND BALANCES</b>					
Committed for student programs	-	-	-	4,265,413	4,893,776
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,265,413</u>	<u>4,893,776</u>
Total liabilities and fund balances	<u>\$ 33,632</u>	<u>\$ 1,152,409</u>	<u>\$ 1,853</u>	<u>\$ 4,291,117</u>	<u>\$ 14,678,884</u>

# CLAYTON COUNTY BOARD OF EDUCATION

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	Adult Education	After School Program	Athletics	Lottery
<b>REVENUES</b>				
Local sources	\$ 28,247	\$ 1,612,507	\$ 275,848	\$ -
State sources	319,000	-	-	2,301,163
Federal sources	391,409	-	-	-
Total revenues	<u>738,656</u>	<u>1,612,507</u>	<u>275,848</u>	<u>2,301,163</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	553,356	-	-	2,224,796
Pupil services	-	-	-	2,709
Improvement of instructional services	199,758	117,333	-	230,884
General administration	-	-	-	-
School administration	-	-	-	-
Maintenance and operations	10,551	-	-	-
Student transportation	-	-	-	-
Central support services	-	-	-	-
Other support services	-	-	-	-
Other non-instructional services	-	-	521,137	-
Community service	-	1,460,191	-	-
Total expenditures	<u>763,665</u>	<u>1,577,524</u>	<u>521,137</u>	<u>2,458,389</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,009)</u>	<u>34,983</u>	<u>(245,289)</u>	<u>(157,226)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>25,009</u>	<u>-</u>	<u>250,000</u>	<u>157,226</u>
Total other financing sources	<u>25,009</u>	<u>-</u>	<u>250,000</u>	<u>157,226</u>
Net change in fund balances	-	34,983	4,711	-
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>569,989</u>	<u>1,147</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ 604,972</u>	<u>\$ 5,858</u>	<u>\$ -</u>

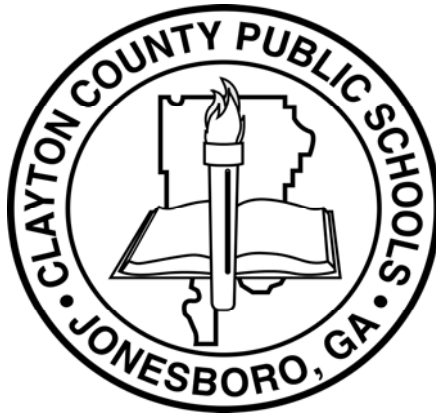
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**Special Revenue Funds**

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<b>South Metro</b>	<b>Title I</b>	<b>Title II</b>	<b>Title III</b>	<b>All Other Special Revenue</b>
\$ -	\$ -	\$ -	\$ -	\$ 10,132
3,814,240	-	-	-	142,267
443,895	21,509,011	1,984,055	711,070	718,010
4,258,135	21,509,011	1,984,055	711,070	870,409
2,696,291	13,279,035	295,029	359,210	93,630
550,466	2,826,093	-	7,523	244,342
-	4,029,561	1,614,262	298,149	352,940
36,788	899,770	64,839	-	-
974,590	-	-	-	-
-	-	-	-	4,642
-	212,259	-	-	4,808
-	-	9,925	-	-
-	262,293	-	46,188	-
-	-	-	-	297,719
-	-	-	-	-
4,258,135	21,509,011	1,984,055	711,070	998,081
-	-	-	-	(127,672)
-	-	-	-	127,477
-	-	-	-	127,477
-	-	-	-	(195)
-	-	-	-	17,728
\$ -	\$ -	\$ -	\$ -	\$ 17,533

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# CLAYTON COUNTY BOARD OF EDUCATION

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Title VI-B Preschool	Title VI-B	Vocational Programs	School Discretionary	
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ 7,567,185	\$ 9,493,919
State sources	-	-	-	-	6,576,670
Federal sources	251,793	8,973,072	547,013	-	35,529,328
Total revenues	251,793	8,973,072	547,013	7,567,185	51,599,917
<b>EXPENDITURES</b>					
Current:					
Instruction	134,296	7,199,866	510,691	7,431,885	34,778,085
Pupil services	110,629	1,567,744	-	-	5,309,506
Improvement of instructional services	6,868	162,962	36,322	-	7,049,039
General administration	-	-	-	-	1,001,397
School administration	-	-	-	-	974,590
Maintenance and operations	-	-	-	-	15,193
Student transportation	-	42,500	-	-	259,567
Central support services	-	-	-	-	9,925
Other support services	-	-	-	-	308,481
Other non-instructional services	-	-	-	-	818,856
Community service	-	-	-	-	1,460,191
Total expenditures	251,793	8,973,072	547,013	7,431,885	51,984,830
Excess (deficiency) of revenues over (under) expenditures	-	-	-	135,300	(384,913)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	-	-	-	559,712
Total other financing sources	-	-	-	-	559,712
Net change in fund balances	-	-	-	135,300	174,799
<b>FUND BALANCES, beginning of year</b>	-	-	-	4,130,113	4,718,977
<b>FUND BALANCES, end of year</b>	\$ -	\$ -	\$ -	\$ 4,265,413	\$ 4,893,776

# CLAYTON COUNTY BOARD OF EDUCATION

## SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Adult Education		
	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Local sources	\$ 30,312	\$ 28,247	\$ (2,065)
State sources	144,317	319,000	174,683
Federal sources	580,483	391,409	(189,074)
Total revenues	755,112	738,656	(16,456)
<b>EXPENDITURES</b>			
Current:			
Instruction	567,547	553,356	14,191
Pupil services	-	-	-
Improvement of instructional services	199,333	199,758	(425)
General administration	-	-	-
School administration	-	-	-
Maintenance and operations	10,000	10,551	(551)
Student transportation	-	-	-
Central support services	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	776,880	763,665	13,215
Excess (deficiency) of revenues over (under) expenditures	(21,768)	(25,009)	(3,241)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	25,009	25,009
Transfers out	(21,888)	-	21,888
Total other financing sources (uses)	(21,888)	25,009	46,897
Net change in fund balances	(43,656)	-	43,656
<b>FUND BALANCES, beginning of year</b>	-	-	-
<b>FUND BALANCES, end of year</b>	\$ (43,656)	\$ -	\$ 43,656



After School Program			Athletics		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ 843,172	\$ 1,612,507	\$ 769,335	\$ 330,000	\$ 275,848	\$ (54,152)
-	-	-	-	-	-
-	-	-	-	-	-
843,172	1,612,507	769,335	330,000	275,848	(54,152)
-	-	-	-	-	-
-	-	-	-	-	-
648,494	117,333	531,161	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	430,000	521,137	(91,137)
194,678	1,460,191	(1,265,513)	-	-	-
843,172	1,577,524	(734,352)	430,000	521,137	(91,137)
-	34,983	34,983	(100,000)	(245,289)	(145,289)
-	-	-	100,000	250,000	150,000
-	-	-	-	-	-
-	-	-	100,000	250,000	150,000
-	34,983	34,983	-	4,711	4,711
569,989	569,989	-	1,147	1,147	-
\$ 569,989	\$ 604,972	\$ 34,983	\$ 1,147	\$ 5,858	\$ 4,711

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# CLAYTON COUNTY BOARD OF EDUCATION

## SPECIAL REVENUE FUNDS

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Lottery		
	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ -
State sources	2,254,519	2,301,163	46,644
Federal sources	-	-	-
Total revenues	2,254,519	2,301,163	46,644
<b>EXPENDITURES</b>			
Current:			
Instruction	2,003,519	2,224,796	(221,277)
Pupil services	-	2,709	(2,709)
Improvement of instructional services	251,000	230,884	20,116
Federal Administration	-	-	-
General administration	-	-	-
School administration	-	-	-
Maintenance and operations	-	-	-
Student transportation	-	-	-
Central support services	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	2,254,519	2,458,389	(203,870)
Excess (deficiency) of revenues over (under) expenditures	-	(157,226)	(157,226)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	157,226	157,226
Transfers out	-	-	-
Total other financing sources	-	157,226	157,226
Net change in fund balances	-	-	-
<b>FUND BALANCES, beginning of year</b>	-	-	-
<b>FUND BALANCES, end of year</b>	\$ -	\$ -	\$ -

South Metro			Title I		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,814,240	3,814,240	-	-	-	-
1,282,979	443,895	(839,084)	33,930,479	21,509,011	(12,421,468)
5,097,219	4,258,135	(839,084)	33,930,479	21,509,011	(12,421,468)
3,379,094	2,696,291	682,803	19,785,359	13,279,035	6,506,324
780,597	550,466	230,131	3,345,139	2,826,093	519,046
(669)	-	(669)	7,804,367	4,029,561	3,774,806
-	-	-	1,200	-	1,200
37,764	36,788	976	1,627,294	899,770	727,524
900,433	974,590	(74,157)	-	-	-
-	-	-	-	-	-
-	-	-	757,359	212,259	545,100
-	-	-	-	-	-
-	-	-	609,761	262,293	347,468
-	-	-	-	-	-
-	-	-	-	-	-
5,097,219	4,258,135	839,084	33,930,479	21,509,011	12,421,468
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

# CLAYTON COUNTY BOARD OF EDUCATION

## SPECIAL REVENUE FUNDS

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Title II		
	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	2,429,498	1,984,055	(445,443)
Total revenues	2,429,498	1,984,055	(445,443)
<b>EXPENDITURES</b>			
Current:			
Instruction	295,000	295,029	(29)
Pupil services	-	-	-
Improvement of instructional services	2,008,341	1,614,262	394,079
Educational media services	-	-	-
General administration	110,428	64,839	45,589
School administration	-	-	-
Maintenance and operations	-	-	-
Student transportation	-	-	-
Central support services	15,729	9,925	5,804
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	2,429,498	1,984,055	445,443
Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	-	-	-
<b>FUND BALANCES, beginning of year</b>	-	-	-
<b>FUND BALANCES, end of year</b>	\$ -	\$ -	\$ -

Title III			All Other Special Revenue		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 53,570	\$ 10,132	\$ (43,438)
-	-	-	206,707	142,267	(64,440)
1,014,330	711,070	(303,260)	830,153	718,010	(112,143)
1,014,330	711,070	(303,260)	1,090,430	870,409	(220,021)
547,670	359,210	188,460	109,466	93,630	15,836
79,781	7,523	72,258	273,212	244,342	28,870
368,380	298,149	70,231	446,620	352,940	93,680
-	-	-	-	-	-
-	-	-	2,223	-	2,223
-	-	-	-	-	-
-	-	-	-	4,642	(4,642)
2,357	-	2,357	4,808	4,808	-
-	-	-	-	-	-
16,142	46,188	(30,046)	-	-	-
-	-	-	362,479	297,719	64,760
-	-	-	-	-	-
1,014,330	711,070	303,260	1,198,808	998,081	200,727
-	-	-	(108,378)	(127,672)	(19,294)
-	-	-	108,378	127,477	19,099
-	-	-	-	-	-
-	-	-	108,378	127,477	19,099
-	-	-	-	(195)	(195)
-	-	-	17,728	17,728	-
\$ -	\$ -	\$ -	\$ 17,728	\$ 17,533	\$ (195)

(Continued)

# CLAYTON COUNTY BOARD OF EDUCATION

## SPECIAL REVENUE FUNDS

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Title VI-B Preschool		
	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	521,840	251,793	(270,047)
Total revenues	521,840	251,793	(270,047)
<b>EXPENDITURES</b>			
Current:			
Instruction	299,855	134,296	165,559
Pupil services	197,431	110,629	86,802
Improvement of instructional services	24,554	6,868	17,686
General administration	-	-	-
School administration	-	-	-
Maintenance and operations	-	-	-
Student transportation	-	-	-
Central support services	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	521,840	251,793	270,047
Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
<b>FUND BALANCES, beginning of year</b>	-	-	-
<b>FUND BALANCES, end of year</b>	\$ -	\$ -	\$ -

