



**City of Cartersville Board of Education**  
A Component Unit of the City of Cartersville, Georgia

**Comprehensive Annual Financial Report**

**For The Fiscal Year Ended June 30, 2020**

**Richard Dyke, C.P.A.**  
**Chief Financial Officer**

**THE CITY OF CARTERSVILLE  
BOARD OF EDUCATION**

**A COMPONENT UNIT OF THE  
CITY OF CARTERSVILLE, GEORGIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

Prepared By City of Cartersville Board of Education  
Richard Dyke, C.P.A.  
Chief Financial Officer

## **INTRODUCTORY SECTION**

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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# CITY OF CARTERSVILLE BOARD OF EDUCATION

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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# Cartersville *School System*

KELLEY A. DIAL, PRESIDENT  
TRAVIS POPHAM, VICE PRESIDENT  
S. PAT BROADNAX, SECRETARY

MARC R. FEUERBACH, Ed.D  
SUPERINTENDENT

KATHI WHITE  
TIM CHASON  
CAROLYN JOHNSON  
LOUISE PANTER

KENNETH CLOUSE, Ed.S  
ASSISTANT SUPERINTENDENT

October 21, 2020

Members of the Cartersville School Board  
Cartersville, Georgia

The Comprehensive Annual Financial Report of the Cartersville School Board, Cartersville, Georgia, for the fiscal year ending June 30, 2020, is submitted herewith. The Superintendent and Chief Financial Officer prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. It is our opinion that the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the school system as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the School Board's financial affairs have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Cartersville School Board's MD&A can be found immediately following the report of the independent auditors.

## **Economic Condition and Outlook**

Under the Charter of the City of Cartersville, the school system is dependent upon the city council for providing funds for the operation and maintenance of the schools. On March 27, 1998, Act Number 646 (H.B.1701), Governor Zell Miller signed into law local legislation amending Section 5.07 of the Charter of the City of Cartersville. Specifically, this new amendment to the Charter struck all language in Section 5.07, and inserted in lieu thereof a new Section 5.07. Below is a copy of the exact language amending Section 5.07 of the Charter of the City of Cartersville:

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

Section 1.

An act reincorporating the City of Cartersville, approved March 28, 1974 (Ga. L. 1974, p. 3697), as amended, is amended by striking Section 5.07 and inserting in lieu thereof a new Section 5.07 to read as follows:

“Sec. 5.07.

Budget, tax levy, etc.

(a) On or before August 10, or another date specified by the city council, the Cartersville School Board shall submit to the city council the Cartersville School Board’s annual recommendation for the rate of tax levy within the limitations fixed by law to be made upon all taxable property within the city limits pursuant to the authority granted in Article VIII, Section VI, Paragraph I of the Georgia Constitution and Code Section 48-5-405 of the O.C.G.A. The city council shall levy said tax upon the assessed value of all taxable property within the city limits within the limitations fixed by law.

(b) The city council shall cause the levied taxes collected to support the Cartersville public schools to be appropriated to the Cartersville School Board and deposited into the school board account and disbursed from the account to the Cartersville public schools within ten days of receipt. The City of Cartersville shall invoice the Cartersville School Board for the pro rata cost of collecting property taxes and for bond payments and other debt service charges owed by the Cartersville public schools. The Cartersville School Board shall pay to the City of Cartersville the amount invoiced for tax collection within ten business days and at least four business days prior to the due date for bond and all other debt service costs owed to the city by the Cartersville public schools. The school board, as prescribed or approved by resolution, may incur indebtedness within the limits and manner prescribed by state law and may redeem such indebtedness by the issuance of checks or vouchers drawn upon the Cartersville School Board account subject to prior approval of a resolution by the city council.

Section 2.

This Act shall become effective July 1, 1998. On and after said effective date, the City of Cartersville shall provide no funds for the support of the Cartersville public schools except as provided in this Act.

Section 3.

All laws and parts of laws in conflict with this Act are repealed.”

Under the amended Charter, the school system now has the authority to recommend to the city council the “rate of tax levy . . . and the city council shall levy said tax upon the assessed value of all taxable property within the city limits within the limitations fixed by law.” The school system holds title to no real property; all real property titles are held by the City of Cartersville.

