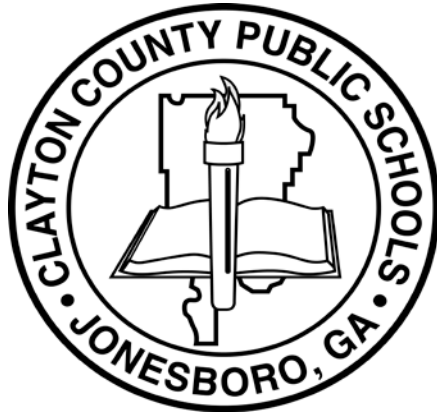


# **Comprehensive Annual Financial Report**

*Fiscal Year Ended June 30, 2018*

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

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# **Comprehensive Annual Financial Report**

*Fiscal Year Ended June 30, 2018*

**Prepared by:  
Division of Business Services**

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

---

# CLAYTON COUNTY BOARD OF EDUCATION

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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# CLAYTON COUNTY BOARD OF EDUCATION

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# CLAYTON COUNTY BOARD OF EDUCATION

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# CLAYTON COUNTY BOARD OF EDUCATION

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2018

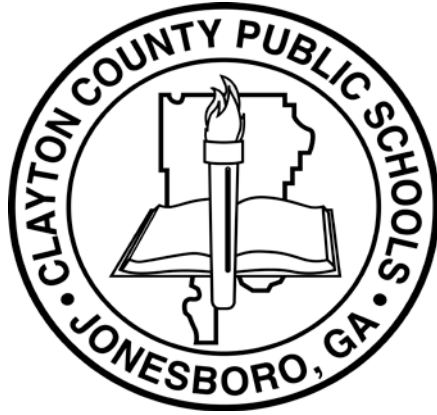
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# **Introductory Section**

**Clayton County  
Public Schools**

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# Clayton County Public Schools

## Division of Business Services

1058 Fifth Avenue • Jonesboro, Georgia 30236 • (770) 473-2700

DR. MORCEASE J. BEASLEY  
Superintendent of Schools

October 15, 2019

Honorable Members of the Clayton County Board of Education and Citizens of Clayton County, Georgia:

The Comprehensive Annual Financial Report (CAFR) of the Clayton County Board of Education (Board) for the fiscal year ended June 30, 2018, 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 55,000 students currently enrolled in 36 elementary schools, 14 middle schools, one K-8 school, 11 high schools, one alternative school program and one high school alternative program for the budget year of 2017 - 2018.



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. It consistently ranks as the world's second largest cargo facility and the country's busiest airport. Hartsfield-Jackson Atlanta International Airport is the primary economic driver of the County and region. In 2012, the Airport opened the new Maynard H. Jackson International terminal expanding the economic impact to Clayton County. Five of the school system's largest taxpayers have businesses directly related to operations at the airport.

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. Although commercial values remained down, the overall tax base of the county improved by approximately 4.8% from FY 2017 to FY 2018. This resulted in an increase of \$5.3 million in local tax revenues to the school system. Further, a reduction in the austerity cuts to the "Quality Basic Education" Act funding continued. Clayton County Public Schools continues to make difficult financial decisions in order to remain fiscally sound.

### **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.

On March 19th, 2019, Clayton County citizens voted YES! for SPLOST VI. The approved SPLOST will be for the term of years 2020 - 2024 for a total of \$280 Million. SPLOST VI will be utilized for the new construction of facilities, major renovations and modifications to existing facilities as well as transportation and technology needs for the district. SPLOST VI revenues will begin accumulation on January 1st of 2020.

SPLOST VI will be used for the construction of four new schools, one stadium, one new bus facility, renovations of existing facilities as well as transportation and technology needs for all students.

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**

During FY 2017 the district purchased a new enterprise resource planning (ERP) system. Implementation will take place over FY 2018 and FY 2019. This system is expected to improve operational efficiencies in Finance, Human Resources, and Technology.

Utilizing SPLOST funds, the Board of Education substantially completed construction of a new gymnasium at Riverdale High School and a new school for the Elite Scholars Academy. Construction of a new East Clayton Elementary also continued. Additional initiatives include; Lee Street Elementary renovation, Arnold Elementary Renovations, and HVAC replacement at six existing schools. In addition to its support of general technology hardware/software expenditures, SPLOST V is providing the financial support for the first phase of Extending Learning Beyond the Classroom.

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.

### **Mission Statement**

The mission of Clayton County Public Schools is to empower students to achieve academic and personal goals.

### **Vision Statement**

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

### **Core Belief Statements**

- We believe children have priority for 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 provide high quality support services delivered on time and within budget to promote student academic success in the Clayton County Public Schools.
5. To recruit, develop, 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 and 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 2015 - 2017. 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.

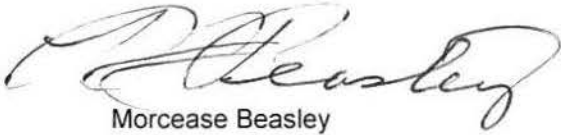
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Clayton County Public Schools for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

A handwritten signature in cursive script, appearing to read "M. Beasley".

Morcease Beasley  
Superintendent

# CLAYTON COUNTY BOARD OF EDUCATION

## FUNCTION AND COMPOSITION JUNE 30, 2018

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

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

The School System elects a Chairperson for a two-year term and a Vice Chairperson for a one-year term from its members.

As of January 1, 2018 the members of the School System and years of expiration of their terms are as follows:

TITLE	NAME	TERM EXPIRES
Chairperson	Dr. Pam Adamson	12-31-2018
Vice Chairperson	Dr. Alieka Anderson	12-31-2018
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	Ms. Mary Baker	12-31-2020
Board Member	Mr. Benjamin Straker	12-31-2018

### MISSION STATEMENT

The mission of School System 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**  
**Dr. Morcease J. Beasley**

# Clayton County Public Schools

## Executive Staff

### Superintendent's Office

Dr. Morcease J. Beasley Superintendent

### Division of Operations

Dr. Anthony Smith Deputy Superintendent  
Mr. Kemith Thompson Executive Director of Operations  
Mr. Samuel Coger Director of Maintenance  
Ms. Audrey Hamilton Director of School Nutrition  
Mr. Ronick Joseph Director of Facilities Construction/SPLOST  
Mr. Kevin May Director of Athletics  
Mr. Harold Walker Director of Transportation

### Division of School Leadership and Improvement

Dr. Ralph Simpson Deputy Superintendent  
Dr. Keith Colbert Assistant Superintendent – Cluster B  
Dr. Tim Guiney Assistant Superintendent – Cluster A  
Dr. Douglas Hendrix Assistant Superintendent – Cluster C  
Ms. Charmin Jackson Assistant Superintendent – Cluster D  
Dr. Gloria Duncan Director of Professional Learning  
Dr. Ebony Lee Director of Curriculum, Instruction & Assessment  
Ms. Katrina Thompson Director of Federal Programs  
Dr. Monika Wiley Director of Fine Arts

### Division of School Support

Dr. Sandra Nunez Deputy Superintendent  
Dr. Angela Horrison-Collier Director of School Support  
Dr. Chantal Normil Director of ESOL/World Languages  
Ms. Trina Smith Director of Special Education

### Division of Communications & Public Relations

Ms. Jada Dawkins Chief of Communications/Public Relations

### Division of Business Services

Ms. Emma Benton Chief Financial Officer  
Ms. Debra Brewer Director of Purchasing  
Mr. Alfred Brown Director of Finance

### Division of Equity & Compliance

Ms. Damaris Garrett Director of Equity & Compliance

### Division of Human Resources

Dr. Jamie Wilson Chief of Human Resources  
Ms. Quantrishia Haynes Director of Human Resources  
Ms. Valerie Henderson Director of Human Resources

### Division of Safety & Security

Mr. Thomas Trawick Chief of Safety & Security

### Division of Technology

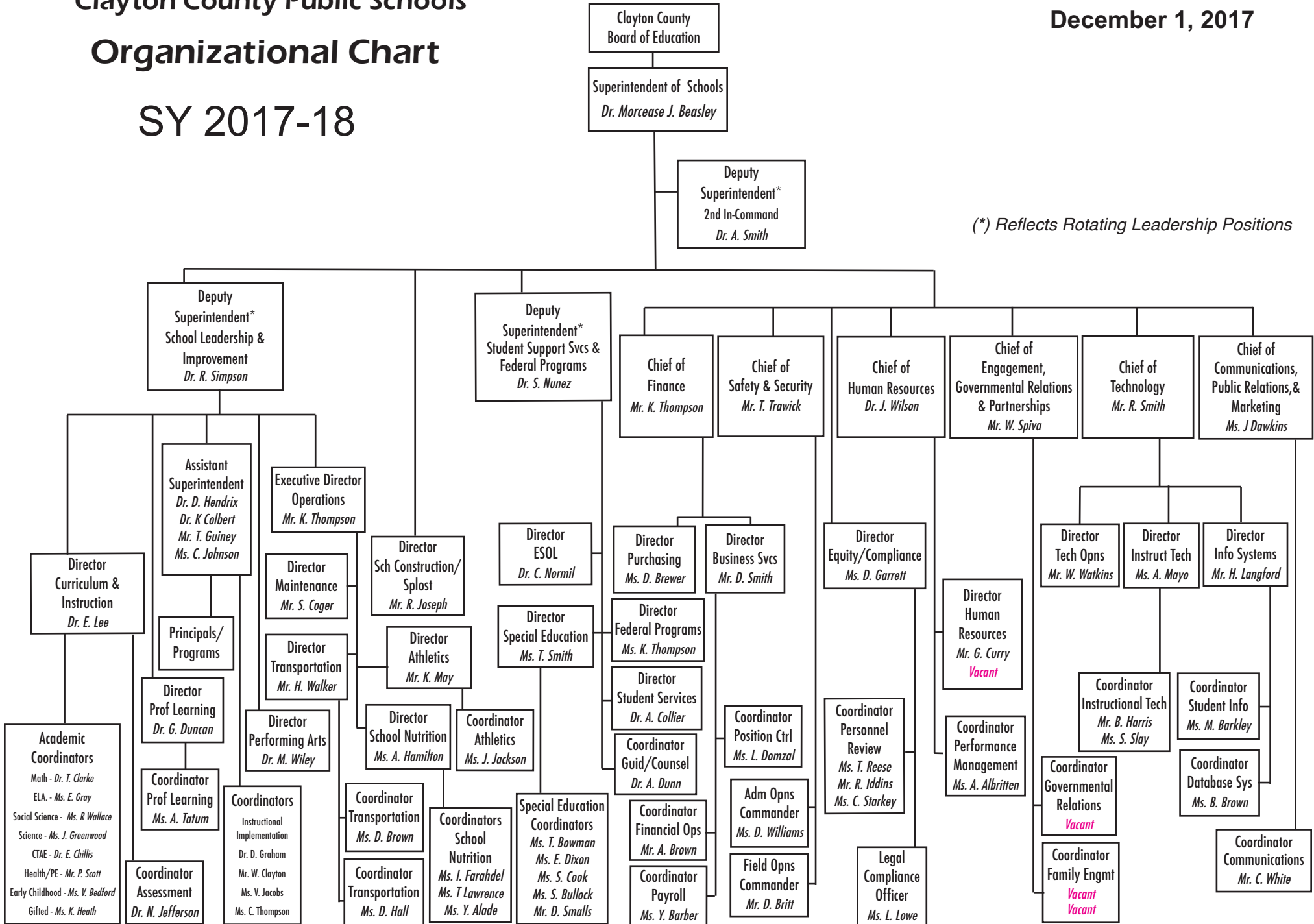
Mr. Rod Smith Chief of Technology  
Mr. Howard Langford Director of Information Systems  
Ms. April Mayo Director of Instructional Technology  
Mr. Wes Watkins Director of Technical Operations

# Clayton County Public Schools

## Organizational Chart

### SY 2017-18

December 1, 2017



(\* ) Reflects Rotating Leadership Positions





Government Finance Officers Association

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

Presented to

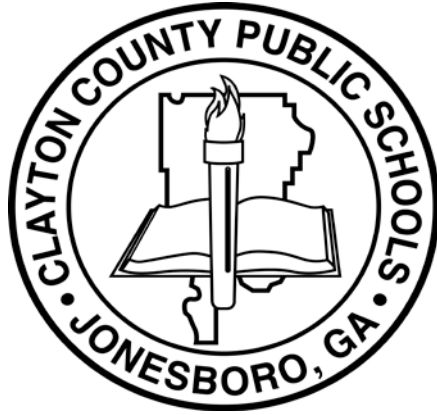
**Clayton County Public Schools  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO



# **Financial Section**

**Clayton County  
Public Schools**

---



## INDEPENDENT AUDITOR'S REPORT

---

**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** (the "School System") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting 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 School System as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matters**

As discussed in Note 12, the School System implemented Governmental Accounting Standard Board ("GASB") Statement No 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changed the accounting for the School System net other post-employment benefits ("OPEB") liability and the related disclosure. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 14) and the schedules of the School System's proportionate share of the net pension liability and the schedules of the School System's contributions, the schedule of proportionate share of the net OPEB liability and the schedule of OPEB contributions on pages 69 – 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School System's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, 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.

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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.

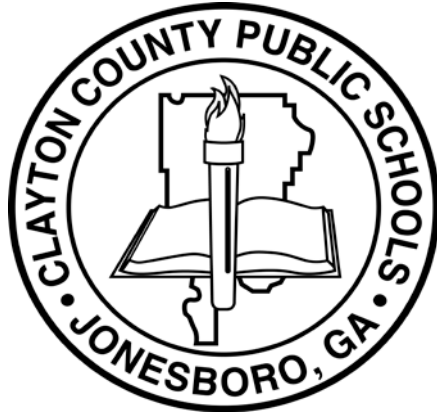
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020, on our consideration of the School System’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  
January 31, 2020



# **Management's Discussion and Analysis**

**Clayton County  
Public Schools**

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# CLAYTON COUNTY BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

---

This section of Clayton County Board of Education's (the "School System") annual financial report presents its discussion and analysis of the School System's financial performance during the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to examine the School System'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 School System'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 School System's finances.
2. Fund financial statements including the balance sheets that provide a greater level of detail and focus on how well the School System 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, 2018, 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 2018 are as follows:

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

- The assets and deferred outflows of the School System exceeded its liabilities and deferred inflows at the fiscal year ended June 30, 2018 by \$97.7 million.

#### **❖ Governmental Activities**

- The School System experienced an increase of \$23.7 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 activities decreased \$5.6 million.
- The General Fund (the primary operating fund), presented on a current financial resources basis, ended the year with a fund balance of \$23.1 million, a decrease of \$18.9 million from June 30, 2017.
- The Capital Projects Fund ended the year with a fund balance of \$52.7 million, an increase of \$1.4 million.
- The School System decreased its outstanding long-term liabilities by \$40.0 million primarily due to a reduction in net pension liability due in more than one year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- Program revenues, which include operating grants, accounted for \$328.8 million, or 59.0% of the \$556.8 million total revenues for governmental activities. General revenues, primarily property taxes and sales taxes accounted for \$228.1 million, or 41.0%.
- The School System reported \$562.4 million in expenses for the governmental activities. This amount was offset by the \$328.8 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 School System's business-type activities increased \$75.0 thousand. The School System 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 \$37.9 million, while expenses of the Performing Arts Center were \$327 thousand. Program revenues, operating grants and contributions, and capital contributions for these business type activities totaled \$38.3 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 School System:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the School System's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School System, reporting the School System'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 School System 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 School System's budget for the year.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

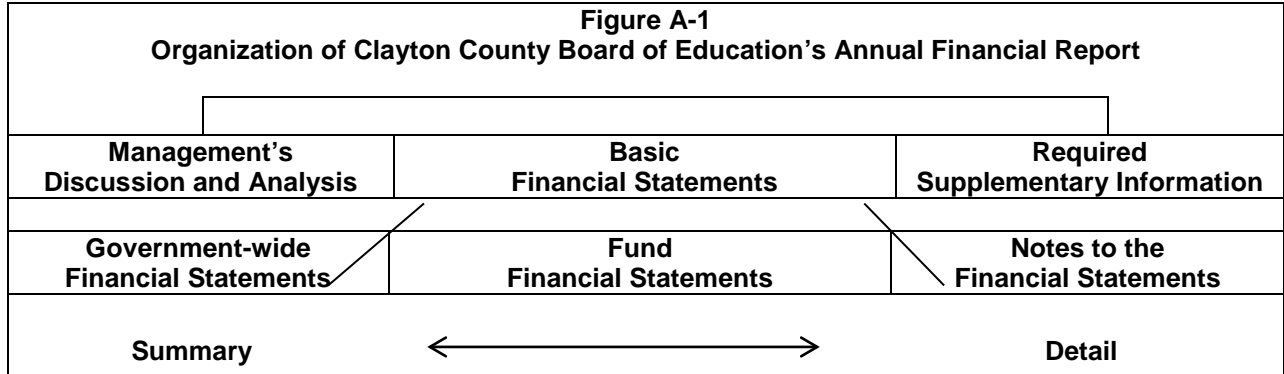


Figure A-2 summarizes the major features of the School System's financial statements, including the portion of the School System's activities they cover and the types of information they contain.

**Figure A-2**  
**Major Features of the Board of Education's Financial Statements**

	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
Scope	Entire School System (except fiduciary funds)	The activities of the School System that are not proprietary or fiduciary, such as instruction, school administration, and building maintenance	Activities the School System 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 School System as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School System'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 School System's net position and how it has changed. Net position, the difference between the School System's assets and liabilities, is one way to measure the School System's financial health or position.

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

To assess the overall health of the School System, 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 School System are divided into two categories:

- **Governmental activities** – All of the School System'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 School System operates a food service operation and charges fees to staff, students and visitors to help cover the cost of the food service operation. The School System also operates a performing arts center that is accounted for as a business-type activity.

### Fund Financial Statements

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

**Governmental funds** – Most of the School System'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 School System'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 School System'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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary funds** – Services for which the School System charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The School System'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 School System 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 School System's only internal service fund for the employee dental benefit program was closed.