Title VI-B			Vocational Programs		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
15,834,038	8,973,072	(6,860,966)	547,030	547,013	(17)
15,834,038	8,973,072	(6,860,966)	547,030	547,013	(17)
12,780,633	7,199,866	5,580,767	510,692	510,691	1
2,572,571	1,567,744	1,004,827	-	-	-
400,834	162,962	237,872	36,338	36,322	16
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
80,000	42,500	37,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,834,038	8,973,072	6,860,966	547,030	547,013	17
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# CLAYTON COUNTY BOARD OF EDUCATION

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

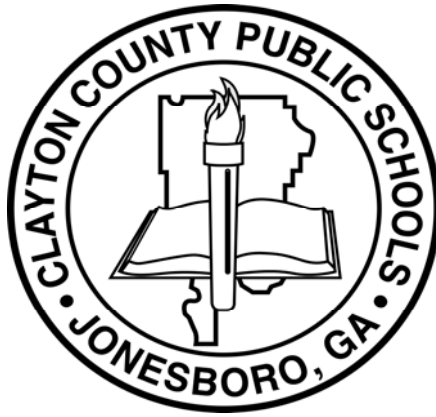
	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
<b><u>STUDENT ACTIVITY FUND</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 447,198	\$ 2,246,830	\$ 2,218,863	\$ 475,165
<b>LIABILITIES</b>				
Due to student organizations				
<b>Elementary Schools:</b>				
Anderson	\$ 1,416	1,998	1,871	1,543
Arnold	2,818	14,332	12,273	4,877
Brown	2,000	8,649	9,323	1,326
Callaway	1,628	6,711	7,475	864
Church Street	1,956	19,516	18,432	3,040
East Clayton	1,442	10,330	10,057	1,715
Edmonds	1,295	1,453	1,821	927
Fountain	1,397	1,612	944	2,065
Harper	2,680	5,172	3,409	4,443
Hawthorne	601	10,226	10,484	343
Haynie	4,293	6,329	6,261	4,361
Huie	964	4,875	4,339	1,500
Jackson	14,058	22,895	27,258	9,695
Kemp	1,127	26,856	24,763	3,220
Kemp Primary	5,958	8,342	10,167	4,133
Kilpatrick	1,235	12,414	12,079	1,570
King	2,210	16,160	17,800	570
Lake City	8,936	3,768	4,853	7,851
Lake Ridge	1,174	6,767	7,597	344
Lee Street	771	3,386	3,464	693
Marshall	2,113	6,675	6,521	2,267
McGarrah	1,551	8,605	8,264	1,892
Morrow	2,158	6,374	4,390	4,142
Mt. Zion	2,085	10,821	9,632	3,274
Mt. Zion Primary	4,132	5,963	6,591	3,504
Northcutt	2,147	8,877	8,424	2,600
Oliver	367	41,768	40,655	1,480
Pointe South	2,099	7,438	7,931	1,606
Riverdale	2,374	7,765	8,633	1,506
River's Edge	508	27,775	26,460	1,823
Smith	9,889	13,574	11,101	12,362
Suder	4,665	10,488	14,823	330
Swint	1,546	5,046	5,065	1,527
Tara	658	1,452	1,518	592
Unidos	2,226	4,039	4,003	2,262
West Clayton	304	3,225	2,948	581
White Academy	3,967	67,575	60,690	10,852
Total Elementary Schools	100,748	429,251	422,319	107,680



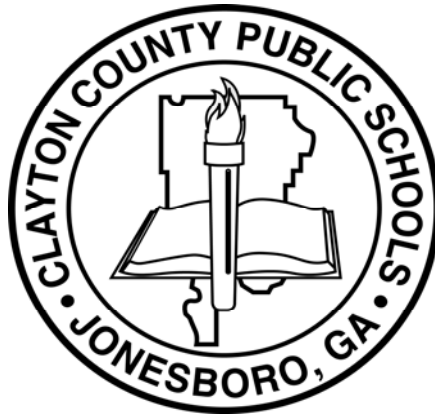
# CLAYTON COUNTY BOARD OF EDUCATION

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2017</u>
<b>LIABILITIES (CONTINUED)</b>				
Due to student organizations (Continued)				
<b>Middle Schools:</b>				
Adamson	\$ 5,244	\$ 35,296	\$ 36,219	\$ 4,321
Babb	9,510	34,212	37,320	6,402
Elite Scholars	6,924	74,062	79,382	1,604
Forest Park	3,499	4,565	5,038	3,026
Jonesboro	3,781	23,661	23,211	4,231
Kendrick	16,198	58,308	56,552	17,954
Lovejoy	680	14,668	14,374	974
Morrow	4,711	21,798	22,239	4,270
Mundy's Mill	7,104	27,818	30,575	4,347
North Clayton	4,445	28,714	26,795	6,364
Pointe South	2,798	16,416	15,937	3,277
Rex Mill	6,160	54,751	46,851	14,060
Riverdale	3,927	18,732	20,598	2,061
Roberts	27,532	36,824	38,336	26,020
Sequoyah	(122)	17,423	14,806	2,495
Total Middle Schools	<u>102,391</u>	<u>467,248</u>	<u>468,233</u>	<u>101,406</u>
<b>High Schools and Special Purpose Programs:</b>				
Drew	\$ 42,374	\$ 126,886	\$ 124,706	\$ 44,554
Forest Park	21,155	111,506	112,579	20,082
Jonesboro	10,670	108,701	104,103	15,268
Lovejoy	28,804	149,809	150,397	28,216
Morrow	32,046	166,563	157,611	40,998
Mt. Zion	5,517	126,264	122,062	9,719
Mundy's Mill	28,500	146,697	135,911	39,286
North Clayton	13,636	68,570	68,344	13,862
Riverdale	29,845	76,245	87,806	18,284
Perry Center	1,205	5,202	5,849	558
Stilwell	29,348	263,488	258,246	34,590
Flint River	185	268	207	246
South Metro	774	132	490	416
Total High Schools and Special Purpose Programs	<u>244,059</u>	<u>1,350,331</u>	<u>1,328,311</u>	<u>266,079</u>
Total due to student organizations	<u>447,198</u>	<u>2,246,830</u>	<u>2,218,863</u>	<u>475,165</u>
Total Liabilities	<u>\$ 447,198</u>	<u>\$ 2,246,830</u>	<u>\$ 2,218,863</u>	<u>\$ 475,165</u>



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## **Statistical Section**

**Clayton County  
Public Schools**

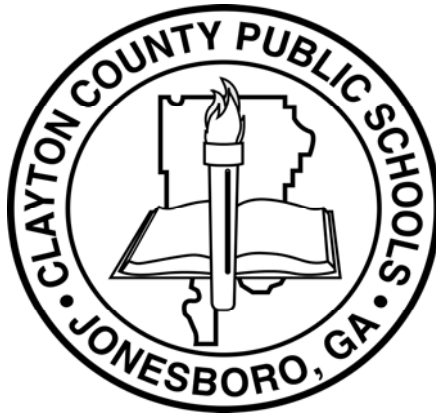
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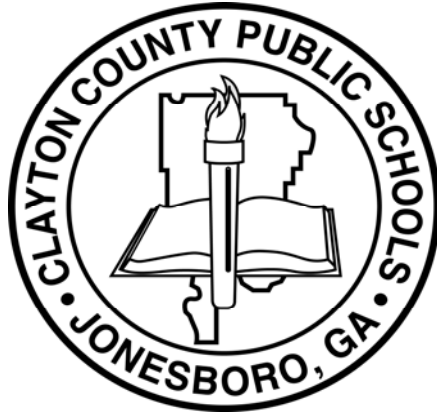
# STATISTICAL SECTION

This part of the Clayton 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, required supplementary information, and supplementary information says about the School System's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends .....</b>	<b>85 - 92</b>
<i>These schedules contain trend information to help the reader understand how the School System's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity .....</b>	<b>93 - 98</b>
<i>These schedules contain information to help the reader assess the School System's most significant local revenue sources.</i>	
<b>Debt Capacity .....</b>	<b>99 - 102</b>
<i>These schedules present information to help the reader assess the affordability of the School System's current levels of outstanding debt and the School System's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information .....</b>	<b>103 - 106</b>
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School System's financial activities take place.</i>	
<b>Operating Information .....</b>	<b>107 - 117</b>
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the School System's financial report relates to the services the School System provides and the activities it performs.</i>	



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# **Financial Trends**

**Clayton County  
Public Schools**

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# CLAYTON COUNTY BOARD OF EDUCATION

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

<b>Fiscal Year Ended June 30,</b>	<b>Net Investment in Capital Assets</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total Net Position</b>
<b><u>Governmental Activities</u></b>				
2008	406,113,481	90,559,654	56,830,763	553,503,898
2009	454,722,369	75,170,499	39,738,569	569,631,437
2010	509,655,295	76,436,913	19,633,982	605,726,190
2011	514,975,636	107,326,734	34,102,935	656,405,305
2012	556,244,430	94,959,761	42,725,690	693,929,881
2013	629,552,909	50,650,232	63,922,382	744,125,523
2014	692,592,355	7,453,160	75,900,621	775,946,136
2015	697,860,759	25,018,520	(260,473,696)	462,405,583
2016	701,460,032	49,076,743	(239,778,071)	510,758,704
2017	732,952,662	51,276,442	(292,911,138)	491,317,966
<b><u>Business-type Activities</u></b>				
2008	7,247,134	-	10,020,099	17,267,233
2009	6,745,609	-	5,260,291	12,005,900
2010	6,323,409	-	4,250,447	10,573,856
2011	5,847,343	-	3,670,506	9,517,849
2012	5,345,034	-	5,523,597	10,868,631
2013	4,971,075	-	7,219,819	12,190,894
2014	4,664,135	-	8,402,538	13,066,673
2015	4,343,550	-	6,137,845	10,481,395
2016	4,536,768	-	6,848,135	11,384,903
2017	4,311,562	-	8,344,600	12,656,162
<b><u>Total</u></b>				
2008	413,360,615	90,559,654	66,850,862	570,771,131
2009	461,467,978	75,170,499	44,998,860	581,637,337
2010	515,978,704	76,436,913	23,884,429	616,300,046
2011	520,822,979	107,326,734	37,773,441	665,923,154
2012	561,589,464	94,959,761	48,249,287	704,798,512
2013	634,523,984	50,650,232	71,142,201	756,316,417
2014	697,256,490	7,453,160	84,303,159	789,012,809
2015	702,204,309	25,018,520	(254,335,851)	472,886,978
2016	705,996,800	49,076,743	(232,929,936)	522,143,607
2017	737,264,224	51,276,442	(284,566,538)	503,974,128