Incorporated in 1854 and established as the county seat following the Civil War, Cartersville has thrived as an important city located approximately 40 miles north of Atlanta along the vibrant and dynamic I-75 corridor. With a rich history of mining resources, abundant agriculture and more recently manufacturing and industry, Cartersville is strategically located as a prime area for growth on the outskirts of metropolitan Atlanta. Located within Bartow County, the city of Cartersville has an honored history while simultaneously standing ready to embrace the inevitable changing demands of the future.

With a current population of over 20,750 residents and ranking 47<sup>th</sup> in terms of population size among Georgia's cities, Cartersville boasts a rich standard of quality living. Visitors as well as residents have come to recognize the balance of a strong economic community and one that is culturally blessed. Since the city is practically landlocked, growth has been controlled and regulated by the city government. However, as the benefits offered by the area have become more widely known, the city is experiencing steady growth.

Manufacturing and retail industries make up the majority of the commercial development in Cartersville. Georgia Highlands College has a vibrant campus in Cartersville. Additionally, Kennesaw State University in Kennesaw, and Shorter and Berry Colleges in Rome are all within easy commutes from Cartersville.

Along with all other Georgia school systems, the District encountered significant financial challenges in past years due to austerity cuts in state funding. However, conservative budgeting practices allowed the District to absorb these substantial state funding cuts by recognizing additional local revenues and not filling position vacancies, which occurred during the school year. State funding for the 2020 fiscal year improved. No austerity cuts to the QBE funding formula. As a result of the additional state funds, the School Board decided to give a salary increase to all employees. Additional revenue was used to fund the overall operations of the school system.

### Major Initiatives

Cartersville School System has served the students of the City of Cartersville for 130 years. It is one of the most senior school systems in Georgia, serving children of the City of Cartersville as well as a number of eligible students from outside the school District who pay an annual tuition fee, which is set by the School Board. Over the past 5 years, the Cartersville School System has grown 7.3% from 4,210 students to over 4,519 students. Projected and current housing developments indicate that enrollment will continue to increase significantly in future years. In addition to total student growth during these years, the District has also seen significant changes in ethnic demographics and the number and severity of students with disabilities. Increased enrollments have placed challenging demands on current system facilities and the capacity to adequately house students.

All schools comprising the Cartersville School System have been cited for outstanding programs and academic performance. During fall of 2006, the Cartersville City Schools was awarded initial District Accreditation through COGNIA (Formerly AdvancED), the largest accrediting agency in the world. In 2011 and again in 2016 that level of District Accreditation was renewed through a process of self-evaluation and an external review. In July 2010, the Georgia State Board of Education approved the District's application for "System Charter" status for an initial 5-year period. In March 2015, the District was approved for a renewal of the system charter for an additional 10 years. The System Charter gives the school system and its schools flexibility in its operation and exemption of most all State Board rules and Georgia education laws in exchange for higher student performance goals over the

period of the charter. The State Board no longer awards 10-year charters and the District is currently evaluating the State's request to merge Charter renewal and COGNIA accreditation.

The school system is committed to having the best, and most qualified available staff in each position. The District strives to ensure that all teachers meet established "professional qualifications" and are assigned to positions where they are considered to be "in-field." Currently 73% of the PK-12 instructional staff have advance degrees, including 35% with degrees beyond the master's level.

Because of the significant use of educational technology to support classroom instruction, the District recently added instructional technologists at each school to enhance and support effective technology strategies in the classroom. For 2020-21 The District has added computer science at the middle school level to provide appropriate student instruction in a broader scope of technology needs. The significant impact of technology on classroom instruction and virtual learning demands this type of on-going support. The ever-growing necessity for increased access to technology devices support and services will be an ongoing challenge for the District and its schools.

In 2019-20, the District also added a JROTC program at the high school to address this growing interest on behalf of many students.

Over the past 5 years, the school system has implemented a system-wide initiative to become "paperless" in as many processes and functions as possible. During 2013-2014, the system implemented applicable processing in hiring applications, employee leave management, and substitute teaching assignments. Additionally, the School Board uses iPads for developing and communicating meeting agendas and documents. School Board members annually meet training requirements of the State Board of Education.