### Financial Analysis of the School System as a Whole

Table A-1, below, provides a summary of the School System's net position for the year ended June 30, 2018 compared to June 30, 2017.

Table A-1 Condensed Summary of Net Position (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Current and other Assets	\$ 158.8	\$ 162.7	\$ 15.1	\$ 14.3	\$ 173.9	\$ 177.0	-1.8%
Net capital assets	<u>756.8</u>	732.9	<u>4.1</u>	4.4	<u>760.9</u>	737.3	3.2%
Total Assets	<u>915.6</u>	895.6	<u>19.2</u>	18.7	<u>934.8</u>	914.3	2.2%
Deferred outflows	111.5	110.3	3.0	1.0	114.5	111.3	2.9%
Current and other liabilities	73.4	62.5	2.7	2.9	76.1	65.4	16.4%
Long-term liabilities	<u>794.6</u>	443.5	<u>32.9</u>	4.0	<u>827.5</u>	447.5	84.9%
Total Liabilities	<u>868.0</u>	506.0	<u>35.6</u>	6.9	<u>903.6</u>	512.9	76.2%
Deferred inflows	45.1	8.6	2.9	0.1	48.0	8.7	451.7%
Net Position							
Net investment in Capital							
Assets	756.8	732.9	4.1	4.3	760.9	737.2	3.2%
Restricted for Capital Projects	52.7	51.3	-	-	52.7	51.3	2.7%
Unrestricted	<u>(695.5)</u>	(292.9)	<u>(20.4)</u>	8.4	<u>(715.9)</u>	(284.5)	151.6%
Total net position	<u>\$ 114.0</u>	<u>\$ 491.3</u>	<u>\$ (16.3)</u>	<u>\$ 12.7</u>	<u>\$ 97.7</u>	<u>\$ 504.0</u>	-80.6%

**Note:** The amounts above do not include consideration of the prior period restatement for GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The School System's combined net position decreased by 80.6% to \$97.8 million. The net position of the School System's business-type activities decreased \$29 million or 228%. These decreases were due primarily to the implementation of GASB 75. The School System reported a restricted net position amount of \$52.7 million. This is an increase of 2.7% from the restricted amount reported as of June 30, 2017. 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 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 2018 were \$556.8 million, while total expenses were \$562.4 million. Governmental activities contributed \$5.6 million negatively to the total net position, while business-type activities resulted in a \$.1 million positive contribution.

For governmental activities, program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions increased \$22.9 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 School System with 20.7% of total revenues for governmental activities coming from this source. The increase of 10.8% 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 SPLOST increased \$4.7 million to a total of \$58.6 million. Interest and investment earnings remained minimal, reflecting the low interest being paid on account balances.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-2 Changes in Net Position from Operating Results (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
<b>Revenues:</b>							
<b>Program revenues:</b>							
Charges for services	\$ 15.2	\$ 14.8	\$ 0.4	\$ 0.4	\$ 15.6	\$ 15.2	2.6%
Operating grants and contributions	312.9	290.5	37.9	39.6	350.8	330.1	6.3%
Capital grants and contributions	0.7	0.6	-	-	0.7	0.6	16.7%
<b>General revenues:</b>							
Property taxes	115.4	104.2	-	-	115.4	104.2	10.7%
Sales taxes	58.6	53.9	-	-	58.6	53.9	8.7%
Other taxes	10.1	8.8	-	-	10.1	8.8	14.8%
Non-program specific state and federal aid	43.7	37.3	-	-	43.7	37.3	17.2%
Interest and investment earnings	0.1	0.1	-	-	0.1	0.1	0.0%
Gain on Sale of Capital Assets	0.1	0.3	-	-	-	0.3	
<b>Total Revenues</b>	<b>556.8</b>	<b>510.5</b>	<b>38.3</b>	<b>40.0</b>	<b>595.1</b>	<b>550.5</b>	<b>8.1%</b>
<b>Expenses:</b>							
Instruction	386.1	355.5	-	-	386.1	355.5	8.6%
Pupil Services	22.6	20.6	-	-	22.6	20.6	9.7%
Instructional services	21.8	24.4	-	-	21.8	24.4	-10.7%
Educational media services	6.7	6.3	-	-	6.7	6.3	6.3%
General administration	7.1	13.2	-	-	7.1	13.2	-46.2%
School administration	31.4	28.9	-	-	31.4	28.9	8.7%
Business services	5.6	3.7	-	-	5.6	3.7	51.4%
Maintenance and operations	39.5	37.2	-	-	39.5	37.2	6.2%
Student transportation	24.6	22.3	-	-	24.6	22.3	10.3%
Central support services	10.6	11.0	-	-	10.6	11.0	-3.6%
Other support services	3.6	4.0	-	-	3.6	4.0	-10.0%
Other non-instructional services	1.2	1.3	-	-	1.2	1.3	-7.7%
Community services	1.6	1.6	-	-	1.6	1.6	0.0%
Performing Arts Center	-	-	0.3	0.3	0.3	0.3	0.0%
Interest	-	-	-	-	-	-	
Food services	-	-	37.9	38.4	37.9	38.4	-1.3%
<b>Total Expenses</b>	<b>562.4</b>	<b>530.0</b>	<b>38.2</b>	<b>38.7</b>	<b>600.6</b>	<b>568.7</b>	<b>5.6%</b>
<b>Excess (deficiency) in net position</b>	<b>\$ (5.6)</b>	<b>\$ (19.5)</b>	<b>\$ 0.1</b>	<b>\$ 1.3</b>	<b>\$ (5.5)</b>	<b>\$ (18.2)</b>	<b>-69.8%</b>

**Note:** The amounts above do not include consideration of the prior period restatement for GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-3 summarizes the cost of the School System'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 School System's local taxpayers by each of these functions.

<b>Table A-3</b>						
<b>Net Cost of Governmental Activities</b>						
(in millions of dollars)						
	<b>Total Cost</b>		<b>Percentage</b>	<b>Net Cost</b>		<b>Percentage</b>
	<b>of Services</b>		<b>Change</b>	<b>of Services</b>		<b>Change</b>
	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>
Instruction	\$ 386.1	\$ 355.5	8.6%	\$ 119.8	\$ 112.7	6.3%
Pupil, Instructional and Media Services	51.1	51.3	-0.4%	33.5	30.8	8.8%
General and Business Administration	12.7	16.9	-24.9%	7.8	13.1	-40.5%
School administration	31.4	28.9	8.7%	19.0	17.4	9.2%
Maintenance and operations	39.5	37.2	6.2%	24.7	22.4	10.3%
Student transportation	24.6	22.3	10.3%	21.7	19.0	14.2%
Central Support and other support	14.2	15.0	-5.3%	12.2	13.1	-6.9%
Community Services and non-instructional	2.8	2.9	-3.4%	(5.0)	(4.5)	11.1%
Total Governmental Activities	<b>\$ 562.4</b>	<b>\$ 530.0</b>	6.1%	<b>\$ 233.7</b>	<b>\$ 224.0</b>	4.3%
Less: Unrestricted federal and state aid:				<u>43.7</u>	<u>37.3</u>	17.2%
Total needs from local taxes and other revenues:				<b><u>\$ 190.0</u></b>	<b><u>\$ 186.7</u></b>	<b>1.8%</b>

The total cost of governmental activities increased 6.1%, and the net cost of services increased 4.3% reflecting the increase in targeted initiatives to improve instructional achievement.

### Business Type Activities

Revenues for the School System'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 million in net position.
- Charges for services represent \$.4 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 \$37.9 million.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Analysis of the School System's Funds**

At June 30, 2018, the School System's governmental funds reported a combined fund balance of \$80.1 million. This is a decrease of \$18.1 million.

The fund balance of the General Fund was \$23.1 million at June 30, 2018. The Capital Projects ending fund balance was \$52.7 million while all other Governmental Funds had a total fund balance of \$4.4 million at June 30, 2018.

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

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

The total expenditures increased \$3.0 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 \$14.1 million. There was \$12.7 million in increase in local funds and a \$1.4 million increase state funds.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Capital Asset and Debt Administration

#### Capital Assets

At June 30, 2018, the School System had \$760.9 million invested in a broad range of capital assets, including land, buildings and furniture and equipment for its governmental activities. The School System 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.

Table A-4 Capital Assets (net of depreciation) (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Land	\$ 34.6	\$ 33.6	-	-	34.6	33.6	3.0%
Construction in progress	97.4	59.2	-	-	97.4	59.2	64.5%
Buildings and improvements	609.7	626.1	3.1	3.4	612.8	629.5	-2.7%
Machinery and equipment	15.1	14.0	1.0	1.0	16.1	15.0	7.3%
<b>Total capital assets net of depreciation</b>	<b>\$ 756.8</b>	<b>\$ 732.9</b>	<b>\$ 4.1</b>	<b>\$ 4.4</b>	<b>\$ 760.9</b>	<b>\$ 737.3</b>	3.2%

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, 2018, the School System had no outstanding long-term bond debt. Because of the availability of the one cent sales tax for capital improvements since 1997, the School System 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.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

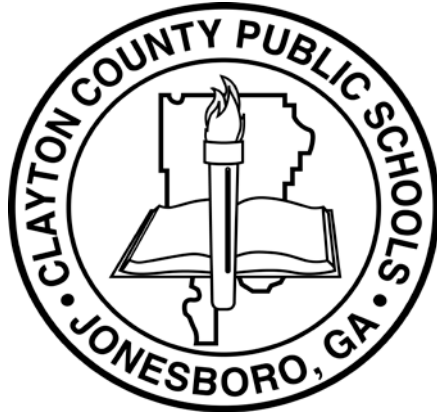
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### **Economic Factors**

- 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 2018.
- 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 School System's Financial Management**

This financial report is designed to provide the School System's citizens, taxpayers, customers, and investors and creditors with a general overview of the School System's finances and to demonstrate the School System'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.



# **Basic Financial Statements**

**Clayton County  
Public Schools**

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# CLAYTON COUNTY BOARD OF EDUCATION

## STATEMENT OF NET POSITION JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 93,497,563	\$ 13,972,722	\$ 107,470,285
Investments	1,405,718	-	1,405,718
Receivables:			
Accounts	99,913	-	99,913
Intergovernmental	50,721,435	105,689	50,827,124
Taxes	13,209,717	-	13,209,717
Internal balances	(321,227)	321,227	-
Inventories	-	733,052	733,052
Prepaid items	147,239	-	147,239
Capital assets, nondepreciable	132,048,448	-	132,048,448
Capital assets, depreciable (net of accumulated depreciation)	624,809,931	4,090,037	628,899,968
Total assets	915,618,737	19,222,727	934,841,464
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	83,111,775	743,446	83,855,221
Other post-employment benefits	28,358,172	2,214,415	30,572,587
Total deferred outflows of resources	111,469,947	2,957,861	114,427,808
<b>LIABILITIES</b>			
Accounts payable	3,045,259	72,857	3,118,116
Contracts payable	7,674,976	-	7,674,976
Retainage payable	2,498,306	-	2,498,306
Accrued payroll and payroll withholdings	60,192,960	2,514,860	62,707,820
Unearned revenue	1,435	92,097	93,532
Other current liabilities	11,448	-	11,448
Claims payable due within one year	2,899,939	-	2,899,939
Claims payable due in more than one year	1,042,502	-	1,042,502
Capital leases due in more than one year	-	-	-
Compensated absences due within one year	1,673,150	53,132	1,726,282
Compensated absences due in more than one year	2,609,000	48,522	2,657,522
Net pension liability, due in more than one year	413,591,838	3,700,100	417,291,938
Net other post-employment benefit liability, due in more than one year	372,752,236	29,107,242	401,859,478
Total liabilities	867,993,049	35,588,810	903,581,859
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	9,197,503	82,162	9,279,665
Other post-employment benefits	35,892,682	2,802,765	38,695,447
Total deferred inflows of resources	45,090,185	2,884,927	47,975,112
<b>NET POSITION</b>			
Investment in capital assets	756,858,379	4,090,037	760,948,416
Restricted for student programs	-	-	-
Restricted for capital projects	52,679,247	-	52,679,247
Unrestricted (deficit)	(695,532,176)	(20,383,186)	(715,915,362)
Total net position (deficit)	\$ 114,005,450	\$ (16,293,149)	\$ 97,712,301

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, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Instruction	\$ 386,064,644	\$ 7,492,405	\$ 258,004,732	\$ 712,532
Pupil services	22,609,005	-	7,175,354	-
Improvement of instructional services	21,769,582	122,842	4,046,906	-
Educational media services	6,688,537	-	6,250,261	-
General administration	7,102,414	-	3,248,943	-
School administration	31,429,970	-	12,413,896	-
Business services	5,646,571	-	1,776,952	-
Maintenance and operations	39,565,111	-	14,849,005	-
Student transportation	24,613,821	-	2,873,043	-
Central support services	10,572,138	-	1,834,161	-
Other support services	3,591,846	46,059	121,145	-
Other non-instructional services	1,206,941	6,000,758	253,064	-
Community services	1,599,636	1,560,438	-	-
Total governmental activities	562,460,216	15,222,502	312,847,462	712,532
Business-type activities:				
School food service	37,943,474	268,864	37,933,069	-
Performing arts center	327,201	137,025	-	-
Total business-type activities	38,270,675	405,889	37,933,069	-
Total	\$ 600,730,891	\$ 15,628,391	\$ 350,780,531	\$ 712,532
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				
Transfers				
Total general revenues				
Change in net position				
Net position (deficit), beginning of year, as restated				
Net position (deficit), end of year				

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

<b>Net (Expenses) Revenues and Changes in Net Position</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (119,854,975)	\$ -	\$ (119,854,975)
(15,433,651)	-	(15,433,651)
(17,599,834)	-	(17,599,834)
(438,276)	-	(438,276)
(3,853,471)	-	(3,853,471)
(19,016,074)	-	(19,016,074)
(3,869,619)	-	(3,869,619)
(24,716,106)	-	(24,716,106)
(21,740,778)	-	(21,740,778)
(8,737,977)	-	(8,737,977)
(3,424,642)	-	(3,424,642)
5,046,881	-	5,046,881
(39,198)	-	(39,198)
<u>(233,677,720)</u>	<u>-</u>	<u>(233,677,720)</u>
-	258,459	258,459
-	(190,176)	(190,176)
-	68,283	68,283
<u>(233,677,720)</u>	<u>68,283</u>	<u>(233,609,437)</u>
115,417,127	-	115,417,127
58,626,357	-	58,626,357
10,134,638	-	10,134,638
43,722,231	-	43,722,231
100,189	-	100,189
56,818	6,870	63,688
<u>228,057,360</u>	<u>6,870</u>	<u>228,064,230</u>
(5,620,360)	75,153	(5,545,207)
119,625,810	(16,368,302)	103,257,508
<u>\$ 114,005,450</u>	<u>\$ (16,293,149)</u>	<u>\$ 97,712,301</u>

**CLAYTON COUNTY BOARD OF EDUCATION**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

<b>ASSETS</b>	<b>General</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash	\$ 33,079,698	\$ 56,593,971	\$ 3,823,894	\$ 93,497,563
Investments	207,133	1,198,585	-	1,405,718
Receivables:				
Accounts	39,295	-	60,618	99,913
Taxes	8,138,362	5,071,355	-	13,209,717
Intergovernmental	40,807,779	-	9,913,656	50,721,435
Due from other funds	6,358,854	-	1,142,438	7,501,292
Prepaid items	147,239	-	-	147,239
<b>Total assets</b>	<b>\$ 88,778,360</b>	<b>\$ 62,863,911</b>	<b>\$ 14,940,606</b>	<b>\$ 166,582,877</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,093,238	\$ -	\$ 1,952,021	\$ 3,045,259
Contracts payable	-	7,674,976	-	7,674,976
Retainage payable	-	2,498,306	-	2,498,306
Due to other funds	1,463,665	4	6,358,850	7,822,519
Accrued payroll and payroll withholdings	57,918,008	-	2,274,952	60,192,960
Unearned revenue	-	-	1,435	1,435
Other current liabilities	-	11,378	70	11,448
<b>Total liabilities</b>	<b>60,474,911</b>	<b>10,184,664</b>	<b>10,587,328</b>	<b>81,246,903</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	5,203,377	-	-	5,203,377
<b>Total deferred inflows of resources</b>	<b>5,203,377</b>	<b>-</b>	<b>-</b>	<b>5,203,377</b>
<b>FUND BALANCES</b>				
Fund balances:				
Nonspendable - prepaid items	147,239	-	-	147,239
Restricted for capital projects	-	52,679,247	-	52,679,247
Restricted for student programs	-	-	-	-
Committed for student programs	-	-	4,353,278	4,353,278
Unassigned	22,952,833	-	-	22,952,833
<b>Total fund balances</b>	<b>23,100,072</b>	<b>52,679,247</b>	<b>4,353,278</b>	<b>80,132,597</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 88,778,360</b>	<b>\$ 62,863,911</b>	<b>\$ 14,940,606</b>	<b>\$ 166,582,877</b>