# CLAYTON COUNTY BOARD OF EDUCATION

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012
<b>Expenses:</b>					
Governmental activities					
Instructional services	\$ 315,439,752	\$ 326,173,396	\$ 299,228,401	\$ 289,659,696	\$ 296,417,202
Pupil services	16,178,872	16,664,267	16,355,400	13,464,906	14,551,823
Improvement of instructional services	25,400,221	25,553,694	23,188,322	11,912,843	15,202,766
Educational media services	7,491,836	7,789,435	7,839,592	5,277,130	5,225,436
General administration	3,742,791	5,008,540	4,429,848	3,537,595	3,473,960
School administration	24,287,809	24,529,652	23,897,928	22,068,201	21,176,371
Business administration	2,890,990	3,490,943	2,816,870	2,574,738	2,143,768
Maintenance and operations	32,548,593	35,601,121	32,152,942	29,342,130	30,606,213
Pupil transportation	22,975,264	22,484,075	22,035,391	18,493,121	17,990,667
Support services - central	11,291,357	11,774,644	9,325,934	9,666,757	10,956,308
Other support services	4,013,534	4,436,898	5,464,771	3,550,816	5,066,385
Non-instructional services	988,288	1,293,256	1,398,357	858,066	918,407
Community services	10,535,333	11,956,697	10,737,821	9,783,485	2,446,409
Interest	2,030	2,995	-	-	-
Total governmental activities expenses	477,786,670	496,759,613	458,871,577	420,189,484	426,175,715
Business-type activities					
School food service	27,611,912	32,860,220	28,756,695	28,142,446	28,097,834
Performing arts center	370,864	426,702	352,312	271,104	211,090
Total business-type activities expenses	27,982,776	33,286,922	29,109,007	28,413,550	28,308,924
Total primary government expenses	\$ 505,769,446	\$ 530,046,535	\$ 487,980,584	\$ 448,603,034	\$ 454,484,639
<b>Program Revenues:</b>					
Governmental activities					
Charges for services:					
Instructional services	\$ 9,333,417	\$ 8,073,750	\$ 7,360,729	\$ 7,268,417	\$ 7,122,767
Pupil services	-	-	-	-	-
Instructional staff	-	5,624	8,416	-	-
Maintenance and operations	-	-	-	-	1,738,894
Student transportation	-	-	-	-	-
Support services	-	-	-	-	-
Other support services	1,614	2,620	3,233	1,851	2,754
Non-instructional services	309,240	272,591	300,636	4,574,055	8,813,883
Community services	8,529,620	9,610,775	8,425,266	7,982,611	1,543,621
Operating grants and contributions					
Instructional services	203,773,082	185,098,116	179,348,500	191,262,473	196,060,639
Pupil services	4,507,765	3,681,184	3,840,784	3,870,407	4,666,461
Improvement of instructional services	15,581,205	15,719,475	14,652,112	8,241,160	11,820,745
Educational media services	5,308,086	4,980,672	5,048,222	5,250,269	4,603,200
General administration	1,436,808	1,906,241	2,245,639	1,736,626	2,096,166
School administration	9,545,589	8,822,397	9,417,316	10,105,190	8,885,059
Business administration	694,299	726,203	770,916	807,810	1,272,151
Maintenance and operations	13,603,315	12,346,817	12,530,318	12,616,895	12,672,840
Pupil transportation	5,335,415	4,020,197	3,106,713	3,195,117	3,765,960
Support services-central	2,935,988	2,508,607	2,482,733	2,678,889	1,415,583
Other support services	553,095	7,487	1,294,178	1,209,526	2,225,391
Non-instructional services	-	360,911	-	-	-
Community services	2,787,765	2,447,997	2,494,785	2,303,110	-
Capital grants and contributions					
Instructional services	17,412,902	11,322,264	13,158,977	5,521,459	-
Total governmental activities revenue	301,649,205	271,913,928	266,489,473	268,625,865	268,706,114

	2013	2014	2015	2016	2017
\$	274,436,343	\$ 296,878,576	\$ 297,202,738	\$ 310,587,901	355,548,266
	14,683,816	13,203,254	14,025,845	15,558,510	20,604,479
	15,796,653	15,833,477	19,513,550	22,300,438	24,409,886
	5,092,396	5,609,458	5,253,474	5,171,790	6,346,177
	3,626,977	3,127,409	4,761,203	3,462,769	13,165,267
	19,467,775	23,966,530	22,719,854	24,839,452	28,908,499
	1,939,044	2,244,748	2,244,181	2,871,479	3,699,757
	27,785,685	31,960,317	35,366,992	33,512,594	37,154,682
	18,086,692	18,450,638	18,854,508	19,842,103	22,327,835
	6,742,195	7,567,806	12,555,458	9,810,033	10,985,292
	5,230,988	5,165,030	8,171,240	8,488,216	4,013,195
	668,652	1,005,468	1,170,450	1,245,390	1,271,329
	1,382,974	1,399,265	1,394,705	1,489,766	1,464,021
	-	-	-	-	-
	394,940,190	426,411,976	443,234,198	459,180,441	529,898,684
	29,584,227	31,391,613	34,186,940	37,061,777	38,527,414
	237,737	251,027	233,425	283,267	300,235
	29,821,964	31,642,640	34,420,365	37,345,044	38,827,649
\$	424,762,154	\$ 458,054,616	\$ 477,654,563	\$ 496,525,485	\$ 568,726,333
\$	7,125,820	\$ 8,675,990	\$ 11,145,814	\$ 9,198,993	\$ 7,733,558
	-	-	-	-	-
	-	15,965	107,079	108,663	117,332
	358,066	-	-	-	-
	201,163	-	-	-	-
	-	-	-	-	-
	1,937	962	464	122,775	14,752
	4,898,162	4,377,974	5,236,965	5,267,124	5,460,542
	1,474,558	-	-	1,496,162	1,495,173
	185,064,312	193,902,391	216,285,212	229,547,372	234,520,895
	4,343,577	4,314,813	4,049,300	3,217,692	6,574,739
	10,439,188	10,308,672	7,123,749	7,503,015	8,043,825
	5,506,974	5,499,235	5,754,998	5,885,334	5,794,772
	2,066,794	1,846,936	2,012,643	2,016,183	2,396,324
	10,430,332	10,363,344	10,839,835	11,535,468	11,500,620
	1,519,304	1,328,582	1,409,139	1,427,157	1,418,482
	13,334,558	13,867,390	14,055,728	14,396,610	14,766,148
	3,753,867	3,368,761	2,927,363	2,907,375	3,357,748
	1,525,281	2,130,997	1,497,517	1,526,221	1,477,935
	2,326,854	2,741,154	3,111,032	3,096,099	362,279
	-	191,480	280,159	288,172	297,719
	-	-	-	-	-
	228,785	6,887,679	3,302,610	2,589,251	560,363
	254,599,532	269,822,325	289,139,607	302,129,666	305,893,206

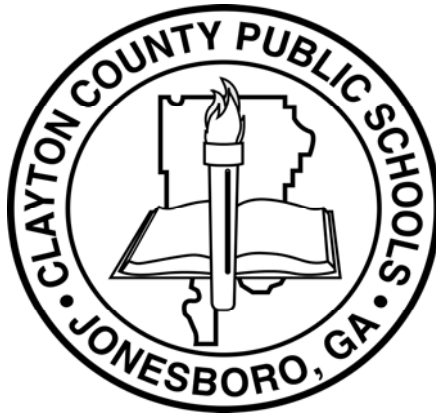
# CLAYTON COUNTY BOARD OF EDUCATION

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012
Business-type activities					
Charges for services					
School food service	\$ 2,861,587	\$ 2,684,373	\$ 2,321,346	\$ 2,050,732	\$ 2,229,141
Performing Arts center	298,144	249,268	236,175	187,542	62,508
Operating grants and contributions					
School food service	23,411,943	25,159,432	25,084,941	25,085,843	27,354,321
Total business-type activities program revenues	26,571,674	28,093,073	27,642,462	27,324,117	29,645,970
Total primary government program revenues	328,220,879	300,007,001	294,131,935	295,949,982	298,352,084
Net (Expense) Revenue					
Governmental activities	(176,137,465)	(224,845,685)	(192,382,104)	(151,563,619)	(157,469,601)
Business-type activities	(1,411,102)	(5,193,849)	(1,466,545)	(1,089,433)	1,337,046
Total primary government net expense	\$ (177,548,567)	\$ (230,039,534)	\$ (193,848,649)	\$ (152,653,052)	\$ (156,132,555)
General revenues and other changes in net assets					
Property taxes	\$ 151,424,563	\$ 161,522,560	\$ 148,094,346	\$ 131,696,730	\$ 121,423,671
Sales taxes	54,423,793	49,121,173	53,669,034	48,353,695	48,656,878
Other taxes	8,917,565	1,377,987	983,594	859,735	875,671
Non-program specific state and federal aid	14,142,824	26,847,151	20,855,861	20,855,861	23,494,466
Local school activity	3,632,980	5,361,901	4,229,182	-	-
Interest and investment earnings	5,534,144	1,790,719	396,312	412,878	473,966
Gain on sale of assets	58,300	14,390	268,841	85,136	69,525
Transfers	-	137,274	(20,313)	(21,301)	-
Total government activities	238,134,169	246,173,155	228,476,857	202,242,734	194,994,177
Business-type activities:					
Interest and investment earnings	350,446	69,790	14,188	12,125	13,736
Transfers	-	(137,274)	20,313	21,301	-
Total business-type activities	350,446	(67,484)	34,501	33,426	13,736
Total primary government	\$ 238,484,615	\$ 246,105,671	\$ 228,511,358	\$ 202,276,160	\$ 195,007,913
Change in Net Position					
Governmental activities	\$ 61,996,704	\$ 21,327,470	\$ 36,094,753	\$ 50,679,115	\$ 37,524,576
Business-type activities	(1,060,656)	(5,261,333)	(1,432,044)	(1,056,007)	1,350,782
Total primary government	\$ 60,936,048	\$ 16,066,137	\$ 34,662,709	\$ 49,623,108	\$ 38,875,358

\* In fiscal year 2011, various revenues were reclassified from general revenues to program revenues - charges for services.

2013	2014	2015	2016	2017
\$ 1,997,313 161,314	\$ 151,302 94,780	\$ 577,970 67,039	\$ 680,996 100,931	\$ 262,146 141,847
28,983,556	32,266,406	34,346,668	37,403,625	39,694,915
31,142,183	32,512,488	34,991,677	38,185,552	40,098,908
285,741,715	302,334,813	324,131,284	340,315,218	345,992,114
(140,340,658)	(156,589,651)	(154,094,591)	(157,050,775)	(224,005,478)
1,320,219	869,848	571,312	840,508	1,271,259
\$ (139,020,439)	\$ (155,719,803)	\$ (153,523,279)	\$ (156,210,267)	\$ (222,734,219)
\$ 109,928,475	\$ 100,378,621	\$ 104,814,477	\$ 103,729,200	\$ 104,169,552
50,302,317	44,910,769	46,579,860	51,260,120	53,919,064
2,479,402	6,555,960	8,157,973	9,382,245	8,779,960
27,623,377	36,438,859	34,232,464	40,911,935	37,313,744
-	-	-	-	-
117,347	113,496	109,660	51,882	92,036
85,382	10,100	-	131,514	290,384
-	2,459	-	(63,000)	-
190,536,300	188,410,264	193,894,434	205,403,896	204,564,740
2,044	8,390	4,707	-	-
-	(2,459)	-	63,000	-
2,044	5,931	4,707	63,000	-
\$ 190,538,344	\$ 188,416,195	\$ 193,899,141	\$ 205,466,896	\$ 204,564,740
\$ 50,195,642	\$ 31,820,613	\$ 39,799,843	\$ 48,353,121	\$ (19,440,738)
1,322,263	875,779	576,019	903,508	1,271,259
\$ 51,517,905	\$ 32,696,392	\$ 40,375,862	\$ 49,256,629	\$ (18,169,479)



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# CLAYTON COUNTY BOARD OF EDUCATION

## FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30,	General Fund			
	Reserved	Unreserved Designated	Unreserved Undesignated	Total
2008	-	-	49,131,625	49,131,625
2009	-	-	37,015,898	37,015,898
2010	-	-	15,660,602	15,660,602

All Other Governmental Funds				
	Unreserved			Total
	Reserved	Special Revenue	Capital Projects	
2008	-	4,802,157	90,559,654	95,361,811
2009	-	4,944,145	75,170,499	80,114,644
2010	-	5,432,560	76,436,913	81,869,473

General Fund					
	Nonspendable	Restricted	Assigned	Unassigned	Total
2011	\$ 41,250	\$ -	\$ -	\$ 28,247,867	\$ 28,289,117
2012	35,000	-	-	38,327,401	38,362,401
2013	90,964	-	-	56,429,149	56,520,113
2014	100,168	-	-	74,311,992	74,412,160
2015	108,564	-	22,179,645	56,002,569	78,290,778
2016	105,904	-	31,509,111	51,546,900	83,161,915
2017	141,640	-	34,731,866	7,143,888	42,017,394