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, 2018

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

Fund balances - total governmental funds	\$	80,132,597
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		756,858,379
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		5,203,377
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(728,188,903)</u>
Net position of governmental activities	\$	<u>114,005,450</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, 2018**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources	\$ 132,799,869	\$ 58,626,357	\$ 9,452,713	\$ 200,878,939
State sources	311,283,092	712,532	7,627,078	319,622,702
Federal sources	669,212	-	36,607,986	37,277,198
Interest income	10,395	89,794	-	100,189
Total revenues	<u>444,762,568</u>	<u>59,428,683</u>	<u>53,687,777</u>	<u>557,879,028</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	307,589,560	-	41,708,046	349,297,606
Pupil services	16,377,166	-	5,833,734	22,210,900
Improvement of instructional services	18,381,103	-	2,993,105	21,374,208
Educational media services	6,560,431	-	-	6,560,431
General administration	5,483,419	-	1,330,987	6,814,406
School administration	29,465,154	-	1,068,744	30,533,898
Business services	3,741,693	-	-	3,741,693
Maintenance and operations	38,651,167	-	-	38,651,167
Student transportation	22,605,065	-	38,831	22,643,896
Central support services	9,908,575	-	-	9,908,575
Other support services	3,469,960	-	112,008	3,581,968
On behalf payments	-	-	-	-
Other non-instructional services	339,383	-	706,299	1,045,682
Community service	-	-	1,600,553	1,600,553
Capital outlay	-	58,025,878	-	58,025,878
Total expenditures	<u>462,572,676</u>	<u>58,025,878</u>	<u>55,392,307</u>	<u>575,990,861</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,810,108)</u>	<u>1,402,805</u>	<u>(1,704,530)</u>	<u>(18,111,833)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	56,818	-	-	56,818
Transfers in	-	-	1,164,032	1,164,032
Transfers out	<u>(1,164,032)</u>	-	-	<u>(1,164,032)</u>
Total other financing sources (uses)	<u>(1,107,214)</u>	-	<u>1,164,032</u>	<u>56,818</u>
Net change in fund balances	(18,917,322)	1,402,805	(540,498)	(18,055,015)
<b>FUND BALANCES, beginning of year</b>	<u>42,017,394</u>	<u>51,276,442</u>	<u>4,893,776</u>	<u>98,187,612</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 23,100,072</u>	<u>\$ 52,679,247</u>	<u>\$ 4,353,278</u>	<u>\$ 80,132,597</u>

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, 2018

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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	\$ (18,055,015)
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.	23,905,717
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,152,529)
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>(10,318,533)</u>
Change in net position - governmental activities	<u>\$ (5,620,360)</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, 2018

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ 119,100,365	\$ 120,076,021	\$ 132,799,869	\$ 12,723,848
State sources	301,974,995	303,726,092	305,170,269	1,444,177
Federal sources	687,700	754,211	669,212	(84,999)
Interest income	30,000	30,000	10,395	(19,605)
Total revenues	<u>421,793,060</u>	<u>424,586,324</u>	<u>438,649,745</u>	<u>14,063,421</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	299,594,743	292,107,767	303,497,787	(11,390,020)
Pupil services	15,499,671	15,898,556	16,377,166	(478,610)
Improvement of instructional services	20,031,501	20,577,353	18,381,103	2,196,250
Educational media services	7,119,841	6,717,739	6,560,431	157,308
General administration	5,221,874	5,363,362	5,316,189	47,173
School administration	30,362,766	29,595,735	29,465,154	130,581
Business services	7,113,153	15,459,697	3,715,467	11,744,230
Maintenance and operations	35,318,817	36,569,523	38,341,361	(1,771,838)
Student transportation	22,501,128	20,725,555	22,366,304	(1,640,749)
Central support services	13,453,363	12,691,968	9,825,140	2,866,828
Other support services	77,804	2,890,621	3,232,488	(341,867)
Other non-instructional services	-	678,255	339,383	338,872
Total expenditures	<u>456,294,661</u>	<u>459,276,131</u>	<u>457,417,973</u>	<u>1,858,158</u>
Deficiency of revenues over expenditures	<u>(34,501,601)</u>	<u>(34,689,807)</u>	<u>(18,768,228)</u>	<u>15,921,579</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	56,818	56,818
Transfers out	(230,266)	(230,266)	(1,164,032)	(933,766)
Total other financing sources (uses)	<u>(230,266)</u>	<u>(230,266)</u>	<u>(1,107,214)</u>	<u>(876,948)</u>
Net change in fund balances	<u>\$ (34,731,867)</u>	<u>\$ (34,920,073)</u>	<u>\$ (19,875,442)</u>	<u>\$ 15,044,631</u>

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

**CLAYTON COUNTY BOARD OF EDUCATION**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2018**

ASSETS	Business-type Activities - Enterprise Funds		
	School Food Service	Nonmajor Performing Arts Center	Totals
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 13,972,722	\$ -	\$ 13,972,722
Receivables:			
Intergovernmental	105,689	-	105,689
Inventories	733,052	-	733,052
Due from other funds	98,070	223,157	321,227
Total current assets	14,909,533	223,157	15,132,690
<b>CAPITAL ASSETS</b>			
Buildings	-	7,308,375	7,308,375
Furniture and equipment	5,365,614	6,167	5,371,781
Intangibles	53,643	-	53,643
Total depreciable assets	5,419,257	7,314,542	12,733,799
Less accumulated depreciation and amortization	(4,471,824)	(4,171,938)	(8,643,762)
Total capital assets	947,433	3,142,604	4,090,037
Total assets	15,856,966	3,365,761	19,222,727
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	743,446	-	743,446
Other post-employment benefits	2,214,415	-	2,214,415
Total deferred outflows of resources	2,957,861	-	2,957,861
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	71,679	1,178	72,857
Accrued payroll and payroll withholdings	2,514,860	-	2,514,860
Compensated absences	53,132	-	53,132
Unearned revenue	92,097	-	92,097
Total current liabilities	2,731,768	1,178	2,732,946
<b>NON-CURRENT LIABILITIES</b>			
Compensated absences	48,522	-	48,522
Net pension liability	3,700,100	-	3,700,100
Net other post-employment benefit liability	29,107,242	-	29,107,242
Total non-current liabilities	32,855,864	-	32,855,864
Total liabilities	35,587,632	1,178	35,588,810
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	82,162	-	82,162
Other post-employment benefits	2,802,765	-	2,802,765
Total deferred inflows of resources	2,884,927	-	2,884,927
<b>NET POSITION</b>			
Investment in capital assets	947,433	3,142,604	4,090,037
Unrestricted	(20,605,165)	221,979	(20,383,186)
Total net position (deficit)	\$ (19,657,732)	\$ 3,364,583	\$ (16,293,149)

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

**CLAYTON COUNTY BOARD OF EDUCATION**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>School Food Service</b>	<b>Nonmajor Performing Arts Center</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Local sources	\$ 268,864	\$ 137,025	\$ 405,889
Total operating revenues	<u>268,864</u>	<u>137,025</u>	<u>405,889</u>
<b>OPERATING EXPENSES</b>			
Food service operations	37,220,553	-	37,220,553
Enterprise operation	-	181,032	181,032
Maintenance and operations	540,474	-	540,474
Depreciation	182,447	146,169	328,616
Total operating expenses	<u>37,943,474</u>	<u>327,201</u>	<u>38,270,675</u>
Operating loss	<u>(37,674,610)</u>	<u>(190,176)</u>	<u>(37,864,786)</u>
<b>NON-OPERATING REVENUES</b>			
Intergovernmental revenues	37,933,069	-	37,933,069
Gain on sale of capital assets	6,870	-	6,870
Total non-operating revenues	<u>37,939,939</u>	<u>-</u>	<u>37,939,939</u>
Change in net position	265,329	(190,176)	75,153
<b>NET POSITION (DEFICIT), beginning of year, as restated</b>	<u>(19,923,061)</u>	<u>3,554,759</u>	<u>(16,368,302)</u>
<b>NET POSITION (DEFICIT), end of year</b>	<u>\$ (19,657,732)</u>	<u>\$ 3,364,583</u>	<u>\$ (16,293,149)</u>

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, 2018**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>School Food Service</b>	<b>Nonmajor Performing Arts Center</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from local sources	\$ 185,563	\$ 180,566	\$ 366,129
Payments to suppliers	(20,452,891)	(40,605)	(20,493,496)
Payments to employees	(11,317,640)	(119,802)	(11,437,442)
Payments on behalf of employees	(5,603,774)	(20,159)	(5,623,933)
Net cash used in operating activities	(37,188,742)	-	(37,188,742)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Subsidy from federal and state grants	38,327,223	-	38,327,223
Net cash provided by noncapital financing activities	38,327,223	-	38,327,223
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(107,091)	-	(107,091)
Proceeds from disposition of capital assets	6,870	-	6,870
Net cash used in capital and related financing activities	(100,221)	-	(100,221)
Net increase in cash and cash equivalents	1,038,260	-	1,038,260
Cash and cash equivalents, beginning of year	12,934,462	-	12,934,462
Cash and cash equivalents, end of year	\$ 13,972,722	\$ -	\$ 13,972,722

**(Continued)**

**CLAYTON COUNTY BOARD OF EDUCATION**

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>School Food Service</b>	<b>Nonmajor Performing Arts Center</b>	
		<b>Totals</b>	
<b>Reconciliation of operating loss to net cash used in operating activities</b>			
Operating loss	\$ (37,674,610)	\$ (190,176)	\$ (37,864,786)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation	182,447	146,169	328,616
Decrease in accounts receivable	4,207	-	4,207
(Increase) decrease in due from other funds	(79,862)	43,541	(36,321)
Increase in inventories	(135,738)	-	(135,738)
Decrease in deferred outflows - pensions	242,890	-	242,890
Increase in deferred outflows - OPEB	(1,134,216)	-	(1,134,216)
Increase (decrease) in accounts payable	(155,046)	466	(154,580)
Decrease in accrued payroll and other withholdings	28,991	-	28,991
Decrease in compensated absences	(30,379)	-	(30,379)
Increase in deferred inflows - pensions	5,563	-	5,563
Increase in deferred inflows - OPEB	2,802,765	-	2,802,765
Decrease in net pension liability	(240,687)	-	(240,687)
Increase in net OPEB liability	(997,421)	-	(997,421)
Decrease in unearned revenue	(7,646)	-	(7,646)
Net cash used in operating activities	<u>\$ (37,188,742)</u>	<u>\$ -</u>	<u>\$ (37,188,742)</u>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

The School System received \$2,605,839 in commodities from the United States Department of Agriculture during the fiscal year ended June 30, 2018.

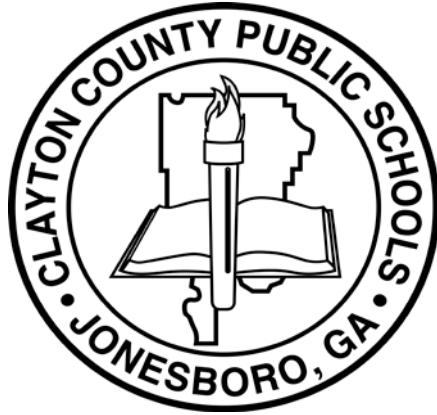
**The accompanying notes are an integral part of these financial statements.**

**CLAYTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**JUNE 30, 2018**

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		<u>Agency Fund</u>
	<b>ASSETS</b>	<u>Student</u>
		<u>Activities</u>
Cash		\$ 550,018
Total assets		<u>\$ 550,018</u>
	<b>LIABILITIES</b>	
Due to others		\$ 550,018
Total liabilities		<u>\$ 550,018</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, 2018

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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 non-fiduciary 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 1% Special Purpose Local Option Sales Tax ("SPLOST") 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, 2018, was \$1,062,929.

#### 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 \$2,605,839 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 and the Other Post-Employment Benefit 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, 2018.

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 and Other Post-Employment Benefit 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. The School System also had deferred inflows and outflows related to the recording of changes in its net pension liability.

## NOTES TO FINANCIAL STATEMENTS

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

#### K. Pensions (Continued)

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. Other Post-Employment Benefits ("OPEB")

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

#### M. 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### N. 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.

#### O. 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".

**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 School System is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance terms 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 School System. 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 School System or by a designee to whom the School System 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.



## NOTES TO FINANCIAL STATEMENTS

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

#### O. Fund Equity (Continued)

**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 School System 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.

It is the initial goal of the School System to achieve and maintain an unassigned fund balance in the General Fund at fiscal year-end of not less than 7.5 – 15% of prior year general fund budgeted expenditures and not to exceed 15% of the total budget of the subsequent fiscal year, net of any committed reserve balance for capital expenditures and assigned fund balances “to cover unanticipated deficiencies in revenue or unanticipated expenditures,” in compliance with the Official Code of Georgia Annotated (“O.C.G.A.”) § 20-2-167(a) 5. If the total of the unassigned, assigned, and committed fund balances (net of the previous allowances) at fiscal year-end falls below this goal, the School District will take action to restore the unassigned fund balance to the minimum level within two fiscal years following the fiscal year in which the event occurred. The School System will develop a plan to replenish the affected fund balance(s) and include the plan in a five-year forecast presented to the School Board during the annual budget development process. Unbudgeted Activity funds will be excluded from the calculation.

1. This amount provides adequate funding to cover approximately two months of operating expenses.
2. This amount is intended to provide the liquidity necessary to accommodate the District's uneven cash flow, which is inherent in its periodic tax collection schedule.
3. This amount is intended to provide the liquidity necessary to respond to contingent liabilities.
4. This amount may provide additional resources for other funds.

## NOTES TO FINANCIAL STATEMENTS

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

#### **O. Fund Equity (Continued)**

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.

#### **P. 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.

#### **Q. Tax Abatement Agreements**

During the year ended June 30, 2017, the Board of Education implemented GASB Statement No. 77, Tax Abatement Disclosures. This statement requires the School System to disclose information for any tax abatement agreements either entered into by the School System, or agreements entered into by other governments that reduce the School System's tax revenues. As of June 30, 2018, the School System did not have any such agreements, either entered into by the School System or by other governments that exceeded the quantitative threshold for disclosure.

## NOTES TO FINANCIAL STATEMENTS

### 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 \$728,188,903 difference are as follows:

Workers' compensation claims payable	\$ (3,942,441)
Compensated absences	(4,282,150)
Net pension liability	(413,591,838)
Net OPEB liability	(372,752,236)
Pensions and OPEB - deferred inflows of resources	(45,090,185)
Pensions and OPEB - deferred outflows of resources	<u>111,469,947</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 <u><u>\$ (728,188,903)</u></u>

#### 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 \$23,905,717 difference are as follows:

Capital outlay	\$ 43,043,539
Depreciation expense	<u>(19,137,822)</u>
 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><u>\$ 23,905,717</u></u>

## NOTES TO FINANCIAL STATEMENTS

### 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 (Continued)

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 \$10,318,533 difference are as follows:

Compensated absences	\$	(284,461)
Workers' compensation claims payable		(612,046)
Change in net pension liability and deferred inflows and outflows related to pension activity		(827,436)
Change in net OPEB liability and deferred inflows and outflows related to OPEB activity		<u>(8,594,590)</u>
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><u>(10,318,533)</u></u>

### 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 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The primary differences between the budget basis and the generally accepted accounting principles (“GAAP”) in the United States of America 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	\$ (18,917,322)
Adjustment for:	
State QBE revenue	(5,049,893)
Salaries and employee benefits	4,091,773
State paid employee benefit revenue	(1,062,930)
State paid employee benefit expenditures	<u>1,062,930</u>
Budget basis net change in fund balance	<u>\$ (19,875,442)</u>

### 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”).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The local government investment pool, Georgia Fund 1, created by the O.C.G.A. § 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAf 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 School System's investment in the Georgia Fund 1 is reported at fair value. The School System 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, 2018, the School System had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	10-day weighted average	\$ 1,405,718

**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, 2018, the School System's bank balance was fully collateralized.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. RECEIVABLES

Receivables at June 30, 2018, 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	\$ 40,807,779	\$ -	\$ 9,913,656	\$ 105,689	\$ 50,827,124
Taxes	13,341,739	5,071,355	-	-	18,413,094
Accounts	39,295	-	60,618	-	99,913
	<u>54,188,813</u>	<u>5,071,355</u>	<u>9,974,274</u>	<u>105,689</u>	<u>69,340,131</u>
Less allowance for uncollectible	(5,203,377)	-	-	-	(5,203,377)
Net total receivable	<u>\$ 48,985,436</u>	<u>\$ 5,071,355</u>	<u>\$ 9,974,274</u>	<u>\$ 105,689</u>	<u>\$ 64,136,754</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, 2017 and were due November 15, 2017. 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, 2018, 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, 2018, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 33,647,096	\$ 998,938	\$ -	\$ -	\$ 34,646,034
Construction in progress	59,192,155	38,210,259	-	-	97,402,414
Total	<u>92,839,251</u>	<u>39,209,197</u>	<u>-</u>	<u>-</u>	<u>132,048,448</u>
Capital assets, being depreciated:					
Buildings	826,151,435	-	-	-	826,151,435
Improvements	4,831,696	-	-	-	4,831,696
Machinery and equipment	48,412,914	3,834,342	(1,046,267)	-	51,200,989
Total	<u>879,396,045</u>	<u>3,834,342</u>	<u>(1,046,267)</u>	<u>-</u>	<u>882,184,120</u>
Less accumulated depreciation for:					
Buildings	(201,937,395)	(16,228,373)	-	-	(218,165,768)
Improvements	(2,958,093)	(177,830)	-	-	(3,135,923)
Machinery and equipment	(34,387,146)	(2,731,619)	1,046,267	-	(36,072,498)
Total	<u>(239,282,634)</u>	<u>(19,137,822)</u>	<u>1,046,267</u>	<u>-</u>	<u>(257,374,189)</u>
Total capital assets, being depreciated, net	<u>640,113,411</u>	<u>(15,303,480)</u>	<u>-</u>	<u>-</u>	<u>624,809,931</u>
Governmental activities capital assets, net	<u>\$ 732,952,662</u>	<u>\$ 23,905,717</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 756,858,379</u>
<b>Business-type activities:</b>					
Capital assets, being depreciated:					
Buildings	\$ 7,308,375	\$ -	\$ -	\$ -	\$ 7,308,375
Machinery and equipment	5,297,696	107,091	(33,006)	-	5,371,781
Intangibles	53,643	-	-	-	53,643
Total	<u>12,659,714</u>	<u>107,091</u>	<u>(33,006)</u>	<u>-</u>	<u>12,733,799</u>
Less accumulated depreciation for:					
Buildings	(4,019,601)	(146,169)	-	-	(4,165,770)
Machinery and equipment	(4,328,551)	(182,447)	33,006	-	(4,477,992)
Total	<u>(8,348,152)</u>	<u>(328,616)</u>	<u>33,006</u>	<u>-</u>	<u>(8,643,762)</u>
Total capital assets, being depreciated, net	<u>4,311,562</u>	<u>(221,525)</u>	<u>-</u>	<u>-</u>	<u>4,090,037</u>
Business-type activities capital assets, net	<u>\$ 4,311,562</u>	<u>\$ (221,525)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,090,037</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
Instruction	\$ 16,424,917
Pupil services	3,880
Improvement of instructional services	54,656
Educational - media services	851
General administration	145,340
School administration	243,052
Business administration	3,114
Maintenance and operations	273,862
Student transportation	1,695,432
Central support services	131,460
Other non-instructional services	<u>161,258</u>
Total depreciation expense - governmental activities	<u>\$ 19,137,822</u>
Business-type activities:	
School food services	\$ 182,447
Performing arts center	<u>146,169</u>
Total depreciation expense - business-type activities	<u>\$ 328,616</u>

### NOTE 8. SHORT-TERM DEBT

The School District issued a tax anticipation note in advance of property tax collections, depositing the proceeds in its General Fund. This short-term debt is to provide cash for operations until property tax collections were received by the School District. Article IX, Section V, Paragraph V of the Constitution of the State of Georgia limits the aggregate amount of short-term debt to 75% of the total gross income from taxes collected in the preceding year and requires all short-term debt to be repaid no later than December 31 of the calendar year in which the debt was incurred. The maturity date of the loan was December 29, 2017. One draw totaling \$25,000,000 was required to meet the cash flow needs of the School District. The note was repaid on December 29, 2017.