All Other Governmental Funds					
	Nonspendable	Restricted	Assigned	Unassigned	Total
2011	\$ -	\$ 107,326,734	\$ 6,521,236	\$ -	\$ 113,847,970
2012	-	94,959,761	4,760,921	(42,851)	99,677,831
2013	-	50,650,232	5,119,465	-	55,769,697
2014	-	7,453,160	5,163,429	-	12,616,589
2015	-	25,018,520	5,028,854	-	30,047,374
2016	-	49,076,743	4,718,977	-	53,795,720
2017	-	51,276,442	4,893,776	-	56,170,218

**Note:** In fiscal year 2011, the School System adopted GASB 54 which changed the classifications of fund balance.

# CLAYTON COUNTY BOARD OF EDUCATION

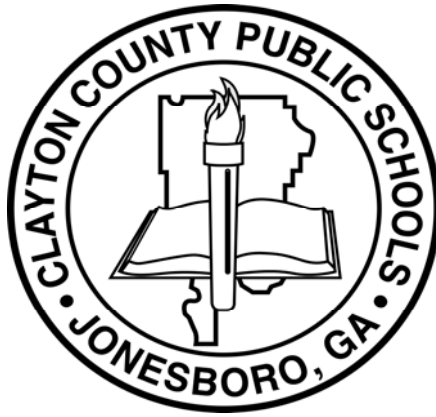
## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012
<b>Revenues:</b>					
Local sources	\$ 236,387,341	\$ 236,158,812	\$ 224,080,154	\$ 202,005,781	\$ 189,018,853
State sources	264,830,746	239,563,950	211,161,926	225,951,240	225,789,473
Federal sources	37,089,659	39,790,750	58,901,510	42,691,134	47,204,487
Interest earned on investments	5,534,144	1,790,719	396,312	412,878	473,966
On-behalf payments	-	-	-	-	-
Other sources	-	-	-	-	-
Total revenues	543,841,890	517,304,231	494,539,902	471,061,033	462,486,779
<b>Expenditures:</b>					
Current:					
Instructional services	304,155,211	300,620,268	291,480,509	276,880,679	281,944,616
Pupil services	16,167,627	16,636,729	16,437,777	13,599,670	14,629,255
Improvement of instructional services	25,069,320	25,550,792	23,265,654	12,115,303	15,252,324
Educational media services	7,573,123	7,788,758	7,839,167	5,276,279	5,224,585
General administration	3,656,928	4,674,133	4,392,803	3,475,667	3,347,211
School administration	23,996,116	24,325,141	23,857,513	21,982,071	21,277,130
Business services	2,885,605	3,470,348	2,820,123	2,551,289	2,189,673
Maintenance and operations	32,293,341	35,200,907	32,031,887	29,180,214	30,451,346
Student transportation	23,415,849	20,227,700	19,875,107	15,643,181	16,041,104
Central support services	11,630,765	11,339,185	9,032,684	8,386,233	6,647,633
Other support services	3,577,663	4,449,389	5,464,771	3,550,816	5,066,385
On-behalf payments	-	-	-	-	-
Other non-instructional services	1,018,735	1,282,815	1,367,078	828,279	895,063
Community service	10,538,956	11,977,565	10,736,383	9,783,485	2,446,409
Capital outlay	57,502,959	77,176,502	65,790,820	23,264,690	61,373,053
Food Services					
Debt service:					
Principal retirement	26,262	24,793	-	-	-
Interest and fiscal charges	2,030	2,995	-	-	-
Total expenditures	523,510,490	544,748,020	514,392,276	426,517,856	466,785,787
Excess (deficiency) of revenues over (under) expenditures	20,331,400	(27,443,789)	(19,852,374)	44,543,177	(4,299,008)
<b>Other financing sources (uses):</b>					
Sale of capital assets	58,300	26,785	272,220	85,136	202,153
Transfer in	1,613,919	734,177	422,824	237,682	23,805
Transfers out	(1,613,679)	(680,067)	(443,137)	(258,983)	(23,805)
Total other financing sources (uses)	58,540	80,895	251,907	63,835	202,153
Net change in fund balances	20,389,940	(27,362,894)	(19,600,467)	44,607,012	(4,096,855)
Debt service as a percentage of noncapital expenditures	0.33%	0.01%	0.01%	0.00%	0.00%

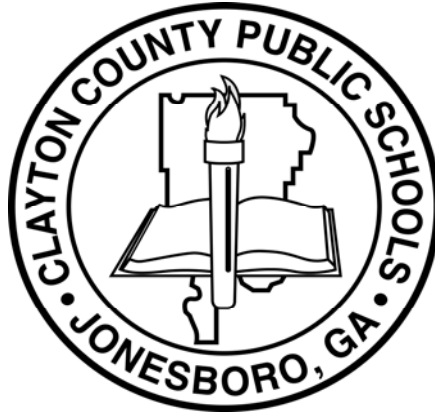
**Note:** In fiscal year 2008, the School System began reporting on-behalf payments with state sources.



2013	2014	2015	2016	2017
\$ 175,498,829	\$ 169,375,757	\$ 176,820,222	\$ 179,685,236	\$ 181,704,442
233,999,813	253,751,123	269,909,227	289,197,140	291,193,370
33,006,129	38,582,753	36,702,290	37,515,504	36,433,283
117,347	113,496	109,660	51,882	92,036
-	-	-	-	-
-	-	-	-	-
442,622,118	461,823,129	483,541,399	506,449,762	509,423,131
254,809,048	266,021,147	282,533,495	297,593,226	327,145,798
13,084,577	13,185,489	14,411,017	16,012,830	20,197,679
15,808,070	16,298,275	19,990,827	22,881,631	23,812,077
5,091,545	5,608,607	5,446,811	5,396,294	6,159,344
3,485,599	3,001,000	4,591,596	4,177,527	12,966,742
21,074,910	21,960,773	23,268,814	25,524,904	27,683,837
1,937,246	2,222,126	2,298,166	2,933,303	3,604,838
27,873,512	32,036,483	36,143,408	34,108,053	36,488,420
16,682,505	16,898,474	18,107,722	19,080,749	21,200,337
6,380,546	6,886,945	12,397,616	9,293,813	10,372,788
5,230,988	5,306,530	8,258,167	8,588,846	3,940,509
-	-	-	-	-
714,765	931,815	1,039,630	1,075,451	1,113,845
1,382,974	1,399,265	1,397,125	1,494,408	1,460,191
94,905,861	95,339,820	32,353,981	29,800,758	52,344,359
-	-	-	-	-
-	-	-	-	-
468,462,146	487,096,749	462,238,375	477,961,793	548,490,764
(25,840,028)	(25,273,620)	21,303,024	28,487,969	(39,067,633)
89,606	10,100	6,379	131,514	297,610
92,200	304,292	420,633	742,429	559,712
(92,200)	(301,833)	(420,633)	(742,429)	(559,712)
89,606	12,559	6,379	131,514	297,610
(25,750,422)	(25,261,061)	21,309,403	28,619,483	(38,770,023)
0.00%	0.00%	0.00%	0.00%	0.00%



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# **Revenue Capacity**

**Clayton County  
Public Schools**

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# CLAYTON COUNTY BOARD OF EDUCATION

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (UNAUDITED - IN THOUSANDS) MAINTENANCE AND OPERATIONS

Fiscal Year	Real & Personal Property		Privately Owned Public Utilities		Motor Vehicles and Mobile Homes		Total School Board		Tax payer Exemptions	Net Assessed Value	Millage Rate	Total Tax Levy	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value					
2008	7,883,623	19,709,058	918,347	2,295,868	731,920	1,829,800	9,533,890	23,834,725	1,264,115	8,269,775	0.0198	164,039	40.00%
2009	7,788,733	19,471,832	1,004,944	2,512,359	740,214	1,850,534	9,533,891	23,834,725	1,264,115	8,269,776	0.0198	164,039	40.00%
2010	7,549,508	18,873,770	1,007,183	2,517,958	621,749	1,554,373	9,178,440	22,946,101	1,145,096	8,033,344	0.0200	160,667	40.00%
2011	6,533,685	16,334,212	907,396	2,268,490	621,749	1,554,374	8,062,830	20,157,076	1,022,513	7,040,317	0.0200	140,806	40.00%
2012	6,126,861	15,317,153	856,786	2,141,965	433,061	1,082,651	7,416,708	18,541,769	1,038,686	6,378,022	0.0200	127,560	40.00%
2013	5,642,283	14,105,706	872,445	2,181,112	455,950	1,139,876	6,970,678	17,426,694	1,167,967	5,802,711	0.0200	116,054	40.00%
2014	5,584,027	13,960,067	785,766	1,964,415	494,307	1,235,769	6,864,100	17,160,251	1,124,912	5,739,188	0.0200	114,784	40.00%
2015	5,660,994	14,152,484	742,662	1,856,656	444,260	1,110,651	6,847,916	17,119,791	1,144,443	5,703,473	0.0198	112,952	40.00%
2016	5,995,707	14,989,267	800,435	2,001,087	285,638	714,096	7,081,780	17,704,450	1,139,208	5,942,572	0.0191	113,473	40.00%
2017	6,136,277	15,340,693	668,023	1,670,056	213,851	534,628	7,018,151	17,545,377	1,242,150	5,776,001	0.0191	110,293	40.00%

Source: Property Tax Division, Clayton County Tax Commission

**Note:** Tax rates are per \$1,000 of assessed value.

**Note:** Property in Clayton County is reassessed once every three years. The County assesses property at 40% of actual value for all types of property. Estimated Actual Taxable Value is calculated by dividing Total Taxable Assessed Value by this percentage.

# CLAYTON COUNTY BOARD OF EDUCATION

## DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (RATE PER \$1,000 OF ASSESSED VALUE)

Fiscal Year	District Direct Rates			Overlapping Rates				
	School M & O	Debt Service	Total	State of Georgia	City of College Park	City of Forest Park	City of Morrow	City of Riverdale
2008	19.836	-	19.836	0.250	9.560	10.343	5.000	7.500
2009	19.836	-	19.836	0.250	9.560	10.343	5.000	7.500
2010	20.000	-	20.000	0.250	9.560	12.343	6.000	7.500
2011	20.000	-	20.000	0.250	11.560	13.343	6.000	7.500
2012	20.000	-	20.000	0.250	11.560	14.743	7.500	7.500
2013	20.000	-	20.000	0.200	12.619	14.743	7.500	9.980
2014	20.000	-	20.000	0.150	12.619	14.743	9.500	9.980
2015	19.804	-	19.804	0.100	12.307	14.431	9.188	9.668
2016	19.095	-	19.095	0.050	12.619	14.743	9.500	9.980
2017	19.095	-	19.095	0.050	12.619	14.743	9.640	9.980

Fiscal Year	Overlapping Rates (Continued)				Clayton County Board of Commissioners		
	City of Jonesboro		City of Lake City	City of Lovejoy			
	M & O	Fire District		Fire District	M & O	Fire District	Total
2008	-	3.900	5.740	3.900	8.535	-	8.535
2009	-	3.900	5.737	3.900	8.962	-	8.962
2010	-	-	5.737	-	11.436	3.900	15.336
2011	-	-	5.737	-	11.327	3.900	15.227
2012	1.500	-	7.500	-	15.813	4.400	20.213
2013	1.500	-	7.500	-	14.912	4.400	19.312
2014	1.500	-	7.500	-	14.661	4.400	19.061
2015	1.188	-	7.188	-	14.869	5.000	19.869
2016	1.500	-	7.550	-	15.862	5.000	20.862
2017	1.500	-	7.550	-	16.596	5.000	21.596

Source: Clayton County Tax Commissioner's Office

# CLAYTON COUNTY BOARD OF EDUCATION

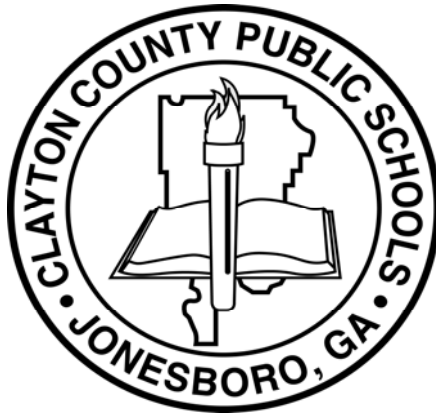
## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Calendar Year 2016			Calendar Year 2007		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value (1)	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value (1)
Delta Airlines *	\$ 572,942,016	1	8.16%	\$ 798,981,897	1	8.71%
Georgia Power Company	175,680,856	2	2.50%	104,935,778	3	1.14%
Air Tran Airways	-	-	0.00%	87,898,869	5	0.96%
ExpressJet Airlines	32,973,116	8	0.47%	-	-	0.00%
Clorox Company	42,994,321	6	0.61%	-	-	0.00%
AMB Partners	29,961,770	9	0.43%	51,780,162	6	0.56%
Atlanta Gas Light	38,748,279	7	0.55%	36,031,634	8	0.39%
BellSouth	-	-	0.00%	44,624,511	7	0.49%
Southwest Airlines	78,830,942	3	1.12%	-	-	0.00%
City of Atlanta	54,607,985	5	0.78%	95,144,318	4	1.04%
Inland Southeast	-	-	0.00%	24,188,400	10	0.26%
Atlantic Southeast	-	-	0.00%	113,273,943	2	1.24%
Kroger	26,390,486	10	0.38%	-	-	0.00%
Southlake Mall	-	-	0.00%	25,005,256	9	0.27%
American Airlines	57,083,507	4	0.81%	-	-	0.00%
	<u>\$ 1,110,213,278</u>		<u>14.63%</u>	<u>\$ 1,381,864,768</u>		<u>15.07%</u>

**Source:** Clayton County Tax Commissioner's Office

(1) District's total taxable value for 2015 (fiscal year 2016) \$ 7,018,151,000

(2) District's total taxable value for 2006 (fiscal year 2007) \$ 9,170,276,000



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# CLAYTON COUNTY BOARD OF EDUCATION

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN TAX YEARS

Tax Year	Taxes Levied For The Tax Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	161,586,307	158,094,788	97.84%	3,070,185	161,164,973	99.74%
2008	164,039,251	159,495,677	97.23%	4,310,776	163,806,453	99.86%
2009	161,250,712	156,342,764	96.96%	4,639,719	160,982,483	99.83%
2010	140,806,351	134,322,336	95.40%	5,776,140	140,098,476	99.50%
2011	127,560,448	121,851,194	95.52%	4,946,998	126,798,192	99.40%
2012	116,054,221	111,310,517	95.91%	3,849,292	115,159,809	99.23%
2013	114,783,760	110,036,549	95.86%	2,036,119	112,072,668	97.64%
2014	112,951,579	108,449,460	96.01%	-	108,449,460	96.01%
2015	113,473,403	110,305,279	97.21%	-	110,305,279	97.21%
2016	110,292,740	105,954,905	96.07%	-	105,954,905	96.07%

**Source:** Clayton County Tax Commissioner's Office

Note: This schedule recognizes collections on a calendar year (tax year) basis, whereas property tax collections reported in the basic financial statements are on a fiscal year basis.

# CLAYTON COUNTY BOARD OF EDUCATION

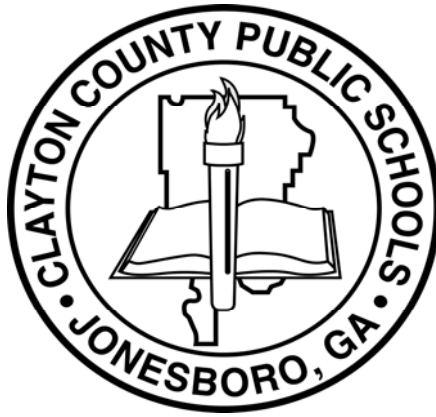
## SCHEDULE OF REVENUES BY SOURCE GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012
<b>Revenues:</b>					
Local sources	\$ 236,387,341	\$ 236,387,341	\$ 224,080,154	\$ 202,005,781	\$ 189,018,853
State sources	264,830,746	264,830,746	211,161,926	225,951,240	225,789,473
Federal sources	37,089,659	37,089,659	58,901,510	42,691,134	47,204,487
Interest earned on investments	5,534,144	5,534,144	396,312	412,878	473,966
On-behalf payments	-	-	-	-	-
Total revenues	<u>\$ 543,841,890</u>	<u>\$ 543,841,890</u>	<u>\$ 494,539,902</u>	<u>\$ 471,061,033</u>	<u>\$ 462,486,779</u>

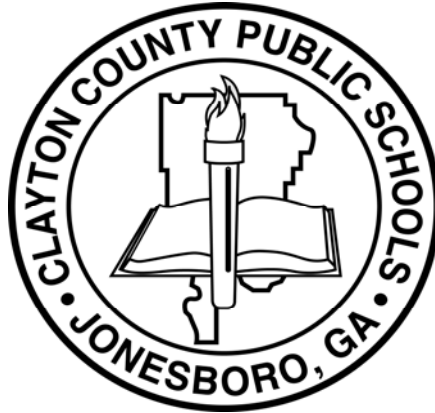
**Note:** In fiscal year 2008, the School System began reporting On-behalf payments with state sources.

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<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
\$ 175,498,829	\$ 169,375,757	\$ 176,820,222	\$ 179,685,236	\$ 181,704,442
233,999,813	253,751,123	269,909,227	289,387,310	291,193,370
33,006,129	38,582,753	36,702,290	37,515,504	36,433,283
117,347	113,496	109,660	51,882	92,036
-	-	-	-	-
<u>\$ 442,622,118</u>	<u>\$ 461,823,129</u>	<u>\$ 483,541,399</u>	<u>\$ 506,639,932</u>	<u>\$ 509,423,131</u>



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# **Debt Capacity**

**Clayton County  
Public Schools**

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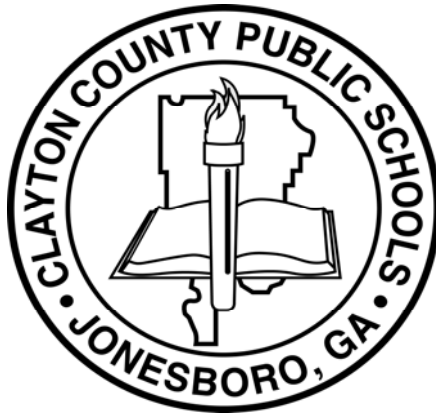
# CLAYTON COUNTY BOARD OF EDUCATION

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Capital Lease</u>	<u>General Obligation Bonds</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income*</u>	<u>Per Capita*</u>
2008	24,793	-	24,793	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-

**Notes:**

\*See Schedule of Demographic and Economic Statistics



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# CLAYTON COUNTY BOARD OF EDUCATION

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2017

	Estimated Outstanding Debt	Percentage Applicable to Clayton County Board of Education	Amount Applicable to Clayton County Board of Education
Direct Debt			
Clayton County Board of Education	\$ -	-	\$ -
Overlapping Debt			
Clayton County	17,365,000	100%	17,365,000
Landfill Authority	8,005,000	100%	8,005,000
Total Direct and Overlapping Debt	<u>\$ 25,370,000</u>		<u>\$ 25,370,000</u>

**NOTE:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School System. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses within the School System's boundaries. This process recognizes that, when considering the School System's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county/authority's taxable assessed value that is within the School System's boundaries and dividing it by the county/authority's total taxable assessed value.

**Source:** Clayton County Board of Education and Clayton County Board of Commissioners

# CLAYTON COUNTY BOARD OF EDUCATION

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

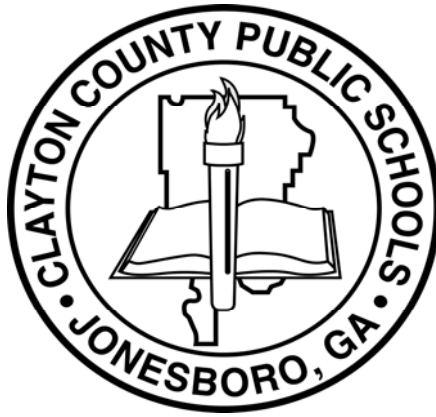
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	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 100,718,300	\$ 90,739,600	\$ 85,678,600	\$ 87,244,500	\$ 78,576,600	\$ 697,067,800
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 100,718,300</u>	<u>\$ 90,739,600</u>	<u>\$ 85,678,600</u>	<u>\$ 87,244,500</u>	<u>\$ 78,576,600</u>	<u>\$ 697,067,800</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

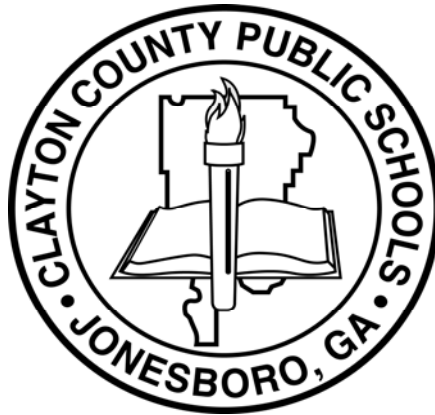
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 686,097,000	\$ 684,791,600	\$ 708,178,000	\$ 701,815,100
-	-	-	-
<u>\$ 686,097,000</u>	<u>\$ 684,791,600</u>	<u>\$ 708,178,000</u>	<u>\$ 701,815,100</u>
0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	\$ 7,018,151,000
Debt Limit (10% of assessed value)	701,815,100
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 701,815,100</u>



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# **Demographic & Economic Information**

**Clayton County  
Public Schools**

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# CLAYTON COUNTY BOARD OF EDUCATION

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

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Year	Population	Personal Income* (in thousands)	Per Capita Personal Income	County Unemployment Rate**
2008	273,690	5,979,930	21,849	7.9%
2009	275,580	5,960,557	21,629	12.5%
2010	277,463	6,140,280	22,130	12.3%
2011	279,580	6,274,560	22,443	13.0%
2012	267,180	6,551,330	24,520	11.5%
2013	269,610	6,551,720	24,301	11.0%
2014	272,600	7,157,660	26,257	9.4%
2015	270,640	6,936,580	25,630	7.9%
2016	274,070	6,728,520	24,550	6.6%
2017	280,830	6,857,750	24,420	6.2%

\* Woods & Poole Economics Data Pamphlet

\*\* Georgia Department of Labor/Clayton County Chamber of Commerce

# CLAYTON COUNTY BOARD OF EDUCATION

## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2017</u>			<u>2008</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>
Clayton County School System	7,000	1	4.01%	7,300	1	4.87%
Clayton County Board of Commissioners	2,550	2	1.46%	1,935	3	1.29%
Delta Air Lines, Inc./Tech Ops	-	-	0.00%	6,500	2	4.34%
Gate Gourmet Inc.	1,200	3	0.69%	-	-	0.00%
Southern Regional Medical Center	1,100	4	0.63%	1,818	4	1.21%
FedEx Ground	800	5	0.46%	750	9	0.50%
Fresh Express, Inc.	800	6	0.46%	1,100	5	0.73%
FedEx Ground	700	7	0.40%	-	-	0.00%
TOTO USA, Inc.	675	8	0.39%	600	10	0.40%
Standard Parking Corporation	562	9	0.32%	-	-	0.00%
R + L Carriers, Inc.	530	10	0.30%	-	-	0.00%
ABF Freight System Inc.	-	-	0.00%	1,000	6	0.67%
J C Penny Co.	-	-	0.00%	900	7	0.60%
Walmart	-	-	0.00%	800	8	0.53%
Totals	<u>15,917</u>		<u>9.12%</u>	<u>22,703</u>		<u>15.15%</u>