	Beginning Balance	Additions	Reductions	Ending Balance
Tax anticipation note	\$ -	\$ 25,000,000	\$ (25,000,000)	\$ -

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2018, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Claims payable	\$ 3,330,395	\$ 3,081,526	\$ (2,469,480)	\$ 3,942,441	\$ 2,899,939
Compensated absences	3,997,689	1,835,570	(1,551,109)	4,282,150	1,673,150
Net pension liability	440,479,769	70,515,723	(97,403,654)	413,591,838	-
Net OPEB liability	385,525,362	29,445,208	(42,218,334)	372,752,236	-
Governmental activities Long-term liabilities	<u>\$ 833,333,215</u>	<u>\$ 104,878,027</u>	<u>\$ (143,642,577)</u>	<u>\$ 794,568,665</u>	<u>\$ 4,573,089</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 86,226	\$ 73,762	\$ (58,334)	\$ 101,654	\$ 53,132
Net pension liability	3,940,787	630,620	(871,307)	3,700,100	-
Net OPEB liability	30,104,662	2,298,224	(3,295,644)	29,107,242	-
Business-type activities Long-term liabilities	<u>\$ 34,131,675</u>	<u>\$ 3,002,606</u>	<u>\$ (4,225,285)</u>	<u>\$ 32,908,996</u>	<u>\$ 53,132</u>

The balance of claims payable, \$3,942,441, is related to workers' compensation claims. For governmental activities, compensated absences, claims payable, net pension liability, and net OPEB liability are liquidated primarily by the General Fund. For business-type activities, compensated absences, net pension liability, and net OPEB liability are liquidated primarily by the School Food Service Fund.

### NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2018, is as follows:

Due to/from other funds:

Due to	Due from			Total
	General	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 4	6,358,850	\$ 6,358,854
School Food Service	98,070	-	-	98,070
Nonmajor governmental funds	1,142,438	-	-	1,142,438
Nonmajor enterprise funds	223,157	-	-	223,157
	<u>\$ 1,463,665</u>	<u>\$ 4</u>	<u>6,358,850</u>	<u>\$ 7,822,519</u>

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10. 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>
Nonmajor Governmental Funds	\$ 1,164,032

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 11. 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 ("O.C.G.A.") 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 O.C.G.A. 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

### NOTE 11. 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 ten 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 O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. § 47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2018. The School System's contractually required contribution rate for the year ended June 30, 2018, was 16.81% of annual School System payroll. School System contributions to TRS were \$46,354,010 for the year ended June 30, 2018.

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

At June 30, 2018, 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	\$ 417,029,779
State of Georgia's proportionate share of the net pension liability associated with the School System	<u>638,963</u>
Total	<u>\$ 417,668,742</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. 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, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017, 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, 2017. At June 30 2017, the School System's proportion was 2.243868%, which was an increase of 0.091017% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School System recognized pension expense of \$47,264,571 and revenue of \$35,388 for support provided by the State of Georgia for certain support personnel. At June 30, 2018, 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	\$ 15,599,483	\$ 1,573,827
Changes of assumptions	9,141,810	-
Net difference between projected and actual earnings on pension plan investments	-	2,869,862
Changes in proportion and differences between School System contributions and proportionate share of contributions	12,696,890	4,816,445
School System contributions subsequent to the measurement date	46,354,010	-
Total	\$ 83,792,193	\$ 9,260,134

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. 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 \$46,354,010 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending June 30,</b>	
2019	\$ (1,165,563)
2020	23,664,396
2021	12,973,133
2022	(7,854,603)
2023	560,686

#### **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 one year for males for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB, set forward two year for males and four years for females, was used for death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Tables projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2016 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 11. 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:

<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected real rate of return*</b>
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	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 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 11. 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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School System's proportionate share of the net pension liability	\$ 684,394,796	\$ 417,029,779	\$ 196,781,098

#### **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 TRS. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov/formspubs/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 11. 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 O.C.G.A. §.47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012 contribute \$4 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, 2018, 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>\$ 5,379,011</u>
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## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. RETIREMENT PLANS (CONTINUED)

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

##### **Pension Liabilities and Pension Expense (Continued)**

The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017, was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School System was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2017.

For the year ended June 30, 2018, the School System recognized pension expense of \$1,084,081 and revenue of \$1,084,081 for support provided by the State of Georgia.

##### **Actuarial Assumptions**

The total pension liability 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 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 three years for males and two 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 five 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, 2016 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 11. RETIREMENT PLANS (CONTINUED)

#### Public School Employees' Retirement System (PSERS) (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 returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	(0.50) %
Domestic large 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. RETIREMENT PLANS (CONTINUED)

#### 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 O.C.G.A. 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).

##### **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 ten 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. RETIREMENT PLANS (CONTINUED)

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

##### **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, 2018, 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 \$36,522 for the year ended June 30, 2018. 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.

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

At June 30, 2018, the School System reported a liability for its proportionate share of the net pension liability of ERS in the amount of \$262,159. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017, 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, 2017. At June 30, 2017, the School System's proportion was 0.006455%, which was an increase of 0.000887% from its proportion measured as of June 30, 2016.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. 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)**

For the year ended June 30, 2018, the School System recognized pension expense of \$40,603. At June 30, 2018, 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	\$ 2,873	\$ 2
Changes of assumptions	597	-
Net difference between projected and actual earnings on pension plan investments	-	653
Changes in proportion and differences between Employer contributions and proportionate share of contributions	23,036	18,876
Employer contributions subsequent to the measurement date	36,522	-
Total	\$ 63,028	\$ 19,531

School System contributions subsequent to the measurement date of \$36,522 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending June 30,</b>			
2019	\$	(7,555)	
2020		19,020	
2021		2,943	
2022		(7,433)	

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. RETIREMENT PLANS (CONTINUED)

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

##### **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 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 seven years for males and set forward three 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.

The actuarial assumptions used in the June 30, 2016 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 11. RETIREMENT PLANS (CONTINUED)

#### Employees' Retirement System ("ERS") (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:

Asset class	Target allocation	Long-term expected real rate of return*
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	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 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 11. 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	\$ 370,025	\$ 262,159	\$ 170,147

#### **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	\$ 417,029,779	\$ 262,159	\$ -	\$ 417,291,938
Deferred outflows	83,792,193	63,028	-	83,855,221
Deferred inflows	9,260,134	19,531	-	9,279,665
Pension expense	47,264,571	40,603	1,084,081	48,389,255

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. OTHER POST-EMPLOYMENT BENEFITS

#### Plan Description

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

#### Benefits

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

#### Contributions

As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School System were \$15,357,241 for the year ended June 30, 2018. Active employees are not required to contribute to the School OPEB Fund.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Effective July 1, 2017, the School System implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, which significantly changed the School System's accounting for OPEB amounts. The information disclosed in this note is presented in accordance with this new standard.

At June 30, 2018, the School System reported a liability of \$401,859,478 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2016. An expected total OPEB liability as of June 30, 2017, was determined using standard roll-forward techniques. The School System's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2017. At June 30, 2017, the School System's proportion was 2.860218%, which was an increase of 0.055751% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School System recognized OPEB expense of \$24,622,959. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ -	\$ 30,600,574
Net difference between projected and actual earnings on OPEB plan investments	117,537	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	15,097,809	8,094,873
School System contributions subsequent to the measurement date	15,357,241	-
Total	\$ 30,572,587	\$ 38,695,447

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

School System contributions subsequent to the measurement date of \$15,357,241 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	<u>School OPEB Plan</u>
2019	\$ (4,214,795)
2020	(4,214,795)
2021	(4,214,795)
2022	(4,214,795)
2023	(4,244,180)
2024	(2,376,741)

#### Actuarial assumptions

The total OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017:

Inflation rate	2.75%
Salary increases	TRS- 3.75%-9.00%, average, including inflation
Long-term expected rate of return	3.88%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	Pre-Medicare eligible - 7.75%, Medicare eligible 5.75%
Ultimate trend rate	Pre-Medicare eligible - 5.00%, Medicare eligible 5.00%
Year of ultimate trend	2022

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### Actuarial assumptions (Continued)

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

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the pension system, which covered the five-year period ending June 30, 2014.

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

Additionally, there was a change that affected measurement of the total OPEB liability since the prior measurement date. The methodology used to determine employee and retiree participation in the School OPEB Fund is based on their current or last employer payroll location. Current and former employees of public school districts, libraries, regional educational service agencies, and community colleges are allocated to the School OPEB Fund irrespective of retirement system affiliation.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### Actuarial assumptions (Continued)

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

<b>Asset class</b>	<b>Target allocation (%)</b>	<b>Long-term expected real rate of return (%)</b>
Local Government Investment Pool	100.00 %	3.88 %

#### Discount rate

The discount rate has changed since the prior measurement date from 3.07% to 3.58%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.58% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.56% per the Bond Buyer Index). The projection of cash flows used to determine the discount rate assumed that the current sharing of costs between the employer and the member will continue and that contributions from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2115. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2029. Therefore, the long-term expected rate of return on OPEB plan investments was applied to discount projected benefit payments until 2029. The discount rate of 3.58% was the single rate which, when applied to all projected benefit payments, resulted in the same present value of benefit payments when the above discussed calculations are combined. The calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate

The following presents the School System's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the School System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate:

	<b>1% Decrease (2.58%)</b>	<b>Current Discount Rate (3.58%)</b>	<b>1% Increase (4.58%)</b>
School System's proportionate share of the net OPEB liability	\$ 477,136,145	\$ 401,859,478	\$ 342,450,941

The following presents the School System's proportionate share of the net OPEB liability calculated using the healthcare cost trend rates of 5.00% to 7.75%, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00% to 6.75%) or 1-percentage-point higher (6.00% to 8.75%) than the current rates:

	<b>1% Decrease (4.00% to 6.75%)</b>	<b>Current discount rate (5.00 to 7.75%)</b>	<b>1% Increase (6.00 to 8.75%)</b>
School System's proportionate share of the net OPEB liability	\$ 333,095,724	\$ 401,859,478	\$ 491,389,780

### NOTE 13. 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13. RISK MANAGEMENT (CONTINUED)

#### 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:

<b>Workers' Compensation</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>
Unpaid claims, beginning of fiscal year	\$ 3,330,395	\$ 2,658,555
Incurred claims (including IBNRs)	3,081,526	3,105,352
Claim payments and changes in estimates	(2,469,480)	(2,433,512)
Unpaid claims, end of fiscal year	\$ 3,942,441	\$ 3,330,395

### NOTE 14. 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 collectability of any related receivable at June 30, 2018, 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.

The School System is committed under outstanding construction contracts in the Capital Projects Fund in the amount of \$63,141,857. Construction contracts include new school construction and expansion and renovation of existing facilities.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 15. SUBSEQUENT EVENT

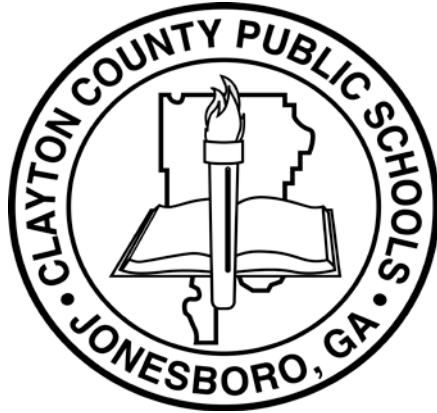
On July 16, 2018, the School System issued a tax anticipation note in advance of property tax collections with a financial institution in the amount of \$40,000,000. Proceeds from this short-term loan was issued to provide cash for operations until property tax collections were received by the School District. The maturity date of the note was December 31, 2018, at which time the entire balance plus accrued interest was repaid.

Additionally, on September 26, 2019, the School System issued a tax anticipation note in advance of property tax collections with a financial institution in the amount of \$30,000,000. 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 31, 2019, at which time the entire balance plus accrued interest was repaid.

### NOTE 16. CHANGE IN ACCOUNTING PRINCIPLE

The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, through which accounting for OPEB plans and the related disclosure requirements were modified. A restatement to the July 1, 2017 beginning net position for the governmental and business-type activities, and the School Food Service Fund, was made to recognize this change in accounting principle. The resulting adjustments are as follows:

Net position, governmental activities, as previously reported	\$ 491,317,966
Changes in accounting principles for the implementation of GASB Statement No. 75	<u>371,692,156</u>
Net position, governmental activities, as restated	<u><u>\$ 119,625,810</u></u>
Net position, business -type activities, as previously reported	\$ 12,656,162
Changes in accounting principles for the implementation of GASB Statement No. 75	<u>29,024,464</u>
Net position, business-type activities, as restated	<u><u>\$ (16,368,302)</u></u>
Net position, School Food Service fund, as previously reported	\$ 9,101,403
Changes in accounting principles for the implementation of GASB Statement No. 75	<u>29,024,464</u>
Net position, School Food Service fund, as restated	<u><u>\$ (19,923,061)</u></u>



# **Required Supplementary Information**

**Clayton County  
Public Schools**

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# 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,

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School System's proportion of the net pension liability	<b>2.243868%</b>	2.152851%	2.197081%	2.196357%
School System's proportionate share of the net pension liability	\$ <b>417,029,779</b>	\$ 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>638,963</u>	<u>920,560</u>	<u>683,558</u>	<u>572,053</u>
Total	<u>\$ <b>417,668,742</b></u>	<u>\$ 445,077,726</u>	<u>\$ 335,167,323</u>	<u>\$ 278,052,790</u>
School System's covered payroll	\$ <b>257,711,710</b>	\$ 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 payroll	<b>161.82%</b>	174.55%	141.80%	123.84%
Plan fiduciary net position as a percentage of the total pension liability	<b>79.33%</b>	76.06%	81.44%	84.03%

**Note:** Schedule is intended to show information for the last ten 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,

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 46,354,010	\$ 36,775,461	\$ 36,310,952	\$ 31,018,772
Contributions in relation to the contractually required contribution	<u>46,354,010</u>	<u>36,775,461</u>	<u>36,310,952</u>	<u>31,018,772</u>
Contribution deficiency (excess)	-	-	-	-
School System's covered payroll	\$ 275,752,588	\$ 257,711,710	\$ 254,456,566	\$ 235,884,198
Contributions as a percentage of covered payroll	16.81%	14.27%	14.27%	13.15%

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

**CLAYTON COUNTY BOARD OF EDUCATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**TEACHERS' RETIREMENT SYSTEM OF GEORGIA**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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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 changed to the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB, set forward one year for males.

# 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,

	<u>2018</u>	<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%	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	<b>\$ 5,379,011</b>	\$ 7,277,689	\$ 4,487,155	\$ 3,516,516
Total	<b>\$ 5,379,011</b>	\$ 7,277,689	\$ 4,487,155	\$ 3,516,516
School System's covered payroll	<b>\$ 23,425,764</b>	\$ 23,090,120	\$ 21,459,053	\$ 19,768,819
School System's proportionate share of the net pension liability as a percentage of its covered payroll	<b>N/A</b>	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	<b>85.69%</b>	81.00%	87.00%	88.29%

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

**CLAYTON COUNTY BOARD OF EDUCATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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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.

# 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,

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School System's proportion of the net pension liability	<b>0.006455%</b>	0.005568%	0.008875%	0.006853%
School System's proportionate share of the net pension liability	<b>\$ 262,159</b>	\$ 263,390	\$ 359,562	\$ 257,030
School System's covered payroll	<b>\$ 159,105</b>	\$ 129,462	\$ 202,910	\$ 154,312
School System's proportionate share of the net pension liability as a percentage of its covered payroll	<b>164.77%</b>	203.45%	177.20%	166.57%
Plan fiduciary net position as a percentage of the total pension liability	<b>76.33%</b>	72.34%	76.20%	77.99%

**Note:** Schedule is intended to show information for the last ten 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,

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 36,522	\$ 39,283	\$ 32,003	\$ 44,559
Contributions in relation to the contractually required contribution	<u>36,522</u>	<u>39,283</u>	<u>32,003</u>	<u>44,559</u>
Contribution deficiency (excess)	-	-	-	-
School System's covered payroll	\$ 147,922	\$ 159,105	\$ 129,462	\$ 202,910
Contributions as a percentage of covered payroll	24.69%	24.69%	24.72%	21.96%

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

**CLAYTON COUNTY BOARD OF EDUCATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**EMPLOYEES' RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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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 the rates of mortality, retirement, and withdrawal.