**Source:** Clayton County Office of Business Development. Based on data provided, these numbers are estimates.

**Note:** Total employment in Clayton County for 2016 was 170,970 and in 2006 was 145,260.



# CLAYTON COUNTY BOARD OF EDUCATION

## STUDENT ETHNICITY STATISTICS LAST TEN FISCAL YEARS

Gender	Race	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Female	American Indian/Alaskan Native	18	18	56	47	62	43	41	46	46	43
	Asian, Pacific Islander	1,030	1,030	1,153	1,159	1,151	1,162	1,082	1,101	1,073	1,022
	Black, not of Hispanic origin	17,408	17,387	17,454	17,667	17,720	17,876	17,785	18,150	18,448	18,614
	Hispanic	3,576	3,582	4,116	4,399	4,347	4,616	4,962	5,225	5,498	5,661
	Multi-racial	904	904	741	744	732	740	711	757	726	706
	White, not of Hispanic origin	1,042	1,043	932	844	813	792	756	727	674	638
	Sub Total	<u>23,978</u>	<u>23,964</u>	<u>24,452</u>	<u>24,860</u>	<u>24,825</u>	<u>25,229</u>	<u>25,337</u>	<u>26,006</u>	<u>26,465</u>	<u>26,684</u>
Male	American Indian/Alaskan Native	30	30	55	56	65	58	50	49	52	52
	Asian, Pacific Islander	1,148	1,147	1,213	1,228	1,222	1,242	1,174	1,155	1,159	1,149
	Black, not of Hispanic origin	18,488	18,514	18,411	18,708	18,548	18,768	18,848	19,236	19,425	19,317
	Hispanic	3,720	3,736	4,256	4,545	4,524	4,868	5,126	5,435	5,599	5,805
	Multi-racial	939	938	767	702	686	678	673	666	682	648
	White, not of Hispanic origin	1,176	1,179	1,050	919	895	914	822	820	754	690
	Sub Total	<u>25,501</u>	<u>25,544</u>	<u>25,752</u>	<u>26,158</u>	<u>25,940</u>	<u>26,528</u>	<u>26,693</u>	<u>27,361</u>	<u>27,671</u>	<u>27,661</u>
	System Total	<u>49,479</u>	<u>49,508</u>	<u>50,204</u>	<u>51,018</u>	<u>50,765</u>	<u>51,757</u>	<u>52,030</u>	<u>53,367</u>	<u>54,136</u>	<u>54,345</u>

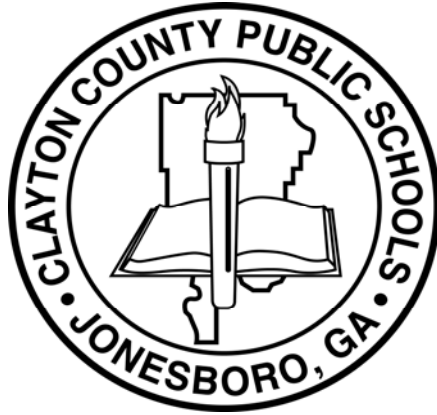
**Source:** Georgia Department of Education Website

# CLAYTON COUNTY BOARD OF EDUCATION

## STUDENT ENROLLMENT STATISTICS LAST TEN YEARS

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<u>Year Ended June 30,</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Attendance Percentage</u>	<u>Official State October 1 Enrollment Count</u>
2008	51,955	48,740	93.81%	49,479
2009	48,945	46,478	94.96%	49,508
2010	49,474	47,111	95.22%	50,204
2011	49,474	47,917	96.85%	50,366
2012	50,663	48,500	95.73%	51,018
2013	51,154	48,899	95.59%	51,757
2014	51,962	49,416	95.10%	52,296
2015	53,078	50,358	94.88%	53,367
2016	53,822	50,995	94.75%	54,136
2017	49,511	49,416	99.81%	54,345



# **Operating Information**

**Clayton County  
Public Schools**

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## CLAYTON COUNTY BOARD OF EDUCATION

### TEACHERS' BASE SALARIES LAST TEN FISCAL YEARS

<b>FISCAL YEAR</b>	<b>MINIMUM SALARY</b>	<b>MEDIAN SALARY</b>	<b>MAXIMUM SALARY</b>	<b>PERCENT CHANGE</b>
2008	\$39,809	\$59,635	\$79,461	6.29%
2009	\$40,624	\$61,527	\$82,430	3.74%
2010	\$40,624	\$61,452	\$82,280	-0.18%
2011	\$39,555	\$59,908	\$80,261	-2.45%
2012	\$39,555	\$59,908	\$80,261	0.00%
2013	\$39,555	\$59,908	\$80,261	0.00%
2014	\$39,555	\$59,908	\$80,261	0.00%
2015	\$40,742	\$61,705	\$82,669	3.00%
2016	\$40,962	\$62,039	\$83,116	0.54%
2017	\$43,517	\$66,408	\$89,299	7.44%

# CLAYTON COUNTY BOARD OF EDUCATION

## HISTORY OF HIGH SCHOOL GRADUATES LAST TEN SCHOOL YEARS

School Year	Drew High	Forest Park High	Jonesboro High	Lovejoy High	Morrow High	Mount Zion High	Mundy's Mill High	North Clayton High	Riverdale High	Alternative Programs	Total
2008	-	236	272	360	366	249	387	236	302	105	2,513
2009	-	230	271	361	316	238	355	215	294	234	2,514
2010	-	218	214	297	284	240	305	225	293	279	2,355
2011	34	264	229	365	332	352	375	216	309	34	2,510
2012	251	307	201	389	283	258	329	175	209	251	2,653
2013	275	230	254	335	276	253	300	125	188	168	2,404
2014	284	279	256	371	304	288	336	140	235	44	2,537
2015	250	292	279	398	369	244	382	151	242	100	2,707
2016	269	347	264	385	343	199	352	162	272	137	2,730
2017	271	329	267	378	383	259	335	170	283	160	2,835

# CLAYTON COUNTY BOARD OF EDUCATION

## RATIO OF PUPILS TO PROFESSIONAL PERSONNEL LAST TEN FISCAL YEARS

---

<u>Fiscal Year</u>	<u>Classroom Teachers (1)</u>	<u>Support Personnel (2)</u>	<u>Administrators (3)</u>	<u>Total Personnel</u>	<u>Average Daily Enrollment</u>	<u>Ratio of Pupils to Classroom Teachers</u>
2008	3,748	3,934	291	7,973	48,740	13.0
2009	3,819	3,482	215	7,516	46,478	12.2
2010	3,576	3,159	219	6,954	49,475	13.8
2011	3,412	2,917	209	6,538	47,917	14.0
2012	3,127	2,816	199	6,142	47,879	15.3
2013	3,011	2,703	199	5,913	51,154	17.0
2014	3,045	2,641	218	5,904	51,962	17.1
2015	3,096	3,080	239	6,415	53,078	17.1
2016	3,135	3,101	241	6,477	53,822	17.2
2017	3,282	3,114	244	6,640	49,544	15.1

**Notes:**

1. Classroom Teachers- All Teachers, certified and non-certified.
2. Support Personnel- Includes Media Specialist, Counselors, Clerical, Paraprofessionals, Custodians, Maintenance, Transportation, Nutritional Services and other Support Personnel.
3. Administrators- Includes the Superintendent, Asst. Superintendents, Principals, Asst. Principals, Directors, Coordinators and Instructional Supervisors.

# CLAYTON COUNTY BOARD OF EDUCATION

## COST PER PUPIL ENROLLED LAST TEN FISCAL YEARS

Fiscal Year	Expenditures	Average Daily Enrollment	Cost Per Pupil Enrolled	Percentage of Change
2008	477,786,670	48,740	9,803	12.56%
2009	496,759,613	46,478	10,688	9.03%
2010	458,871,577	47,111	9,740	-8.87%
2011	420,189,484	47,917	8,769	-9.97%
2012	426,175,715	50,663	8,412	-4.07%
2013	394,426,873	51,154	7,711	-8.34%
2014	425,016,774	51,962	8,179	6.08%
2015	409,173,771	50,358	8,125	-0.66%
2016	428,809,990	50,995	8,409	3.49%
2017	478,353,853	49,416	9,680	15.12%



# CLAYTON COUNTY BOARD OF EDUCATION

## NUTRITION SERVICES - FACTS AND FIGURES LAST TEN FISCAL YEARS

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of schools participating in:											
	Lunch - regular schedule	59	60	61	61	60	60	60	60	61	61
	Lunch - year round	-	-	-	-	1	1	1	-	-	1
	Breakfast program	59	60	61	61	61	61	61	61	62	62
Student lunches served:											
	Free	5,019,989	5,163,769	5,523,779	5,742,787	5,998,933	6,177,665	7,169,629	7,475,564	7,899,049	7,970,433
	Reduced	899,588	793,806	683,265	501,529	557,755	514,819	-	-	-	-
	Fully paid	1,356,064	1,198,349	1,007,164	910,669	811,167	634,576	337,191	352,431	39,743	40,049
	Total	<u>7,275,641</u>	<u>7,155,924</u>	<u>7,214,208</u>	<u>7,154,985</u>	<u>7,367,855</u>	<u>7,327,060</u>	<u>7,506,820</u>	<u>7,827,995</u>	<u>7,938,792</u>	<u>8,010,482</u>
Adult lunches served		337,678	337,667	300,910	248,644	165,504	131,968	129,971	134,748	135,865	136,390
Student breakfasts served:											
	Free	2,403,475	2,611,826	2,766,691	2,855,986	3,098,269	3,153,544	3,862,794	4,150,647	4,446,771	4,487,951
	Reduced	308,777	299,277	271,852	213,274	247,560	230,084	-	-	-	-
	Fully paid	333,376	322,811	285,175	263,094	246,104	192,917	183,478	195,883	22,345	22,550
	Total	<u>3,045,628</u>	<u>3,233,914</u>	<u>3,323,718</u>	<u>3,332,354</u>	<u>3,591,933</u>	<u>3,576,545</u>	<u>4,046,272</u>	<u>4,346,530</u>	<u>4,469,116</u>	<u>4,510,501</u>
Number of serving days:											
	Regular schedule	180	185	179	175	175	175	175	175	176	175
	Year-round schedule	-	-	-	-	175	175	175	-	-	-
	Weighted average	180.00	185.00	179.00	175.00	175.00	175.00	175.00	175.00	176.00	172.18
Average daily participation:											
	Student lunch	40,420	38,681	40,303	40,886	42,102	41,869	42,896	44,731	45,090	44,486
	Adult lunch	1,876	1,825	1,681	1,421	946	754	743	770	3,754	4,219
	Student breakfast	16,920	17,481	18,568	19,042	20,525	20,437	23,122	24,837	25,503	25,156
October 1 pupil count (Kindergarten not included)		48,814	45,399	45,579	50,366	46,734	46,622	46,992	48,344	48,809	49,782
Percentage of students daily eating school lunch		82.80%	85.20%	88.42%	81.18%	90.09%	89.81%	91.28%	92.53%	92.38%	89.36%
October 1 count of benefits											
Students on free lunch		32,535	32,807	37,773	38,395	38,911	40,087	44,877	48,344	48,809	49,782
Student on reduced lunch		6,393	5,459	3,746	3,896	3,691	3,660	2,115	-	-	-
Percentage of students on:											
	Free lunch	66.65%	72.26%	82.87%	76.23%	83.26%	85.98%	95.50%	100.00%	100.00%	100.00%
	Reduced lunch	13.10%	12.02%	8.22%	7.74%	7.90%	7.85%	4.50%	0.00%	0.00%	0.00%
	Total	<u>79.75%</u>	<u>84.29%</u>	<u>91.09%</u>	<u>83.97%</u>	<u>91.16%</u>	<u>93.83%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>School</b>										
<b>Elementary</b>										
Anderson (1971)										
Square feet	54,221	54,221	54,221	54,221	54,221	56,176	56,176	56,680	56,680	56,680
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	484	482	497	490	496	496	554	552	552	587
Arnold (1963)										
Square feet	57,177	57,177	57,177	57,177	57,177	57,177	57,177	59,638	59,638	5,938
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	467	469	477	481	460	489	518	529	529	541
Brown (1975)										
Square feet	81,615	81,615	81,615	81,615	81,615	81,615	81,615	80,547	80,547	80,547
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	743	745	789	790	881	760	784	822	822	833
Callaway (2002)										
Square feet	105,494	105,494	105,494	105,494	105,494	105,494	105,494	104,889	104,889	104,889
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	821	844	855	816	792	806	848	886	886	895
Church St (1966)										
Square feet	78,651	78,651	78,651	78,651	78,651	78,651	78,651	79,913	79,913	79,913
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	813	868	832	817	886	904	890	967	967	978
East Clayton (1958)										
Square feet	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	592	615	632	608	578	625	621	624	624	585
Edmonds (1957)										
Square feet	57,307	57,307	57,307	57,307	57,307	57,307	57,307	58,191	58,191	58,191
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	515	560	587	547	610	576	590	582	582	587
Fountain (1952)										
Square feet	68,965	68,965	68,965	68,965	68,965	68,965	77,648	77,648	77,648	77,648
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	496	549	626	553	597	600	634	652	652	634
Harper (2002)										
Square feet	91,014	91,014	91,014	105,994	105,994	105,994	107,701	106,854	106,854	106,854
Capacity	725	725	725	900	900	900	900	900	900	900
Enrollment	748	728	812	810	902	920	876	914	914	827