# CLAYTON COUNTY BOARD OF EDUCATION

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY SCHOOL OPEB FUND FOR THE YEAR ENDED JUNE 30, 2018

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	<u>2018</u>
School System's proportion of the net OPEB liability	2.860218%
School System's proportion of the net OPEB liability	\$ 401,859,478
School System's covered-employee payroll	\$ 328,386,384
School System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	122.37%
Plan fiduciary net position as a percentage of the total OPEB liability	1.61%

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

# CLAYTON COUNTY BOARD OF EDUCATION

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS SCHOOL OPEB FUND FOR THE YEAR ENDED JUNE 30,

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	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 15,357,241	\$ 14,913,404
Contributions in relation to the contractually required contribution	<u>15,357,241</u>	<u>14,913,404</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
School System's covered-employee payroll	\$ 333,958,749	\$ 328,386,384
Contributions as a percentage of covered-employee payroll	4.60%	4.54%

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

**CLAYTON COUNTY BOARD OF EDUCATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHOOL OPEB FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**Changes of Benefit Terms**

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

**Changes of Assumptions**

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

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

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



# **Combining 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 IV 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 improving student's academic achievement by increasing the capacity of states, local educational agencies, schools and local communities to: 1) provide all students with access to a well-rounded education; 2) improve school conditions for student learning; and 3) improve the use of technology in order to improve the academic achievement and digital literacy for all students.

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, 2018**

ASSETS	Special Revenue Funds			
	Adult Education	After School Program	Athletics	Lottery
Cash	\$ -	\$ -	\$ 17,170	\$ -
Receivables:				
Accounts	-	-	-	-
Intergovernmental	176,349	-	-	-
Due from other funds	1,423	570,161	50,000	473,376
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 177,772</b>	<b>\$ 570,161</b>	<b>\$ 67,170</b>	<b>\$ 473,376</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 2,590	\$ 5,306	\$ 405	\$ 18,714
Accrued payroll and payroll withholdings	13,273	-	-	454,662
Other current liabilities	-	-	70	-
Unearned revenue	-	-	-	-
Due to other funds	161,909	-	58,444	-
<b>Total liabilities</b>	<b>177,772</b>	<b>5,306</b>	<b>58,919</b>	<b>473,376</b>
<b>DEFERRED INFLOWS</b>				
Unavailable revenue - charges for services	-	-	-	-
Total deferred inflows	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	-	-	-	-
Committed for student programs	-	564,855	8,251	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>564,855</b>	<b>8,251</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 177,772</b>	<b>\$ 570,161</b>	<b>\$ 67,170</b>	<b>\$ 473,376</b>

(Continued)

**Special Revenue Funds**

<b>South Metro</b>	<b>Title I</b>	<b>Title II</b>	<b>Title III</b>	<b>All Other Special Revenue</b>	<b>Title IV</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	60,618	-
975,863	5,828,371	323,225	87,945	210,517	230,690
-	-	-	-	47,478	-
-	-	-	-	-	-
<u>\$ 975,863</u>	<u>\$ 5,828,371</u>	<u>\$ 323,225</u>	<u>\$ 87,945</u>	<u>\$ 318,613</u>	<u>\$ 230,690</u>
\$ 5,559	\$ 1,518,889	\$ 35,996	\$ 13,068	\$ 30,455	\$ 5,884
534,191	577,141	105,591	39,824	26,748	-
-	-	-	-	-	-
-	-	-	-	1,435	-
436,113	3,732,341	181,638	35,053	240,681	224,806
975,863	5,828,371	323,225	87,945	299,319	230,690
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	19,294	-
-	-	-	-	-	-
-	-	-	-	19,294	-
<u>\$ 975,863</u>	<u>\$ 5,828,371</u>	<u>\$ 323,225</u>	<u>\$ 87,945</u>	<u>\$ 318,613</u>	<u>\$ 230,690</u>

**CLAYTON COUNTY BOARD OF EDUCATION**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

ASSETS	Special Revenue Funds				Total Nonmajor Governmental Funds
	Title VI-B Preschool	Title VI-B	Vocational Programs	School Discretionary	
Cash	\$ -	\$ -	\$ -	\$ 3,806,724	\$ 3,823,894
Receivables:					
Accounts	-	-	-	-	60,618
Intergovernmental	77,920	1,981,410	21,366	-	9,913,656
Due from other funds	-	-	-	-	1,142,438
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>\$ 77,920</b>	<b>\$ 1,981,410</b>	<b>\$ 21,366</b>	<b>\$ 3,806,724</b>	<b>\$ 14,940,606</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 28,734	\$ 233,924	\$ 6,651	\$ 45,846	\$ 1,952,021
Accrued payroll and payroll withholdings	11,360	512,162	-	-	2,274,952
Other current liabilities	-	-	-	-	70
Unearned revenue	-	-	-	-	1,435
Due to other funds	37,826	1,235,324	14,715	-	6,358,850
<b>Total liabilities</b>	<b>77,920</b>	<b>1,981,410</b>	<b>21,366</b>	<b>45,846</b>	<b>10,587,328</b>
<b>DEFERRED INFLOWS</b>					
Unavailable revenue - charges for services	-	-	-	-	-
Total deferred inflows	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	-
Committed for student programs	-	-	-	3,760,878	4,353,278
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,760,878</b>	<b>4,353,278</b>
<b>Total liabilities and fund balances</b>	<b>\$ 77,920</b>	<b>\$ 1,981,410</b>	<b>\$ 21,366</b>	<b>\$ 3,806,724</b>	<b>\$ 14,940,606</b>

**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, 2018**

	<u>Special Revenue Funds</u>			
	<u>Adult Education</u>	<u>After School Program</u>	<u>Athletics</u>	<u>Lottery</u>
<b>REVENUES</b>				
Local sources	\$ 30,256	\$ 1,683,279	\$ 270,628	\$ -
State sources	311,295	-	-	2,359,244
Federal sources	512,654	-	-	-
Total revenues	<u>854,205</u>	<u>1,683,279</u>	<u>270,628</u>	<u>2,359,244</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	647,909	-	-	2,964,229
Pupil services	-	-	-	-
Improvement of instructional services	217,000	122,843	-	232,567
General administration	-	-	-	-
School administration	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Other non-instructional services	-	-	453,235	-
Community service	-	1,600,553	-	-
Total expenditures	<u>864,909</u>	<u>1,723,396</u>	<u>453,235</u>	<u>3,196,796</u>
Deficiency of revenues under expenditures	<u>(10,704)</u>	<u>(40,117)</u>	<u>(182,607)</u>	<u>(837,552)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>10,704</u>	<u>-</u>	<u>185,000</u>	<u>837,552</u>
Total other financing sources	<u>10,704</u>	<u>-</u>	<u>185,000</u>	<u>837,552</u>
Net change in fund balances	-	(40,117)	2,393	-
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>604,972</u>	<u>5,858</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ 564,855</u>	<u>\$ 8,251</u>	<u>\$ -</u>

(Continued)

**Special Revenue Funds**

<b>South Metro</b>	<b>Title I</b>	<b>Title II</b>	<b>Title III</b>	<b>All Other Special Revenue</b>	<b>Title IV</b>
\$ -	\$ -	\$ -	\$ -	\$ 6,400	\$ -
3,779,594	-	-	-	1,176,945	-
609,377	22,784,666	1,494,378	667,334	656,613	382,816
<u>4,388,971</u>	<u>22,784,666</u>	<u>1,494,378</u>	<u>667,334</u>	<u>1,839,958</u>	<u>382,816</u>
2,753,454	16,952,851	1,088,403	409,415	1,176,945	371,227
522,412	3,249,575	-	12,523	224,210	-
10,374	1,305,143	312,846	178,627	303,910	11,589
33,987	1,203,871	93,129	-	-	-
1,068,744	-	-	-	-	-
-	27,987	-	-	10,844	-
-	45,239	-	66,769	-	-
-	-	-	-	253,064	-
-	-	-	-	-	-
<u>4,388,971</u>	<u>22,784,666</u>	<u>1,494,378</u>	<u>667,334</u>	<u>1,968,973</u>	<u>382,816</u>
-	-	-	-	(129,015)	-
-	-	-	-	130,776	-
-	-	-	-	130,776	-
-	-	-	-	1,761	-
-	-	-	-	17,533	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,294</u>	<u>\$ -</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, 2018**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Title VI-B Preschool	Title VI-B	Vocational Programs	School Discretionary	
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ 7,462,150	\$ 9,452,713
State sources	-	-	-	-	7,627,078
Federal sources	352,197	8,570,114	577,837	-	36,607,986
Total revenues	<u>352,197</u>	<u>8,570,114</u>	<u>577,837</u>	<u>7,462,150</u>	<u>53,687,777</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	221,023	6,578,068	577,837	7,966,685	41,708,046
Pupil services	131,174	1,693,840	-	-	5,833,734
Improvement of instructional services	-	298,206	-	-	2,993,105
General administration	-	-	-	-	1,330,987
School administration	-	-	-	-	1,068,744
Student transportation	-	-	-	-	38,831
Other support services	-	-	-	-	112,008
Other non-instructional services	-	-	-	-	706,299
Community service	-	-	-	-	1,600,553
Total expenditures	<u>352,197</u>	<u>8,570,114</u>	<u>577,837</u>	<u>7,966,685</u>	<u>55,392,307</u>
Deficiency of revenues under expenditures	-	-	-	(504,535)	(1,704,530)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	-	-	-	1,164,032
Total other financing sources	-	-	-	-	1,164,032
Net change in fund balances	-	-	-	(504,535)	(540,498)
<b>FUND BALANCES, beginning of year</b>	-	-	-	4,265,413	4,893,776
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,760,878</u>	<u>\$ 4,353,278</u>

**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, 2018**

	<b>Adult Education</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>REVENUES</b>			
Local sources	\$ 52,832	\$ 30,256	\$ (22,576)
State sources	356,124	311,295	(44,829)
Federal sources	566,993	512,654	(54,339)
Total revenues	<u>975,949</u>	<u>854,205</u>	<u>(121,744)</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	695,265	647,909	47,356
Pupil services	-	-	-
Improvement of instructional services	280,684	217,000	63,684
General administration	-	-	-
School administration	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	<u>975,949</u>	<u>864,909</u>	<u>111,040</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(10,704)</u>	<u>(10,704)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	10,704	10,704
Total other financing sources	<u>-</u>	<u>10,704</u>	<u>10,704</u>
Net change in fund balances	-	-	-
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

After School Program			Athletics		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ 1,366,995	\$ 1,683,279	\$ 316,284	\$ 292,761	\$ 270,628	\$ (22,133)
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,366,995</u>	<u>1,683,279</u>	<u>316,284</u>	<u>292,761</u>	<u>270,628</u>	<u>(22,133)</u>
-	-	-	-	-	-
-	-	-	-	-	-
125,708	122,843	2,865	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,000	-	1,000	-	-	-
-	-	-	523,027	453,235	69,792
1,240,287	1,600,553	(360,266)	-	-	-
<u>1,366,995</u>	<u>1,723,396</u>	<u>(356,401)</u>	<u>523,027</u>	<u>453,235</u>	<u>69,792</u>
-	(40,117)	(40,117)	(230,266)	(182,607)	47,659
-	-	-	230,266	185,000	(45,266)
-	-	-	<u>230,266</u>	<u>185,000</u>	<u>(45,266)</u>
-	(40,117)	(40,117)	-	2,393	2,393
604,972	604,972	-	5,858	5,858	-
<u>\$ 604,972</u>	<u>\$ 564,855</u>	<u>\$ (40,117)</u>	<u>\$ 5,858</u>	<u>\$ 8,251</u>	<u>\$ 2,393</u>



**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, 2018**

	Lottery		
	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ -
State sources	2,227,019	2,359,244	132,225
Federal sources	-	-	-
Total revenues	<u>2,227,019</u>	<u>2,359,244</u>	<u>132,225</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	1,964,969	2,964,229	(999,260)
Pupil services	-	-	-
Improvement of instructional services	262,050	232,567	29,483
General administration	-	-	-
School administration	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	<u>2,227,019</u>	<u>3,196,796</u>	<u>(969,777)</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(837,552)</u>	<u>(837,552)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	837,552	837,552
Total other financing sources	<u>-</u>	<u>837,552</u>	<u>837,552</u>
Net change in fund balances	-	-	-
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

South Metro			Title I		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,779,700	3,779,594	(106)	-	-	-
1,147,524	609,377	(538,147)	33,996,766	22,784,666	(11,212,100)
<u>4,927,224</u>	<u>4,388,971</u>	<u>(538,253)</u>	<u>33,996,766</u>	<u>22,784,666</u>	<u>(11,212,100)</u>
3,297,913	2,753,454	544,459	25,113,570	16,952,851	8,160,719
660,571	522,412	138,159	4,267,724	3,249,575	1,018,149
25,000	10,374	14,626	2,565,719	1,305,143	1,260,576
33,987	33,987	-	1,736,055	1,203,871	532,184
909,753	1,068,744	(158,991)	-	-	-
-	-	-	313,698	27,987	285,711
-	-	-	-	45,239	(45,239)
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,927,224</u>	<u>4,388,971</u>	<u>538,253</u>	<u>33,996,766</u>	<u>22,784,666</u>	<u>11,212,100</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2018**

	Title II		
	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	2,461,822	1,494,378	(967,444)
Total revenues	<u>2,461,822</u>	<u>1,494,378</u>	<u>(967,444)</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	2,013,338	1,088,403	924,935
Pupil services	-	-	-
Improvement of instructional services	311,646	312,846	(1,200)
Educational media services	-	-	-
General administration	136,838	93,129	43,709
School administration	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	<u>2,461,822</u>	<u>1,494,378</u>	<u>967,444</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Title III			All Other Special Revenue		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 17,373	\$ 6,400	\$ (10,973)
-	-	-	1,475,367	1,176,945	(298,422)
958,510	667,334	(291,176)	968,010	656,613	(311,397)
958,510	667,334	(291,176)	2,460,750	1,839,958	(620,792)
458,529	409,415	49,114	1,176,945	1,176,945	-
156,340	12,523	143,817	445,465	224,210	221,255
342,441	178,627	163,814	552,997	303,910	249,087
-	-	-	-	-	-
-	-	-	15,582	-	15,582
-	-	-	-	-	-
1,200	-	1,200	10,844	10,844	-
-	66,769	(66,769)	-	-	-
-	-	-	258,917	253,064	5,853
-	-	-	-	-	-
958,510	667,334	291,176	2,460,750	1,968,973	491,777
-	-	-	-	(129,015)	(129,015)
-	-	-	-	130,776	130,776
-	-	-	-	130,776	130,776
-	-	-	-	1,761	1,761
-	-	-	17,533	17,533	-
\$ -	\$ -	\$ -	\$ 17,533	\$ 19,294	\$ 1,761

**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, 2018**

	Title VI-B Preschool		
	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	519,158	352,197	(166,961)
Total revenues	<u>519,158</u>	<u>352,197</u>	<u>(166,961)</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	320,151	221,023	99,128
Pupil services	180,030	131,174	48,856
Improvement of instructional services	18,977	-	18,977
General administration	-	-	-
School administration	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	<u>519,158</u>	<u>352,197</u>	<u>166,961</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Title VI-B			Vocational Programs		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
15,545,716	8,570,114	(6,975,602)	577,991	577,837	(154)
<u>15,545,716</u>	<u>8,570,114</u>	<u>(6,975,602)</u>	<u>577,991</u>	<u>577,837</u>	<u>(154)</u>
10,826,448	6,578,068	4,248,380	577,991	577,837	154
3,547,166	1,693,840	1,853,326	-	-	-
1,026,834	298,206	728,628	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
145,268	-	145,268	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,545,716</u>	<u>8,570,114</u>	<u>6,975,602</u>	<u>577,991</u>	<u>577,837</u>	<u>154</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2018**

	Title IV		
	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	547,932	382,816	(165,116)
Interest earned on investments	-	-	-
Total revenues	<u>547,932</u>	<u>382,816</u>	<u>(165,116)</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	483,018	371,227	111,791
Pupil services	35,000	-	35,000
Improvement of instructional services	29,914	11,589	18,325
General administration	-	-	-
School administration	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Other non-instructional services	-	-	-
Community service	-	-	-
Total expenditures	<u>547,932</u>	<u>382,816</u>	<u>165,116</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CLAYTON COUNTY BOARD OF EDUCATION**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
<b><u>STUDENT ACTIVITY FUND</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 475,165	\$ 2,302,736	\$ 2,227,883	\$ 550,018
<b>LIABILITIES</b>				
Due to student organizations				
<b>Elementary Schools:</b>				
Anderson	\$ 1,543	3,780	5,194	129
Arnold	4,877	17,567	17,568	4,876
Brown	1,326	31,338	29,857	2,807
Callaway	864	4,256	3,569	1,551
Church Street	3,040	15,315	14,864	3,491
East Clayton	1,715	1,765	1,418	2,062
Edmonds	927	1,650	1,563	1,014
Fountain	2,065	2,810	1,947	2,928
Harper	4,443	6,660	9,086	2,017
Hawthorne	343	8,261	6,899	1,705
Haynie	4,361	4,219	2,273	6,307
Huie	1,500	4,158	4,279	1,379
Jackson	9,695	29,725	30,536	8,884
Kemp	3,220	20,014	17,374	5,860
Kemp Primary	4,133	12,369	13,618	2,884
Kilpatrick	1,570	8,369	8,946	993
King	570	3,147	2,599	1,118
Lake City	7,851	4,710	4,070	8,491
Lake Ridge	344	8,123	7,953	514
Lee Street	693	10,542	9,056	2,179
Marshall	2,267	6,551	6,029	2,789
McGarrah	1,892	11,637	8,199	5,330
Morrow	4,142	8,338	5,762	6,718
Mt. Zion	3,274	9,653	7,170	5,757
Mt. Zion Primary	3,504	5,587	8,010	1,081
Northcutt	2,600	7,573	6,915	3,258
Oliver	1,480	33,491	34,386	585
Pointe South	1,606	3,026	2,372	2,260
Riverdale	1,506	6,318	3,801	4,023
River's Edge	1,823	12,550	13,009	1,364
Smith	12,362	13,314	16,444	9,232
Suder	330	10,651	10,289	692
Swint	1,527	3,714	3,645	1,596
Tara	592	2,550	1,627	1,515
Unidos	2,262	3,744	3,503	2,503
West Clayton	581	2,110	1,898	793
White Academy	10,852	64,519	68,985	6,386
Total Elementary Schools	<u>107,680</u>	<u>404,104</u>	<u>394,713</u>	<u>117,071</u>