Note: "X" represents the year the building did not exist.

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Hawthorne (1998)										
Square feet	102,500	102,500	102,500	102,500	102,500	102,500	102,500	103,289	103,289	103,289
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	913	943	964	950	983	982	893	962	962	949
Haynie (1969)										
Square feet	72,107	72,107	72,107	72,107	72,107	72,332	72,332	71,746	71,746	71,746
Capacity	738	738	738	738	737	768	750	750	750	750
Enrollment	745	712	663	681	761	872	872	905	905	870
Hendrix (1955)										
Square feet	54,748	54,748	54,748	54,748	X	X	X	X	X	X
Capacity	450	450	450	450	-	-	-	-	-	-
Enrollment	124	119	27	27	-	-	-	-	-	-
Huie (1966)										
Square feet	71,569	71,569	71,569	71,569	71,569	71,569	71,569	71,081	71,081	71,081
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	597	655	658	614	717	705	717	789	789	843
Jackson (2003)										
Square feet	90,229	90,229	90,229	90,229	105,209	105,209	105,209	104,841	104,841	104,841
Capacity	725	900	900	900	900	968	900	900	900	900
Enrollment	734	736	882	837	914	1,023	979	1,074	1,074	1,051
Kemp (1981)										
Square feet	71,882	71,882	71,882	71,882	71,882	71,882	71,882	74,068	74,068	74,068
Capacity	850	850	850	850	850	650	850	850	850	850
Enrollment	706	718	699	689	711	689	669	673	673	719
Kemp Primary (2004)										
Square feet	90,229	90,229	90,229	90,229	90,229	90,229	91,014	90,065	90,065	90,065
Capacity	663	663	663	650	650	650	650	650	650	650
Enrollment	605	718	693	624	711	711	667	682	682	693
Kilpatrick (1973)										
Square feet	75,379	75,379	75,379	75,379	75,379	75,379	75,379	72,260	72,260	72,260
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	550	562	611	606	621	633	679	720	720	723
King (2003)										
Square feet	92,044	92,044	92,044	92,044	92,044	92,044	92,044	91,852	91,852	91,852
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	870	906	957	935	957	1,014	1,039	1,048	1,048	975
Lake City (1957)										
Square feet	51,245	51,245	51,245	51,245	51,245	51,245	59,153	58,642	58,642	58,642
Capacity	463	463	463	463	462	462	450	450	450	450
Enrollment	501	510	535	516	540	539	548	553	553	581
Lake Ridge (1994)										
Square feet	94,662	94,662	94,662	94,662	94,662	94,662	94,662	94,138	94,138	94,138
Capacity	788	650	788	788	788	788	800	800	800	800
Enrollment	729	750	730	694	728	726	678	658	658	704

Note: "X" represents the year the building did not exist.

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Lee St (1960)										
Square feet	54,220	54,220	54,220	54,220	54,220	54,220	54,220	54,101	54,101	54,101
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	541	596	562	509	555	589	640	677	677	684
Marshall (2004)										
Square feet	89,854	89,854	89,854	89,854	89,854	89,854	90,174	90,174	90,174	90,174
Capacity	725	725	725	725	725	725	725	725	725	725
Enrollment	852	826	828	818	833	861	909	917	917	-
McGarrah (1967)										
Square feet	73,782	73,782	73,782	73,782	73,782	74,837	74,787	74,729	74,729	74,729
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	608	621	641	631	670	711	692	713	713	-
Morrow (1952)										
Square feet	54,382	54,382	54,382	54,382	54,382	54,382	54,382	61,950	61,950	61,950
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	481	515	505	467	478	478	482	533	533	564
Mt Zion (1976)										
Square feet	85,815	85,815	85,815	85,815	85,815	85,815	85,815	76,503	76,503	76,503
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	558	550	575	589	569	572	615	646	646	718
Mt Zion Primary (2008)										
Square feet	93,275	93,275	93,275	93,275	93,275	93,275	93,275	93,205	93,205	93,205
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	540	548	660	629	689	686	639	641	641	647
Northcutt (1970)										
Square feet	78,013	78,013	78,013	78,013	78,013	79,394	79,394	77,030	77,030	77,030
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	628	658	699	686	648	648	632	633	663	625
Oliver (1976)										
Square feet	67,194	67,194	67,194	67,194	67,194	67,194	67,194	75,187	75,187	75,187
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	784	739	664	672	613	613	633	642	642	615
Pointe South (1981)										
Square feet	57,441	57,441	57,441	57,441	57,441	57,441	57,441	57,441	746,076	746,076
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	643	697	674	662	697	703	637	726	726	680
River's Edge (1994)										
Square feet	100,300	100,300	100,300	100,300	100,820	100,820	100,280	101,094	101,094	101,094
Capacity	863	863	863	863	863	863	850	850	850	850
Enrollment	1,102	1,142	604	573	596	607	566	634	634	637
Riverdale (1954)										
Square feet	65,084	65,084	65,084	65,084	65,084	65,084	X	X	X	X
Capacity	700	700	700	700	700	700	-	-	-	-
Enrollment	608	606	669	643	643	663	-	-	-	-
Riverdale (2013)										
Square feet	X	X	X	X	X	X	108,324	108,324	108,324	108,324
Capacity	-	-	-	-	-	-	800	800	800	800
Enrollment	-	-	-	-	-	-	613	684	684	676
Smith (2000)										
Square feet	95,132	109,612	109,612	109,612	109,612	109,612	109,716	11,065	110,065	110,065
Capacity	725	900	900	900	900	900	900	900	900	900
Enrollment	938	938	871	851	930	957	953	969	969	962
Suder (1966)										
Square feet	79,783	79,783	79,783	79,783	79,783	79,783	79,783	82,493	82,493	82,493
Capacity	775	775	765	765	765	765	775	775	775	775
Enrollment	662	683	665	640	694	736	705	719	719	742

Note: "X" represents the year the building did not exist.

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

School	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Elementary</b>										
Swint (1968)										
Square feet	71,785	71,785	71,785	71,785	71,785	72,665	72,665	76,899	76,899	76,899
Capacity	788	788	776	776	776	776	750	750	750	750
Enrollment	524	571	642	605	639	598	596	670	670	672
Tara (1964)										
Square feet	76,224	76,224	76,224	76,224	76,224	76,224	83,111	88,155	88,155	88,155
Capacity	735	735	725	725	725	725	725	725	725	725
Enrollment	598	667	601	547	725	662	662	709	709	700
Unidos Charter (Hendrix)										
Square feet	76,224	76,224	76,224	76,224	54,748	54,748	54,748	56,278	56,278	56,278
Capacity	735	735	725	725	450	450	450	450	450	450
Enrollment	598	667	601	547	491	577	676	800	800	662
West Clayton (1964)										
Square feet	66,917	66,917	66,917	66,917	66,917	66,917	66,917	66,159	66,159	66,159
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	499	510	462	436	444	468	503	593	593	578
White Academy (2010)										
Square feet	X	X	201,679	201,679	201,679	201,679	210,679	205,143	205,143	205,143
Capacity	-	-	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425
Enrollment	-	-	-	1,414	1,410	1,381	1,444	1,398	1,398	1,425
<b>Middle</b>										
Adamson (1977)										
Square feet	120,015	120,015	120,015	120,015	120,015	120,015	120,015	113,033	113,033	113,033
Capacity	775	775	775	775	775	775	775	775	775	775
Enrollment	654	656	658	649	617	604	594	596	596	603
Babb (1966)										
Square feet	103,443	103,443	103,443	103,443	103,443	103,443	103,443	106,596	106,596	106,596
Capacity	775	775	775	775	775	775	775	775	775	775
Enrollment	793	783	766	796	755	808	831	844	844	866
Forest Park (1940)										
Square feet	84,964	84,964	84,964	84,964	84,964	85,894	85,884	94,677	94,677	94,677
Capacity	570	570	600	600	600	600	600	600	600	600
Enrollment	505	510	674	683	703	680	663	650	650	659
Jonesboro (2004)										
Square feet	128,170	128,170	128,170	128,170	128,170	128,170	128,170	128,188	128,188	128,188
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	883	834	743	753	794	869	853	853	883	901
Kendrick (1996)										
Square feet	143,828	143,724	143,724	143,828	143,724	143,724	143,724	144,359	144,359	144,359
Capacity	1,075	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	770	787	852	883	847	820	777	731	731	789
Lovejoy (1990)										
Square feet	123,731	123,731	123,731	123,731	123,731	125,567	125,567	121,041	121,041	121,041
Capacity	738	738	725	725	725	725	725	725	725	725
Enrollment	1,175	1,172	584	578	586	663	659	581	581	551
Morrow #7 (2012)										
Square feet	X	X	171,727	171,727	171,727	171,727	174,539	174,539	174,539	174,539
Capacity	-	-	900	900	900	1,200	900	900	900	900
Enrollment	-	-	803	742	756	695	683	755	755	789

Note: "X" represents the year the building did not exist.