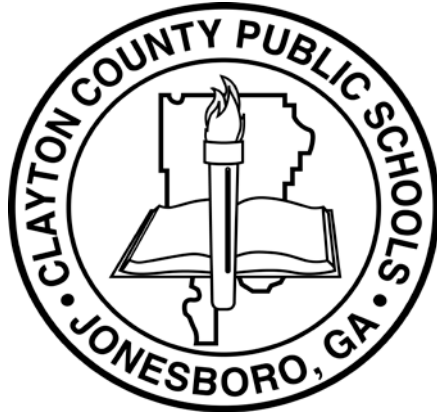
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**CLAYTON COUNTY BOARD OF EDUCATION**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
<b>LIABILITIES (CONTINUED)</b>				
Due to student organizations (Continued)				
<b>Middle Schools:</b>				
Adamson	\$ 4,321	\$ 31,754	\$ 28,616	\$ 7,459
Babb	6,402	32,536	30,859	8,079
Elite Scholars	1,604	59,141	56,129	4,616
Forest Park	3,026	12,527	13,618	1,935
Jonesboro	4,231	12,913	14,016	3,128
Kendrick	17,954	66,993	72,535	12,412
Lovejoy	974	21,106	16,693	5,387
Morrow	4,270	41,238	34,954	10,554
Mundy's Mill	4,347	31,105	22,161	13,291
North Clayton	6,364	27,437	20,737	13,064
Pointe South	3,277	24,471	24,668	3,080
Rex Mill	14,060	66,264	63,094	17,230
Riverdale	2,061	21,158	19,384	3,835
Roberts	26,020	80,411	71,958	34,473
Sequoyah	2,495	15,687	15,355	2,827
Total Middle Schools	<u>101,406</u>	<u>544,741</u>	<u>504,777</u>	<u>141,370</u>
<b>High Schools and Special Purpose Programs:</b>				
Drew	\$ 44,554	\$ 145,402	\$ 151,335	\$ 38,621
Forest Park	20,082	80,594	85,842	14,834
Jonesboro	15,268	96,486	96,661	15,093
Lovejoy	28,216	138,958	120,686	46,488
Morrow	40,998	178,082	169,044	50,036
Mt. Zion	9,719	173,643	168,892	14,470
Mundy's Mill	39,286	138,333	153,647	23,972
North Clayton	13,862	85,354	80,748	18,468
Riverdale	18,284	96,025	91,288	23,021
Perry Center	558	12,701	12,159	1,100
Stilwell	34,590	208,146	197,678	45,058
Flint River	246	167	413	-
South Metro	416	-	-	416
Total High Schools and Special Purpose Programs	<u>266,079</u>	<u>1,353,891</u>	<u>1,328,393</u>	<u>291,577</u>
Total due to student organizations	<u>475,165</u>	<u>2,302,736</u>	<u>2,227,883</u>	<u>550,018</u>
Total Liabilities	<u>\$ 475,165</u>	<u>\$ 2,302,736</u>	<u>\$ 2,227,883</u>	<u>\$ 550,018</u>



# **Statistical Section**

**Clayton County  
Public Schools**

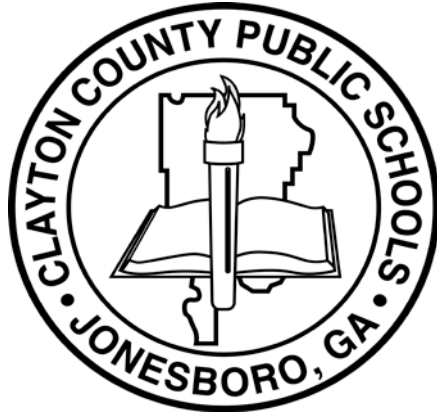
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# STATISTICAL SECTION

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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>97 – 104</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>105 – 111</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>112 – 115</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>116 – 119</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>120 – 132</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>	



# **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)

Fiscal Year Ended June 30,	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
<b>Governmental Activities</b>				
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
2018	755,859,441	52,579,247	(695,434,921)	113,003,767
<b>Business-type Activities</b>				
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
2018	4,090,037	-	(20,383,186)	(16,293,149)
<b>Total</b>				
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
2018	759,949,478	52,579,247	(715,818,107)	96,710,618

# CLAYTON COUNTY BOARD OF EDUCATION

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

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

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 274,436,343	\$ 296,878,576	\$ 297,202,738	\$ 310,587,901	355,548,266	387,163,582	
14,683,816	13,203,254	14,025,845	15,558,510	20,604,479	22,587,200	
15,796,653	15,833,477	19,513,550	22,300,438	24,409,886	21,733,172	
5,092,396	5,609,458	5,253,474	5,171,790	6,346,177	6,688,537	
3,626,977	3,127,409	4,761,203	3,462,769	13,165,267	7,102,414	
19,467,775	23,966,530	22,719,854	24,839,452	28,908,499	31,429,970	
1,939,044	2,244,748	2,244,181	2,871,479	3,699,757	5,646,571	
27,785,685	31,960,317	35,366,992	33,512,594	37,154,682	39,565,111	
18,086,692	18,450,638	18,854,508	19,842,103	22,327,835	24,613,821	
6,742,195	7,567,806	12,555,458	9,810,033	10,985,292	10,572,138	
5,230,988	5,165,030	8,171,240	8,488,216	4,013,195	3,591,846	
668,652	1,005,468	1,170,450	1,245,390	1,271,329	1,206,941	
1,382,974	1,399,265	1,394,705	1,489,766	1,464,021	1,599,636	
-	-	-	-	-	-	
<u>394,940,190</u>	<u>426,411,976</u>	<u>443,234,198</u>	<u>459,180,441</u>	<u>529,898,684</u>	<u>563,500,939</u>	
29,584,227	31,391,613	34,186,940	37,061,777	38,527,414	37,943,474	
237,737	251,027	233,425	283,267	300,235	327,201	
<u>29,821,964</u>	<u>31,642,640</u>	<u>34,420,365</u>	<u>37,345,044</u>	<u>38,827,649</u>	<u>38,270,675</u>	
<u>\$ 424,762,154</u>	<u>\$ 458,054,616</u>	<u>\$ 477,654,563</u>	<u>\$ 496,525,485</u>	<u>\$ 568,726,333</u>	<u>\$ 601,771,614</u>	
\$ 7,125,820	\$ 8,675,990	\$ 11,145,814	\$ 9,198,993	\$ 7,733,558	\$ 7,492,405	
-	-	-	-	-	-	
-	15,965	107,079	108,663	117,332	122,842	
358,066	-	-	-	-	-	
201,163	-	-	-	-	-	
-	-	-	-	-	-	
1,937	962	464	122,775	14,752	46,059	
4,898,162	4,377,974	5,236,965	5,267,124	5,460,542	6,000,758	
1,474,558	-	-	1,496,162	1,495,173	1,560,438	
185,064,312	193,902,391	216,285,212	229,547,372	234,520,895	258,128,411	
4,343,577	4,314,813	4,049,300	3,217,692	6,574,739	7,090,802	
10,439,188	10,308,672	7,123,749	7,503,015	8,043,825	4,041,956	
5,506,974	5,499,235	5,754,998	5,885,334	5,794,772	6,250,261	
2,066,794	1,846,936	2,012,643	2,016,183	2,396,324	3,248,943	
10,430,332	10,363,344	10,839,835	11,535,468	11,500,620	12,413,896	
1,519,304	1,328,582	1,409,139	1,427,157	1,418,482	1,776,952	
13,334,558	13,867,390	14,055,728	14,396,610	14,766,148	14,849,005	
3,753,867	3,368,761	2,927,363	2,907,375	3,357,748	2,872,953	
1,525,281	2,130,997	1,497,517	1,526,221	1,477,935	1,839,114	
2,326,854	2,741,154	3,111,032	3,096,099	362,279	121,145	
-	191,480	280,159	288,172	297,719	253,064	
-	-	-	-	-	-	
<u>228,785</u>	<u>6,887,679</u>	<u>3,302,610</u>	<u>2,589,251</u>	<u>560,363</u>	<u>712,532</u>	
<u>254,599,532</u>	<u>269,822,325</u>	<u>289,139,607</u>	<u>302,129,666</u>	<u>305,893,206</u>	<u>328,821,536</u>	

# CLAYTON COUNTY BOARD OF EDUCATION

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

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

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



Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 1,997,313	\$ 151,302	\$ 577,970	\$ 680,996	\$ 262,146	\$ 338,093
161,314	94,780	67,039	100,931	141,847	137,025
28,983,556	32,266,406	34,346,668	37,403,625	39,694,915	37,863,840
31,142,183	32,512,488	34,991,677	38,185,552	40,098,908	38,338,958
<u>\$ 285,741,715</u>	<u>\$ 302,334,813</u>	<u>\$ 324,131,284</u>	<u>\$ 340,315,218</u>	<u>\$ 345,992,114</u>	<u>\$ 367,160,494</u>
\$ (140,340,658)	\$ (156,589,651)	\$ (154,094,591)	\$ (157,050,775)	\$ (224,005,478)	\$ (234,679,403)
1,320,219	869,848	571,312	840,508	1,271,259	68,283
<u>\$ (139,020,439)</u>	<u>\$ (155,719,803)</u>	<u>\$ (153,523,279)</u>	<u>\$ (156,210,267)</u>	<u>\$ (222,734,219)</u>	<u>\$ (234,611,120)</u>
\$ 109,928,475	\$ 100,378,621	\$ 104,814,477	\$ 103,729,200	\$ 104,169,552	\$ 115,417,127
50,302,317	44,910,769	46,579,860	51,260,120	53,919,064	58,626,357
2,479,402	6,555,960	8,157,973	9,382,245	8,779,960	10,134,638
27,623,377	36,438,859	34,232,464	40,911,935	37,313,744	43,722,231
-	-	-	-	-	-
117,347	113,496	109,660	51,882	92,036	100,189
85,382	10,100	-	131,514	290,384	56,818
-	2,459	-	(63,000)	-	-
<u>190,536,300</u>	<u>188,410,264</u>	<u>193,894,434</u>	<u>205,403,896</u>	<u>204,564,740</u>	<u>228,057,360</u>
2,044	8,390	4,707	-	-	-
-	(2,459)	-	63,000	-	-
-	-	-	-	-	6,870
<u>2,044</u>	<u>5,931</u>	<u>4,707</u>	<u>63,000</u>	<u>-</u>	<u>6,870</u>
<u>\$ 190,538,344</u>	<u>\$ 188,416,195</u>	<u>\$ 193,899,141</u>	<u>\$ 205,466,896</u>	<u>\$ 204,564,740</u>	<u>\$ 228,064,230</u>
\$ 50,195,642	\$ 31,820,613	\$ 39,799,843	\$ 48,353,121	\$ (19,440,738)	\$ (6,622,043)
1,322,263	875,779	576,019	903,508	1,271,259	75,153
<u>\$ 51,517,905</u>	<u>\$ 32,696,392</u>	<u>\$ 40,375,862</u>	<u>\$ 49,256,629</u>	<u>\$ (18,169,479)</u>	<u>\$ (6,546,890)</u>

# 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
2009	-	-	37,015,898	37,015,898
2010	-	-	15,660,602	15,660,602
	All Other Governmental Funds			
	Reserved	Unreserved		Total
		Special Revenue	Capital Projects	
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
2011	\$ 41,250	\$ -	\$ -	\$ 28,247,867
2012	35,000	-	-	38,327,401
2013	90,964	-	-	56,429,149
2014	100,168	-	-	74,311,992
2015	108,564	-	22,179,645	56,002,569
2016	105,904	-	31,509,111	51,546,900
2017	141,640	-	34,731,866	7,143,888
2018	147,239	-	34,731,866	(11,597,135)
	All Other Governmental Funds			
	Nonspendable	Restricted	Assigned	Unassigned
2011	\$ -	\$ 107,326,734	\$ 6,521,236	\$ -
2012	-	94,959,761	4,760,921	(42,851)
2013	-	50,650,232	5,119,465	-
2014	-	7,453,160	5,163,429	-
2015	-	25,018,520	5,028,854	-
2016	-	49,076,743	4,718,977	-
2017	-	51,276,442	4,893,776	-
2018	-	52,579,247	4,353,277	(84,642)

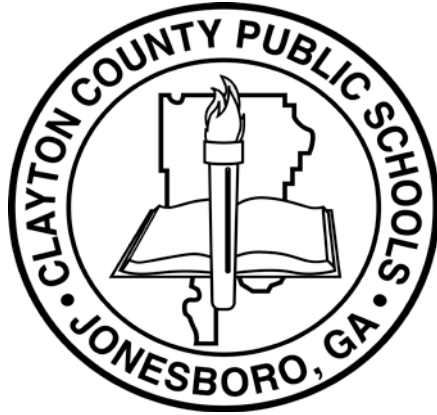
**Note:** In fiscal year 2011, the School System adopted GASB 54 which changed the classifications of fund balance.

# CLAYTON COUNTY BOARD OF EDUCATION

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

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

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 175,498,829	\$ 169,375,757	\$ 176,820,222	\$ 179,685,236	\$ 181,704,442	\$ 200,878,939
233,999,813	253,751,123	269,909,227	289,197,140	291,193,370	319,741,805
33,006,129	38,582,753	36,702,290	37,515,504	36,433,283	37,197,135
117,347	113,496	109,660	51,882	92,036	100,189
442,622,118	461,823,129	483,541,399	506,449,762	509,423,131	557,918,068
254,809,048	266,021,147	282,533,495	297,593,226	327,145,798	349,297,606
13,084,577	13,185,489	14,411,017	16,012,830	20,197,679	22,189,095
15,808,070	16,298,275	19,990,827	22,881,631	23,812,077	21,337,798
5,091,545	5,608,607	5,446,811	5,396,294	6,159,344	6,560,431
3,485,599	3,001,000	4,591,596	4,177,527	12,966,742	6,814,406
21,074,910	21,960,773	23,268,814	25,524,904	27,683,837	30,533,898
1,937,246	2,222,126	2,298,166	2,933,303	3,604,838	3,741,693
27,873,512	32,036,483	36,143,408	34,108,053	36,488,420	38,651,167
16,682,505	16,898,474	18,107,722	19,080,749	21,200,337	22,643,896
6,380,546	6,886,945	12,397,616	9,293,813	10,372,788	9,908,575
5,230,988	5,306,530	8,258,167	8,588,846	3,940,509	3,581,968
-	-	-	-	-	-
714,765	931,815	1,039,630	1,075,451	1,113,845	1,045,682
1,382,974	1,399,265	1,397,125	1,494,408	1,460,191	1,600,553
94,905,861	95,339,820	32,353,981	29,800,758	52,344,359	58,125,878
-	-	-	-	-	-
-	-	-	-	-	-
468,462,146	487,096,749	462,238,375	477,961,793	548,490,764	576,032,646
(25,840,028)	(25,273,620)	21,303,024	28,487,969	(39,067,633)	(18,114,578)
89,606	10,100	6,379	131,514	297,610	56,818
92,200	304,292	420,633	742,429	559,712	1,159,453
(92,200)	(301,833)	(420,633)	(742,429)	(559,712)	(1,159,453)
89,606	12,559	6,379	131,514	297,610	56,818
(25,750,422)	(25,261,061)	21,309,403	28,619,483	(38,770,023)	(18,057,760)
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



# **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	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2009	\$ 7,788,733	\$ 19,471,832	\$ 1,004,944	\$ 2,512,359	\$ 740,214	\$ 1,850,534
2010	7,549,508	18,873,770	1,007,183	2,517,958	621,749	1,554,373
2011	6,533,685	16,334,212	907,396	2,268,490	621,749	1,554,374
2012	6,126,861	15,317,153	856,786	2,141,965	433,061	1,082,651
2013	5,642,283	14,105,706	872,445	2,181,112	455,950	1,139,876
2014	5,584,027	13,960,067	785,766	1,964,415	494,307	1,235,769
2015	5,660,994	14,152,484	742,662	1,856,656	444,260	1,110,651
2016	5,995,707	14,989,267	800,435	2,001,087	285,638	714,096
2017	6,136,277	15,340,693	668,023	1,670,056	213,851	534,628
2018	6,447,694	16,119,234	722,279	1,805,698	158,451	396,128

**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.

<b>Total School Board</b>						<b>Assessed Value as a Percentage of Actual Value</b>
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Taxpayer Exemptions</b>	<b>Net Assessed Value</b>	<b>Millage Rate</b>	<b>Total Tax Levy</b>	
\$ 9,533,891	\$ 23,834,725	\$ 1,264,115	\$ 8,269,776	0.0198	\$ 164,039	40.00%
9,178,440	22,946,101	1,145,096	8,033,344	0.0200	160,667	40.00%
8,062,830	20,157,076	1,022,513	7,040,317	0.0200	140,806	40.00%
7,416,708	18,541,769	1,038,686	6,378,022	0.0200	127,560	40.00%
6,970,678	17,426,694	1,167,967	5,802,711	0.0200	116,054	40.00%
6,864,100	17,160,251	1,124,912	5,739,188	0.0200	114,784	40.00%
6,847,916	17,119,791	1,144,443	5,703,473	0.0198	112,952	40.00%
7,081,780	17,704,450	1,139,208	5,942,572	0.0191	113,473	40.00%
7,018,151	17,545,377	1,242,150	5,776,001	0.0191	110,293	40.00%
7,328,424	18,321,060	1,272,098	6,056,326	0.0191	115,646	40.00%

# 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
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
2018	19.095	-	19.095	-	12.619	14.743	9.370	7.500

Fiscal Year	Overlapping Rates (Continued)				Clayton County Board of Commissioners		
	City of Jonesboro		City of Lake City	City of Lovejoy Fire District	M & O	Fire District	Total
	M & O	Fire District	City	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
2018	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 2017			Calendar Year 2008		
	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 *	\$ 650,178,137	1	8.87%	\$ 1,052,745,323	1	11.04%
Georgia Power Company	176,978,982	2	2.41%	114,577,982	3	1.20%
Air Tran Airways	-	-	0.00%	156,916,487	2	1.65%
Clorox Company	38,481,428	8	0.53%	-	-	0.00%
AMB Partners	30,725,776	9	0.42%	53,260,900	6	0.56%
Atlanta Gas Light	40,162,506	7	0.55%	33,226,192	9	0.35%
BellSouth	73,187,850	4	1.00%	36,017,587	8	0.38%
Southwest Airlines	65,502,844	6	0.89%	-	-	0.00%
City of Atlanta	205,607,466	2	2.81%	92,557,359	4	0.97%
Fedex Ground	-	-	0.00%	43,144,568	7	0.45%
Atlantic Southeast	-	-	0.00%	89,682,513	5	0.94%
Spirit Airlines	25,899,091	10	0.35%	-	-	0.00%
Southlake Mall	-	-	0.00%	29,352,522	10	0.31%
American Airlines	76,825,552	5	1.05%	-	-	0.00%
	<u>\$ 1,383,549,632</u>		<u>17.48%</u>	<u>\$ 1,701,481,433</u>		<u>17.85%</u>

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

(1) District's total taxable value for 2017 (fiscal year 2018) \$ 7,328,424,037

(2) District's total taxable value for 2008 (fiscal year 2009) \$ 9,533,890,115

# 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%
2017	115,645,547	111,490,819	96.41%	6,546,866	118,037,685	102.07%

**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.

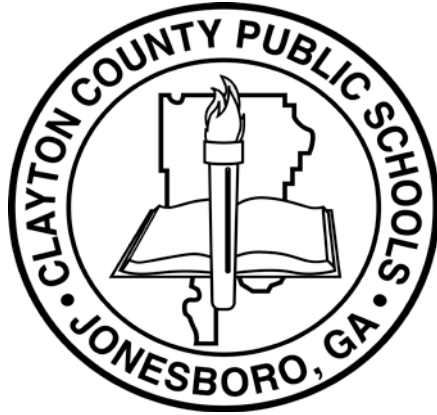
# CLAYTON COUNTY BOARD OF EDUCATION

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Revenues:</b>					
Local sources	\$ 236,387,341	\$ 224,080,154	\$ 202,005,781	\$ 189,018,853	\$ 175,498,829
State sources	264,830,746	211,161,926	225,951,240	225,789,473	233,999,813
Federal sources	37,089,659	58,901,510	42,691,134	47,204,487	33,006,129
Interest earned on investments	5,534,144	396,312	412,878	473,966	117,347
On-behalf payments	-	-	-	-	-
Other sources	-	-	-	-	-
Total revenues	<u>\$ 543,841,890</u>	<u>\$ 494,539,902</u>	<u>\$ 471,061,033</u>	<u>\$ 462,486,779</u>	<u>\$ 442,622,118</u>

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

<b>Fiscal Year</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 169,375,757	\$ 175,498,829	\$ 179,685,236	\$ 181,704,442	\$ 200,878,939
253,751,123	233,999,813	289,387,310	291,193,370	319,741,805
38,582,753	33,006,129	37,515,504	36,433,283	37,197,135
113,496	117,347	51,882	92,036	100,189
-	-	-	-	-
-	-	-	-	-
<u>\$ 461,823,129</u>	<u>\$ 442,622,118</u>	<u>\$ 506,639,932</u>	<u>\$ 509,423,131</u>	<u>\$ 557,918,068</u>



# **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>
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%	-
2018	-	-	-	0.00%	-

**Notes:**

\*See Schedule of Demographic and Economic Statistics

# CLAYTON COUNTY BOARD OF EDUCATION

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2018

	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	39,435,000	100%	39,435,000
Landfill Authority	7,180,000	100%	7,180,000
Total Direct and Overlapping Debt	\$ 46,615,000		\$ 46,615,000

**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

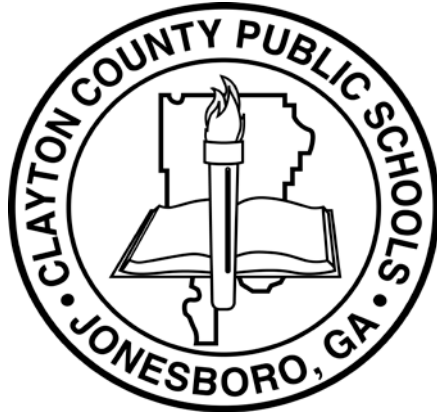
	Fiscal Year				
	2009	2010	2011	2012	2013
Debt limit	\$1,633,421,200	\$1,531,715,300	\$1,410,570,600	\$1,396,006,700	\$ 697,067,800
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$1,633,421,200</u>	<u>\$1,531,715,300</u>	<u>\$1,410,570,600</u>	<u>\$1,396,006,700</u>	<u>\$ 697,067,800</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%



<b>Fiscal Year</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 686,097,000	\$ 684,791,600	\$ 708,178,000	\$ 701,815,100	\$ 732,842,404
-	-	-	-	-
<u>\$ 686,097,000</u>	<u>\$ 684,791,600</u>	<u>\$ 708,178,000</u>	<u>\$ 701,815,100</u>	<u>\$ 732,842,404</u>
0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Value	\$ 7,328,424,040
Debt Limit (10% of assessed value)	732,842,404
Debt applicable to limit:	
General obligation bonds	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 732,842,404</u>



# **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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<u>Year</u>	<u>Population</u>	<u>Personal Income* (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>County Unemployment Rate**</u>
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%
2018	285,030	7,163,220	25,131	5.0%

\* 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	4.26%	7,400	1	4.50%
Clayton County Board of Commissioners	2,550	2	1.55%	2,640	2	1.61%
Gate Gourmet Inc.	1,200	3	0.73%	1,710	3	1.04%
Southern Regional Medical Center	1,100	4	0.67%	1,200	4	0.73%
FedEx Ground	800	5	0.49%	800	7	0.49%
Fresh Express, Inc.	800	6	0.46%	900	5	0.55%
FedEx Ground	700	7	0.49%	-	-	0.00%
Walmart Super Center	-	-	0.00%	825	6	0.50%
TOTO USA, Inc.	675	8	0.41%	700	8	0.43%
Standard Parking Corporation	562	9	0.34%	-	-	0.00%
R + L Carriers, Inc.	530	10	0.32%	-	-	0.00%
Clayton State University	-	-	0.00%	675	9	0.41%
Kroger	-	-	0.00%	579	10	0.35%
Totals	<u>15,917</u>		<u>9.68%</u>	<u>17,429</u>		<u>10.61%</u>

**Source:** 2017- Clayton County Office of Economic Development. 2008 - Clayton County Chamber of Commerce.

**Note:** Total employment in Clayton County for 2017 was 176,470 and in 2008 was 149,841.  
(Woods & Poole Economic Data Pamphlet 2008 and 2017).

# CLAYTON COUNTY BOARD OF EDUCATION

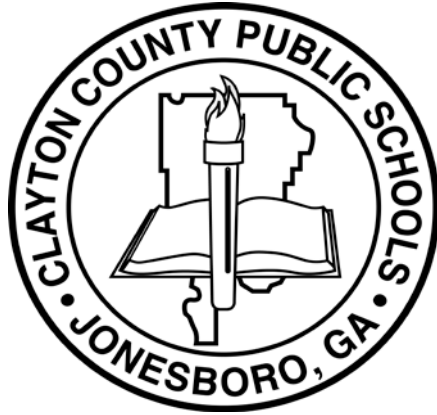
## STUDENT ETHNICITY STATISTICS LAST TEN FISCAL YEARS

<u>Gender</u>	<u>Race</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Female	American Indian/Alaskan Native	18	56	47	62	43
	Asian, Pacific Islander	1,030	1,153	1,159	1,151	1,162
	Black, not of Hispanic origin	17,387	17,454	17,667	17,720	17,876
	Hispanic	3,582	4,116	4,399	4,347	4,616
	Multi-racial	904	741	744	732	740
	White, not of Hispanic origin	<u>1,043</u>	<u>932</u>	<u>844</u>	<u>813</u>	<u>792</u>
	Sub Total		<u><u>23,964</u></u>	<u><u>24,452</u></u>	<u><u>24,860</u></u>	<u><u>24,825</u></u>
Male	American Indian/Alaskan Native	30	55	56	65	58
	Asian, Pacific Islander	1,147	1,213	1,228	1,222	1,242
	Black, not of Hispanic origin	18,514	18,411	18,708	18,548	18,768
	Hispanic	3,736	4,256	4,545	4,524	4,868
	Multi-racial	938	767	702	686	678
	White, not of Hispanic origin	<u>1,179</u>	<u>1,050</u>	<u>919</u>	<u>895</u>	<u>914</u>
	Sub Total		<u><u>25,544</u></u>	<u><u>25,752</u></u>	<u><u>26,158</u></u>	<u><u>25,940</u></u>
System Total		<u><u>49,508</u></u>	<u><u>50,204</u></u>	<u><u>51,018</u></u>	<u><u>50,765</u></u>	<u><u>51,757</u></u>

**Source:** Georgia Department of Education Website

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<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
41	46		43	48
1,082	1,101	1,073	1,022	1,018
17,785	18,150	18,448	18,614	18,719
4,962	5,225	5,498	5,661	5,891
711	757	726	706	699
<u>756</u>	<u>727</u>	<u>674</u>	<u>638</u>	<u>527</u>
<u>25,337</u>	<u>26,006</u>	<u>26,419</u>	<u>26,684</u>	<u>26,902</u>
50	49	52	52	56
1,174	1,155	1,159	1,149	1,083
18,848	19,236	19,425	19,317	19,019
5,126	5,435	5,599	5,805	5,891
673	666	682	648	644
<u>822</u>	<u>820</u>	<u>754</u>	<u>690</u>	<u>620</u>
<u>26,693</u>	<u>27,361</u>	<u>27,671</u>	<u>27,661</u>	<u>27,313</u>
<u>52,030</u>	<u>53,367</u>	<u>54,090</u>	<u>54,345</u>	<u>54,215</u>



# **Operating Information**

**Clayton County  
Public Schools**

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# 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>
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
2018	54,254	51,274	94.51%	54,530



# CLAYTON COUNTY BOARD OF EDUCATION

## TEACHERS' BASE SALARIES LAST TEN FISCAL YEARS

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<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Median Salary</u>	<u>Maximum Salary</u>	<u>Percent Change</u>
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%
2018	\$ 44,387	\$ 67,736	\$ 91,085	2.00%

# CLAYTON COUNTY BOARD OF EDUCATION

## HISTORY OF HIGH SCHOOL GRADUATES LAST TEN SCHOOL YEARS

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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
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
2018	239	304	238	306	326	214	289	138	217	-	2,271

# CLAYTON COUNTY BOARD OF EDUCATION

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

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<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>
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	54,530	16.6
2018	2,841	3,042	255	6,138	54,840	19.3

**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

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<u>Fiscal Year</u>	<u>Expenditures</u>	<u>Average Daily Enrollment</u>	<u>Cost Per Pupil Enrolled</u>	<u>Percentage of Change</u>
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	54,530	8,772	4.32%
2018	462,514,460	54,840	8,434	-3.86%

# CLAYTON COUNTY BOARD OF EDUCATION

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Number of schools participating in:					
Lunch - regular schedule	60	61	61	60	60
Lunch - year round	-	-	-	1	1
Breakfast program	60	61	61	61	61
Student lunches served:					
Free	5,163,769	5,523,779	5,742,787	5,998,933	6,177,665
Reduced	793,806	683,265	501,529	557,755	514,819
Fully paid	1,198,349	1,007,164	910,669	811,167	634,576
Total	<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>
Adult lunches served	337,667	300,910	248,644	165,504	131,968
Student breakfasts served:					
Free	2,611,826	2,766,691	2,855,986	3,098,269	3,153,544
Reduced	299,277	271,852	213,274	247,560	230,084
Fully paid	322,811	285,175	263,094	246,104	192,917
Total	<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>
Number of serving days:					
Regular schedule	185	179	175	175	175
Year-round schedule	-	-	-	175	175
Weighted average	185.00	179.00	175.00	175.00	175.00
Average daily participation:					
Student lunch	38,681	40,303	40,886	42,102	41,869
Adult lunch	1,825	1,681	1,421	946	754
Student breakfast	17,481	18,568	19,042	20,525	20,437
October 1 pupil count (Kindergarten not included)	45,399	45,579	50,366	46,734	46,622
Percentage of students daily eating school lunch	85.20%	88.42%	81.18%	90.09%	89.81%
October 1 count of benefits					
Students on free lunch	32,807	37,773	38,395	38,911	40,087
Student on reduced lunch	5,459	3,746	3,896	3,691	3,660
Percentage of students on:					
Free lunch	72.26%	82.87%	76.23%	83.26%	85.98%
Reduced lunch	12.02%	8.22%	7.74%	7.90%	7.85%
Total	<u>84.29%</u>	<u>91.09%</u>	<u>83.97%</u>	<u>91.16%</u>	<u>93.83%</u>

Fiscal Year				
2014	2015	2016	2017	2018
60	60	61	61	63
1	-	-	1	1
61	61	62	62	63
7,169,629	7,475,564	7,899,049	7,970,433	7,482,638
-	-	-	-	-
337,191	352,431	39,743	40,049	35,208
<u>7,506,820</u>	<u>7,827,995</u>	<u>7,938,792</u>	<u>8,010,482</u>	<u>7,517,846</u>
129,971	134,748	135,865	136,390	116,190
3,862,794	4,150,647	4,446,771	4,487,951	4,363,959
-	-	-	-	-
183,478	195,883	22,345	22,550	20,546
<u>4,046,272</u>	<u>4,346,530</u>	<u>4,469,116</u>	<u>4,510,501</u>	<u>4,384,505</u>
175	175	176	175	194
175	-	-	-	174
175.00	175.00	176.00	172.18	193.69
42,896	44,731	45,090	44,486	43,120
743	770	3,754	4,219	599
23,122	24,837	25,503	25,156	25,277
46,992	48,344	48,809	49,782	54,962
91.28%	92.53%	92.38%	89.36%	78.45%
44,877	48,344	48,809	49,782	52,491
2,115	-	-	-	2,471
95.50%	100.00%	100.00%	100.00%	95.50%
4.50%	0.00%	0.00%	0.00%	4.50%
<u>100.00%</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

School	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Elementary</b>										
Anderson (1971)										
Square feet	54,221	54,221	54,221	54,221	56,176	56,176	56,680	56,680	56,680	56,680
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	482	497	490	496	496	554	552	552	587	566
Arnold (1963)										
Square feet	57,177	57,177	57,177	57,177	57,177	57,177	59,638	59,638	5,938	59,638
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	469	477	481	460	489	518	529	529	541	573
Brown (1975)										
Square feet	81,615	81,615	81,615	81,615	81,615	81,615	80,547	80,547	80,547	80,547
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	745	789	790	881	760	784	822	822	833	802
Callaway (2002)										
Square feet	105,494	105,494	105,494	105,494	105,494	105,494	104,889	104,889	104,889	104,889
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	844	855	816	792	806	848	886	886	895	853
Church St (1966)										
Square feet	78,651	78,651	78,651	78,651	78,651	78,651	79,913	79,913	79,913	79,913
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	868	832	817	886	904	890	967	967	978	835
East Clayton (1958)										
Square feet	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	120,091
Capacity	650	650	650	650	650	650	650	650	650	900
Enrollment	615	632	608	578	625	621	624	624	585	618
Edmonds (1957)										
Square feet	57,307	57,307	57,307	57,307	57,307	57,307	58,191	58,191	58,191	58,191
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	560	587	547	610	576	590	582	582	587	540
Fountain (1952)										
Square feet	68,965	68,965	68,965	68,965	68,965	77,648	77,648	77,648	77,648	77,648
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	549	626	553	597	600	634	652	652	634	612
Harper (2002)										
Square feet	91,014	91,014	105,994	105,994	105,994	107,701	106,854	106,854	106,854	106,854
Capacity	725	725	900	900	900	900	900	900	900	900
Enrollment	728	812	810	902	920	876	914	914	827	898

**(Continued)**

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

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>School (Continued)</b>										
Hawthorne (1998)										
Square feet	102,500	102,500	102,500	102,500	102,500	102,500	103,289	103,289	103,289	103,289
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	943	964	950	983	982	893	962	962	962	914
Haynie (1969)										
Square feet	72,107	72,107	72,107	72,107	72,332	72,332	71,746	71,746	71,746	71,746
Capacity	738	738	738	737	768	750	750	750	750	750
Enrollment	712	663	681	761	872	872	905	905	905	928
Hendrix (1955)										
Square feet	54,748	54,748	54,748	X	X	X	X	X	X	X
Capacity	450	450	450	-	-	-	-	-	-	-
Enrollment	119	27	27	-	-	-	-	-	-	-
Huie (1966)										
Square feet	71,569	71,569	71,569	71,569	71,569	71,569	71,081	71,081	71,081	71,081
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	655	658	614	717	705	717	789	789	789	792
Jackson (2003)										
Square feet	90,229	90,229	90,229	105,209	105,209	105,209	104,841	104,841	104,841	104,841
Capacity	900	900	900	900	968	900	900	900	900	900
Enrollment	736	882	837	914	1,023	979	1,074	1,074	1,074	636
K. R. Peace (2018)										
Square feet	X	X	X	X	X	X	X	X	X	40,065
Capacity	-	-	-	-	-	-	-	-	-	475
Enrollment	-	-	-	-	-	-	-	-	-	473
Kemp (1981)										
Square feet	71,882	71,882	71,882	71,882	71,882	71,882	74,068	74,068	74,068	74,068
Capacity	850	850	850	850	650	850	850	850	850	850
Enrollment	718	699	689	711	689	669	673	673	673	664
Kemp Primary (2004)										
Square feet	90,229	90,229	90,229	90,229	90,229	91,014	90,065	90,065	90,065	90,065
Capacity	663	663	650	650	650	650	650	650	650	650
Enrollment	718	693	624	711	711	667	682	682	682	674
Kilpatrick (1973)										
Square feet	75,379	75,379	75,379	75,379	75,379	75,379	72,260	72,260	72,260	72,260
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	562	611	606	621	633	679	720	720	720	743
King (2003)										
Square feet	92,044	92,044	92,044	92,044	92,044	92,044	91,852	91,852	91,852	91,852
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	906	957	935	957	1,014	1,039	1,048	1,048	1,048	623
Lake City (1957)										
Square feet	51,245	51,245	51,245	51,245	51,245	59,153	58,642	58,642	58,642	58,642
Capacity	463	463	463	462	462	450	450	450	450	450
Enrollment	510	535	516	540	539	548	553	553	553	583
Lake Ridge (1994)										
Square feet	94,662	94,662	94,662	94,662	94,662	94,662	94,138	94,138	94,138	94,138
Capacity	650	788	788	788	788	800	800	800	800	800
Enrollment	750	730	694	728	726	678	658	658	658	648