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>School</b>										
<b>Middle</b>										
Old Morrow - Elite (1967)										
Square feet	96,109	96,109	96,109	96,109	96,109	96,109	96,525	97,525	97,525	-
Capacity	650	650	650	650	650	650	650	650	650	-
Enrollment	704	681	725	737	376	424	495	597	597	-
Mundy's Mill (1973)										
Square feet	116,822	116,822	116,822	116,822	116,822	116,822	116,822	121,761	121,761	121,761
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	887	869	804	818	823	798	809	793	793	773
N. Clayton Middle (1969)										
Square feet	126,179	126,179	126,179	126,179	126,179	118,255	126,179	126,128	126,128	126,128
Capacity	1,000	738	738	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	949	920	843	860	808	813	858	824	824	797
Pointe South (1978)										
Square feet	141,792	141,792	141,792	160,835	160,835	160,835	160,835	137,106	137,106	137,106
Capacity	875	875	875	925	925	925	925	925	925	925
Enrollment	814	803	822	838	844	873	836	795	795	859
Rex Mill (2007)										
Square feet	152,570	152,570	152,570	152,570	152,570	152,570	152,570	146,303	146,303	146,303
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	981	953	1,035	1,042	1,094	1,131	1,108	1,025	1,025	1,095
Riverdale (1968)										
Square feet	108,738	108,738	108,738	139,581	108,738	139,581	123,470	125,047	125,047	125,047
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	841	833	741	752	779	760	712	690	690	684
Roberts (2000)										
Square feet	144,014	146,007	146,007	146,007	146,007	146,007	146,007	210,431	210,431	210,431
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,350	1,350	1,350
Enrollment	644	649	699	667	675	737	789	894	894	964
Sequoyah (2004)										
Square feet	128,170	128,170	128,170	128,170	128,170	128,170	128,170	128,188	128,188	128,188
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	769	737	808	804	885	876	866	922	922	866

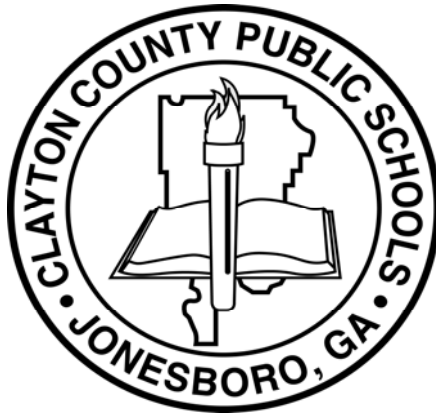
Note: "X" represents the year the building did not exist.

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION (CONTINUED) LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>School</b>										
<b>High</b>										
Drew (2009)										
Square feet	X	297,918	297,918	297,918	297,918	308,859	318,859	317,251	317,251	317,251
Capacity	-	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	-	-	1,132	1,182	1,594	1,589	1,555	1,593	1,593	1,620
Forest Park (1962)										
Square feet	206,766	206,766	206,766	227,356	227,356	227,356	227,356	235,481	235,481	235,481
Capacity	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Enrollment	1,545	1,518	1,626	1,643	1,651	1,710	1,742	1,742	1,752	1,834
Jonesboro (1963)										
Square feet	208,036	208,036	208,036	208,036	227,131	228,157	228,157	217,468	217,468	217,468
Capacity	1,725	1,500	1,500	1,725	1,725	1,725	1,725	1,725	1,725	1,725
Enrollment	1,268	1,153	1,212	1,235	1,311	1,372	1,319	1,289	1,289	1,376
Lovejoy (1989)										
Square feet	217,450	217,450	231,852	231,852	231,852	231,853	231,853	231,706	231,706	231,706
Capacity	1,625	1,625	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,804	1,662	1,815	1,894	1,978	2,000	2,044	1,992	1,992	1,913
Morrow (1970)										
Square feet	183,836	183,836	183,836	183,836	183,836	183,836	196,640	195,537	195,537	195,537
Capacity	1,375	1,375	1,375	1,375	1,375	1,375	1,900	1,900	1,900	1,900
Enrollment	1,742	1,534	1,722	1,819	1,762	1,728	1,737	1,990	1,990	2,051
Mt. Zion (1990)										
Square feet	231,952	216,241	231,952	231,952	231,952	233,593	233,593	230,925	230,925	230,925
Capacity	1,575	1,350	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575
Enrollment	1,722	1,547	1,563	1,580	1,570	1,804	1,639	1,283	1,283	1,376
Mundy's Mill (2002)										
Square feet	254,667	292,512	292,512	292,512	292,512	313,882	313,882	313,882	313,882	313,882
Capacity	1,350	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,815	1,659	1,629	1,719	1,706	1,695	1,718	1,757	1,757	1,750
N. Clayton (1967)										
Square feet	194,138	194,138	194,138	194,138	211,657	211,657	211,657	188,824	188,824	188,824
Capacity	1,325	1,325	1,325	1,325	1,325	1,325	1,100	1,100	1,100	1,100
Enrollment	1,526	1,360	1,068	1,118	899	848	846	890	890	876
Riverdale (1977)										
Square feet	203,067	203,067	203,067	203,067	203,067	203,067	203,067	177,821	177,821	177,821
Capacity	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Enrollment	1,670	1,532	1,053	1,416	1,237	1,303	1,393	1,342	1,342	1,320
M E Stilwell										
Square feet	X	X	X	X	X	X	X	133,195	133,195	133,195
Capacity	X	X	X	X	X	X	X	825	825	825
Enrollment	X	X	X	X	X	X	X	542	542	605

Note: "X" represents the year the building did not exist.



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# **Single Audit Section**

**Clayton County  
Public Schools**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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**To the Superintendent and Members of the  
Clayton County Board of Education  
Jonesboro, Georgia**

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clayton County Board of Education as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Clayton County Board of Education's basic financial statements and have issued our report thereon dated March 23, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Clayton County Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clayton County Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Clayton County Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a material weakness.

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Clayton County Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Clayton County Board of Education's Response to Finding**

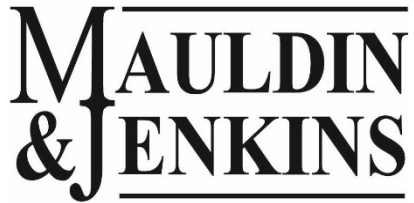
Clayton County Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Clayton County Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clayton County Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macon, Georgia  
March 23, 2018

*Mauldin & Jenkins, LLC*



## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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**To the Superintendent and Members of the  
Clayton County Board of Education  
Jonesboro, Georgia**

### **Report on Compliance for Each Major Federal Program**

We have audited Clayton County Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Clayton County Board of Education's major federal programs for the year ended June 30, 2017. Clayton County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Clayton County Board of Education's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Clayton County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Clayton County Board of Education's compliance.

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### ***Opinion on Each Major Federal Program***

In our opinion, Clayton County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

Management of Clayton County Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Clayton County Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clayton County Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
March 23, 2018

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Contract or Project Number</b>	<b>Total Expenditures</b>
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Passed through Georgia Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	\$ 9,161,960
USDA Commodities	10.555	N/A	2,856,963
National School Lunch Program	10.555	N/A	25,839,425
National School Snack Program	10.555	N/A	373,864
Summer Food Service Program for Children	10.555	N/A	568,376
Total Child Nutrition Cluster			<u>38,800,588</u>
 Fresh Fruits and Vegetables	 10.582	 N/A	 <u>297,719</u>
 Total U. S. Department of Agriculture			 <u>39,098,307</u>
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Passed through Georgia Department of Technical and Adult Education:			
Adult Education	84.002	N/A	360,085
Adult Education/Institutional	84.002	N/A	18,323
Adult Education/EL Civics	84.002	N/A	13,000
			<u>391,408</u>
Passed through Georgia Department of Education:			
Title I Programs - Improving Academic Achievement	84.010	N/A	21,160,548
Title I Programs - School Improvement Grant	84.010	N/A	348,463
			<u>21,509,011</u>
Title IV-B, Special Education Cluster			
Title VI-B Flowthrough	84.027	N/A	8,765,269
Title VI-B High Cost	84.027	N/A	176,413
Building Capacity	84.027	N/A	31,390
Title VI-B South Metro	84.027	N/A	443,895
Title VI-B Preschool	84.173	N/A	251,793
Total Title IV-B, Special Education Cluster			<u>9,668,760</u>
Title II - Improving Teacher Quality	84.367	N/A	1,968,380
Title II - Advanced Placement	84.367	N/A	15,675
			<u>1,984,055</u>
Title III - Limited English Proficient	84.365	N/A	682,745
Title III - ELA Unaccompanied Children and Youth	84.365	N/A	9,440
Title III - Language Instruction for English Learners (EL)	84.365	N/A	18,885
			<u>711,070</u>

(Continued)



**CLAYTON COUNTY BOARD OF EDUCATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
<b>U. S. DEPARTMENT OF EDUCATION (CONTINUED)</b>			
Passed through Georgia Department of Education (Continued):			
Education for Homeless Children and Youth	84.196	N/A	\$ 56,120
 Vocational Education - Basic Grants to States			
Program Improvement	84.048	N/A	517,061
Perkins Plus Reserve	84.048	N/A	1,628
Perkins Carryover	84.048	N/A	28,325
			<u>547,014</u>
 Subtotal - Passed through Georgia Department of Education			<u>34,867,438</u>
 Passed through Georgia State University Research Foundation			
Collaboration and Resources for Encouraging and Supporting Transformations in Education	84.336	N/A	95,943
Subtotal - Passed through Georgia State University Research Foundation			<u>95,943</u>
 Passed through Georgia Institute of Technology			
Gear Up Georgia	84.334S	N/A	7,545
Subtotal - Passed through Georgia Institute of Technology			<u>7,545</u>
 Total U. S. Department of Education			<u>34,970,926</u>
<b>U. S. DEPARTMENT OF DEFENSE</b>			
Direct Award:			
ROTC	12.unknown	N/A	698,660
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Georgia Department of Early Care and Learning			
Child Care and Development Block Grant	93.575	N/A	56,860
Total Child Care and Development Fund Cluster			<u>56,860</u>
 Total U. S. Department of Health and Human Services			<u>56,860</u>

**(Continued)**

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract or Project Number</u>	<u>Total Expenditures</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
Passed through Georgia Governor's Office of Workforce Development WIA Cluster - Workforce Investment Act Grant	17.259	WD1109	<u>\$ 177,866</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed through Georgia Governor's Office of Highway Safety Students Against Destructive Decisions	20.601	2012-000-00422	<u>25,957</u>
Total Expenditures of Federal Awards			<u><u>\$ 75,028,576</u></u>

# CLAYTON COUNTY BOARD OF EDUCATION

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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### **NOTE 1. BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Clayton County Board of Education and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

### **NOTE 2. DE MINIMIS COST RATE**

The School System elected not to use the ten percent de minimis cost rate for the year ended June 30, 2017.

### **NOTE 3. SUB RECIPIENTS**

The School System did not pass through any grant funds to subrecipients for the year ended June 30, 2017.

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

### A. SUMMARY OF AUDIT RESULTS

#### Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

☒ Yes ☐ No

Significant deficiencies identified not considered  
to be material weaknesses?

☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

#### Federal Awards

Internal Control over major programs:

Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified not considered  
to be material weaknesses?

☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for  
major programs

Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with the Uniform  
Guidance

☐ Yes ☒ No

Identification of major program:

CFDA Number

Name of Federal Program or Cluster

Child Nutrition Cluster Program:

U.S. Department of Agriculture

School Breakfast Program

National School Lunch Program

10.553

10.555

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$2,250,857

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

**CLAYTON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**B. FINDINGS: FINANCIAL STATEMENTS AUDIT**

**2017-001. Retainage Payable**

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The School System did not properly address the above criteria as of June 30, 2017, as it relates to retainage payable in the Capital Projects Fund.

Context: We addressed this matter with School System officials who determined the appropriate entries to retainage payable and expenditures at June 30, 2017.

Effect: An adjustment to increase retainage payable and increase expenditures by \$754,608 was required to be recorded in the Capital Projects Fund.

Recommendation: We recommend the School System strengthen internal controls to ensure that all retainage payable are properly recorded at year end.

Views of Responsible Officials and Planned Corrective Action: Management concurs and has implemented steps to ensure that all retainage payable amounts are properly reflected at year end.

**C. FINDINGS AND QUESTIONED COSTS: MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None reported.

# **CLAYTON COUNTY BOARD OF EDUCATION**

## **SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2017**

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None reported.

# CLAYTON COUNTY BOARD OF EDUCATION

## MANAGEMENT'S CORRECTION ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2017

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### 2017-001. Retainage Payable

***Name of the Contact Person Responsible for Corrective Action Plan:*** David Smith, Director of Business Services

***Corrective Action Plan:*** Management will strengthen internal controls in regard to the recording of retainage payable to ensure accurate reporting in future periods.

***Anticipated Completion Date:*** Fiscal year 2018