(Continued)

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



# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

School (Continued)	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Lee St (1960)										
Square feet	54,220	54,220	54,220	54,220	54,220	54,220	54,101	54,101	54,101	54,101
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	596	562	509	555	589	640	677	677	684	620
Marshall (2004)										
Square feet	89,854	89,854	89,854	89,854	89,854	90,174	90,174	90,174	90,174	90,174
Capacity	725	725	725	725	725	725	725	725	725	725
Enrollment	826	828	818	833	861	909	917	917	-	870
McGarrah (1967)										
Square feet	73,782	73,782	73,782	73,782	74,837	74,787	74,729	74,729	74,729	74,729
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	621	641	631	670	711	692	713	713	-	690
Morrow (1952)										
Square feet	54,382	54,382	54,382	54,382	54,382	54,382	61,950	61,950	61,950	61,950
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	515	505	467	478	478	482	533	533	564	545
Mt Zion (1976)										
Square feet	85,815	85,815	85,815	85,815	85,815	85,815	76,503	76,503	76,503	76,503
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	550	575	589	569	572	615	646	646	718	624
Mt Zion Primary (2008)										
Square feet	93,275	93,275	93,275	93,275	93,275	93,275	93,205	93,205	93,205	93,205
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	548	660	629	689	686	639	641	641	647	654
Northcutt (1970)										
Square feet	78,013	78,013	78,013	78,013	79,394	79,394	77,030	77,030	77,030	77,030
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	658	699	686	648	648	632	633	663	625	625
Oliver (1976)										
Square feet	67,194	67,194	67,194	67,194	67,194	67,194	75,187	75,187	75,187	75,187
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	739	664	672	613	613	633	642	642	615	670
Pointe South (1981)										
Square feet	57,441	57,441	57,441	57,441	57,441	57,441	57,441	57,441	57,441	57,441
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	697	674	662	697	703	637	726	726	680	636
River's Edge (1994)										
Square feet	100,300	100,300	100,300	100,820	100,820	100,280	101,094	101,094	101,094	101,094
Capacity	863	863	863	863	863	850	850	850	850	850
Enrollment	1,142	604	573	596	607	566	634	634	637	681
Riverdale (1954)										
Square feet	65,084	65,084	65,084	65,084	65,084	X	X	X	X	X
Capacity	700	700	700	700	700	-	-	-	-	-
Enrollment	606	669	643	643	663	-	-	-	-	-
Riverdale (2013)										
Square feet	X	X	X	X	X	108,324	108,324	108,324	108,324	108,324
Capacity	-	-	-	-	-	800	800	800	800	800
Enrollment	-	-	-	-	-	613	684	684	676	776
Smith (2000)										
Square feet	109,612	109,612	109,612	109,612	109,612	109,716	11,065	110,065	110,065	110,065
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	938	871	851	930	957	953	969	969	962	982
Suder (1966)										
Square feet	79,783	79,783	79,783	79,783	79,783	79,783	82,493	82,493	82,493	82,493
Capacity	775	765	765	765	765	775	775	775	775	775
Enrollment	683	665	640	694	736	705	719	719	742	698

(Continued)

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

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

School (Continued)	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Elementary</b>										
Swint (1968)										
Square feet	71,785	71,785	71,785	71,785	72,665	72,665	76,899	76,899	76,899	76,899
Capacity	788	776	776	776	776	750	750	750	750	750
Enrollment	571	642	605	639	598	596	670	670	672	747
Tara (1964)										
Square feet	76,224	76,224	76,224	76,224	76,224	83,111	88,155	88,155	88,155	88,155
Capacity	735	725	725	725	725	725	725	725	725	725
Enrollment	667	601	547	725	662	662	709	709	700	730
Unidos Charter (Hendrix)										
Square feet	76,224	76,224	76,224	54,748	54,748	54,748	56,278	56,278	56,278	56,278
Capacity	735	725	725	450	450	450	450	450	450	450
Enrollment	667	601	547	491	577	676	800	800	662	461
West Clayton (1964)										
Square feet	66,917	66,917	66,917	66,917	66,917	66,917	66,159	66,159	66,159	66,159
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	510	462	436	444	468	503	593	593	578	599
White Academy (2010)										
Square feet	X	201,679	201,679	201,679	201,679	210,679	205,143	205,143	205,143	205,143
Capacity	-	1,425	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	1,501
<b>Middle</b>										
Adamson (1977)										
Square feet	120,015	120,015	120,015	120,015	120,015	120,015	113,033	113,033	113,033	113,033
Capacity	775	775	775	775	775	775	775	775	775	775
Enrollment	656	658	649	617	604	594	596	596	603	568
Babb (1966)										
Square feet	103,443	103,443	103,443	103,443	103,443	103,443	106,596	106,596	106,596	106,596
Capacity	775	775	775	775	775	775	775	775	775	775
Enrollment	783	766	796	755	808	831	844	844	866	1,027
Forest Park (1940)										
Square feet	84,964	84,964	84,964	84,964	85,894	85,884	94,677	94,677	94,677	94,677
Capacity	570	600	600	600	600	600	600	600	600	600
Enrollment	510	674	683	703	680	663	650	650	659	700
Jonesboro (2004)										
Square feet	128,170	128,170	128,170	128,170	128,170	128,170	128,188	128,188	128,188	128,188
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	834	743	753	794	869	853	853	883	901	1,010
Kendrick (1996)										
Square feet	143,724	143,724	143,828	143,724	143,724	143,724	144,359	144,359	144,359	144,359
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	787	852	883	847	820	777	731	731	789	794
Lovejoy (1990)										
Square feet	123,731	123,731	123,731	123,731	125,567	125,567	121,041	121,041	121,041	121,041
Capacity	738	725	725	725	725	725	725	725	725	725
Enrollment	1,172	584	578	586	663	659	581	581	551	536
Morrow #7 (2012)										
Square feet	X	171,727	171,727	171,727	171,727	174,539	174,539	174,539	174,539	174,539
Capacity	-	900	900	900	1,200	900	900	900	900	900
Enrollment	-	803	742	756	695	683	755	755	789	957

(Continued)

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

# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

<u>School (Continued)</u>	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Middle</b>										
Old Morrow - Elite (1967)										
Square feet	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	-	-
Enrollment	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	121,761	121,761	121,761	121,761
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	869	804	818	823	798	809	793	793	773	827
N. Clayton Middle (1969)										
Square feet	126,179	126,179	126,179	126,179	118,255	126,179	126,128	126,128	126,128	126,128
Capacity	738	738	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	920	843	860	808	813	858	824	824	797	873
Pointe South (1978)										
Square feet	141,792	141,792	160,835	160,835	160,835	160,835	137,106	137,106	137,106	137,106
Capacity	875	875	925	925	925	925	925	925	925	925
Enrollment	803	822	838	844	873	836	795	795	859	846
Rex Mill (2007)										
Square feet	152,570	152,570	152,570	152,570	152,570	152,570	146,303	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	953	1,035	1,042	1,094	1,131	1,108	1,025	1,025	1,095	1,132
Riverdale (1968)										
Square feet	108,738	108,738	139,581	108,738	139,581	123,470	125,047	125,047	125,047	125,047
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	833	741	752	779	760	712	690	690	684	779
Roberts (2000)										
Square feet	146,007	146,007	146,007	146,007	146,007	146,007	210,431	210,431	210,431	210,431
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,350	1,350	1,350	1,350
Enrollment	649	699	667	675	737	789	894	894	964	967
Sequoyah (2004)										
Square feet	128,170	128,170	128,170	128,170	128,170	128,170	128,188	128,188	128,188	128,188
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	737	808	804	885	876	866	922	922	866	863

**(Continued)**

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

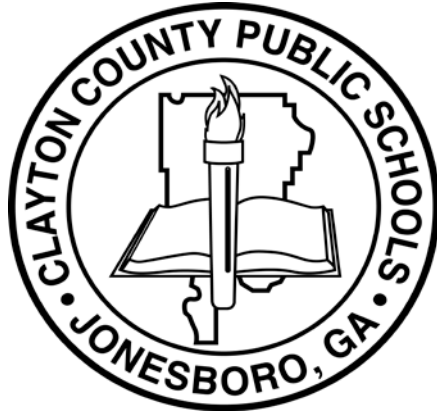
# CLAYTON COUNTY BOARD OF EDUCATION

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

School (Continued)	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>High</b>										
Drew (2009)										
Square feet	297,918	297,918	297,918	297,918	308,859	318,859	317,251	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	1,850
Enrollment	-	1,132	1,182	1,594	1,589	1,555	1,593	1,593	1,620	1,555
Forest Park (1962)										
Square feet	206,766	206,766	227,356	227,356	227,356	227,356	235,481	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	1,518	1,626	1,643	1,651	1,710	1,742	1,742	1,752	1,834	1,666
Jonesboro (1963)										
Square feet	208,036	208,036	208,036	227,131	228,157	228,157	217,468	217,468	217,468	217,468
Capacity	1,500	1,500	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725
Enrollment	1,153	1,212	1,235	1,311	1,372	1,319	1,289	1,289	1,376	1,388
Lovejoy (1989)										
Square feet	217,450	231,852	231,852	231,852	231,853	231,853	231,706	231,706	231,706	231,706
Capacity	1,625	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,662	1,815	1,894	1,978	2,000	2,044	1,992	1,992	1,913	1,819
Morrow (1970)										
Square feet	183,836	183,836	183,836	183,836	183,836	196,640	195,537	195,537	195,537	195,537
Capacity	1,375	1,375	1,375	1,375	1,375	1,900	1,900	1,900	1,900	1,900
Enrollment	1,534	1,722	1,819	1,762	1,728	1,737	1,990	1,990	2,051	1,771
Mt. Zion (1990)										
Square feet	216,241	231,952	231,952	231,952	233,593	233,593	230,925	230,925	230,925	230,925
Capacity	1,350	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575
Enrollment	1,547	1,563	1,580	1,570	1,804	1,639	1,283	1,283	1,376	1,307
Mundy's Mill (2002)										
Square feet	292,512	292,512	292,512	292,512	313,882	313,882	313,882	313,882	313,882	313,882
Capacity	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,659	1,629	1,719	1,706	1,695	1,718	1,757	1,757	1,750	1,691
N. Clayton (1967)										
Square feet	194,138	194,138	194,138	211,657	211,657	211,657	188,824	188,824	188,824	188,824
Capacity	1,325	1,325	1,325	1,325	1,325	1,100	1,100	1,100	1,100	1,100
Enrollment	1,360	1,068	1,118	899	848	846	890	890	876	1,163
Perry Learning Center (1952)										
Square feet	X	X	X	X	X	X	X	X	X	130,755
Capacity	-	-	-	-	-	-	-	-	-	900
Enrollment	-	-	-	-	-	-	-	-	-	934
Riverdale (1977)										
Square feet	203,067	203,067	203,067	203,067	203,067	203,067	177,821	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	1,532	1,053	1,416	1,237	1,303	1,393	1,342	1,342	1,320	1,206
M E Stilwell										
Square feet	X	X	X	X	X	X	133,195	133,195	133,195	133,195
Capacity	-	-	-	-	-	-	825	825	825	825
Enrollment	-	-	-	-	-	-	542	542	605	597
Elite Scholars Academy (2017)										
Square feet	X	X	X	X	X	X	X	X	X	128,721
Capacity	-	-	-	-	-	-	-	-	-	700
Enrollment	-	-	-	-	-	-	-	-	-	664

**(Concluded)**

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



# **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, 2018, 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 January 31, 2020.

**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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

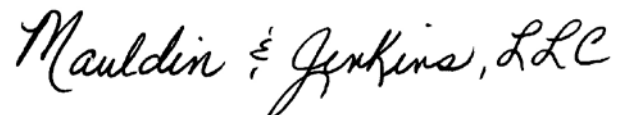
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**Compliance and Other Matters**

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*.

**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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia  
January 31, 2020



**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, 2018. 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, 2018.

**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  
January 31, 2020

**CLAYTON COUNTY BOARD OF EDUCATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity ID Number</u>	<u>Total Expenditures</u>
Passed through Georgia Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	18185GA324N1099	\$ 9,126,844
National School Snack Program	10.555	18185GA324N1100	27,848,315
Total Child Nutrition Cluster			<u>36,975,159</u>
Passed through Georgia Department of Education			
Child Nutrition Discretionary Grants Limited Availability	10.579	16163GA350N8103	35,000
Fresh Fruits and Vegetables	10.582	16145GA324L1603	<u>253,064</u>
Total U.S. Department of Agriculture			<u>37,263,223</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through Georgia Department of Technical and Adult Education:			
Adult Education	84.002	N/A	512,654
Passed through Georgia Department of Education			
Title I Programs - Improving Academic Achievement	84.010	S010A170010	<u>22,784,666</u>
Title IV-B, Special Education Cluster			
Title VI-B Flowthrough	84.027	H027A170073	9,179,490
Title VI-B Preschool	84.173	H173A170081	352,197
Total Title IV-B, Special Education Cluster			<u>9,531,687</u>
Title II - Supporting Effective Instruction	84.367	S367A170001	1,494,378
Title III - Limited English Proficient	84.365	S365A170010	667,334

**(Continued)**

N/A - Not available/applicable

**CLAYTON COUNTY BOARD OF EDUCATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity ID Number</u>	<u>Total Expenditures</u>
<b>U.S. DEPARTMENT OF EDUCATION (CONTINUED)</b>			
Passed through Georgia Department of Education (Continued):			
Title IV - Student Support and Academic Enrichment	84.424	S424A170011	\$ 382,816
Engaging Minds	84.351C	N/A	106,072
Education for Homeless Children and Youth	84.196	S196170011	59,277
Vocational Education - Basic Grants to States Program Improvement	84.048	V048A170010	577,837
Subtotal - Passed through Georgia Department of Education			<u>35,604,067</u>
Passed through Georgia State University Research Foundation			
Collaboration and Resources for Encouraging and Supporting Transformations in Education	84.336	N/A	<u>59,519</u>
Passed through Georgia Institute of Technology			
Gear Up Georgia	84.334S	N/A	<u>127,263</u>
Total U.S. Department of Education			<u>36,303,503</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Direct Award:			
ROTC	12.unknown	N/A	<u>655,696</u>
<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			
Total Child Care and Development Fund Cluster	93.575	N/A	<u>36,120</u>
Total U.S. Department of Health and Human Services			<u>36,120</u>

**(Continued)**

N/A - Not available/applicable

**CLAYTON COUNTY BOARD OF EDUCATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity ID Number</b>	<b>Total Expenditures</b>
<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>19,877</u>
 Total Expenditures of Federal Awards			<u>\$ 74,278,419</u>

# CLAYTON COUNTY BOARD OF EDUCATION

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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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 (the "School System") 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, 2018.

### **NOTE 3. SUBRECIPIENTS**

The School System did not pass through any grant funds to subrecipients for the year ended June 30, 2018.

**CLAYTON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
 Material weaknesses identified? \_\_\_ Yes  X  No

Significant deficiencies identified not considered  
 to be material weaknesses? \_\_\_ Yes  X  None Reported

Noncompliance material to financial statements noted? \_\_\_ Yes  X  No

**Federal Awards**

Internal Control over major programs:  
 Material weaknesses identified? \_\_\_ Yes  X  No

Significant deficiencies identified not considered  
 to be material weaknesses? \_\_\_ Yes  X  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  X  No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster:</u>
	<i>U.S. Department of Education</i>
84.010	Title I - Improving Academic Achievement
84.027	Title IV-B Special Education Cluster
84.173	Flowthrough Preschool

**CLAYTON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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**SECTION I (CONTINUED)**  
**SUMMARY OF AUDIT RESULTS**

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

\$2,228,353

Auditee qualified as low-risk auditee?

Yes  No

**SECTION II**  
**FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.



# CLAYTON COUNTY BOARD OF EDUCATION

## SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2018

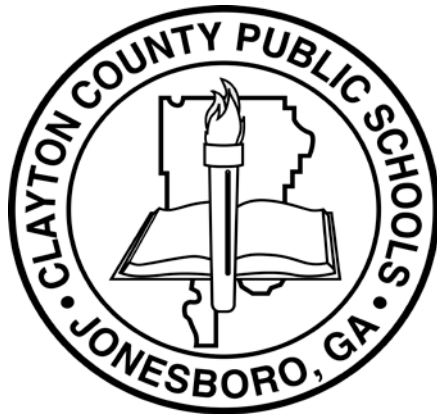
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### **2017-001. Retainage Payable**

**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.

**Auditee response/status:** Resolved



**CLAYTON COUNTY BOARD OF EDUCATION**

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