The citizenry of Cartersville and surrounding Bartow County have been especially supportive of the school system as evidenced by the passage of the four consecutive Special Purpose Local Options Sales Tax (SPLOST) votes in 1997, 2002, 2007, 2010, 2016 and 2019. This one-cent sales tax has helped maintain facilities, increased funding for technology needs, and allowed the District to plan for continued growth. Additionally, city residents have historically approved several school bond referenda through the years to fund school construction and renovation efforts in the city schools as well as eliminate debt. Surveys of parent stakeholders show that citizens widely support and have confidence in the school system and its schools.

A five-year facilities plan (2017-2022) was approved by the local Board and the State Board of Education in the spring of 2016. This plan provides the basis for the school system in earning state funding for facility construction and renovation projects. The Facility Survey Team commended the District for its excellent facilities and plan's design to meet the instructional needs of the students. The plan will be updated and reviewed by the State again in spring 2021.

In 2020-21, the District has implemented MAP Growth assessments to provide benchmark testing to measure student progress especially in Literacy and Math. This will provide teachers another tool to measure student academic growth in real time so appropriate instructional strategies may be implemented.

The District has a written Strategic Plan, which is reviewed and updated annually. The plan contains academic goals from the System Charter and ways to improve the effective and efficient operation of the

District. The goals of the system's strategic plan guide the District's approach to the delivery of classroom instruction. Some of the learning program initiatives in place in Cartersville City schools include:

- JROTC program (9-12)
- Music, Art and P.E. with in-field certified teachers at all grade levels
- After School Programs for tutoring and enrichment
- Gifted Challenge Program (K-12)
- Georgia Pre-Kindergarten "Bright from the Start" Program
- Music instruction using Yamaha music in Education Program (Grades 3-5)
- Driver Education Program
- Free a.m. & p.m. study/tutorial sessions
- Renaissance program (Grades 6-12)
- State Longitudinal Data Systems (SLDS) program and Schoology for benchmark assessments, data utilization and instructional planning (Grades 1-12)
- Ombudsman Alternative Education Program (Grades 6-12)
- Use of instructional lead teachers at each school to support teachers with classroom instruction strategies and interventions
- Use of Instructional Technologists at each school to support teachers in the effective use of instructional technology
- Job-embedded professional learning expectations and requirements
- New Teacher induction and mentor program
- Early release days for remediation and enrichment (Grades 9-12)
- STEM Initiative at grades 3-5
- Gatekey Scholarship Program
- MAP (Measures of Academic Progress) Growth assessments at all schools

### Financial Information

The School Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits are estimates and judgments made by management.

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

As part of the School Board's single audit, tests were made of the internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance

programs. The audit for the year ended June 30, 2020, disclosed that the School Board complied, in all material respects, with the requirements of its major federal programs.

In addition, the School Board maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the general fund is included in the annual appropriated budget. The level of budgetary control is the function level.

As demonstrated by the statements and schedules included in the financial section of this report, the School Board continues to meet its responsibility for sound financial management.

### Long Term Financial Planning

Currently the SPLOST fund has \$13.5 million in fund balance. The balance will be used to fund planned summer projects and future expansion at Cartersville High School. SPLOST revenue has decreased in FY 2020 by 1.3%. This was the first decrease in several years. The COVID pandemic started to show some effect on the economy.

The system continues to monitor budget related activity in the Georgia General Assembly. State revenues have risen over the past year. The State has removed all austerity reductions to the QBE formula. This additional revenue assisted in rolling back the millage rate for our property owners and businesses. The System continues to review several aspects of operations to identify areas for improvement in efficiency including personnel allocation, employee benefits, student transportation services, and document production practices. Sustainability is becoming a key phrase when budget issues are discussed. Budget items proposed for inclusion or modification are viewed in terms of the system's ability to sustain the item into the future. Adequate, available fund reserves are key to preserving the school system's ability to operate free of short-term borrowing to fund daily operations.

### OTHER INFORMATION

#### Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm of Mauldin & Jenkins, CPA's, LLC, was selected by the School Board's finance committee. In addition to meeting the requirements set forth in state statutes, including the Official Code of Georgia's Section 48-8-121 pertaining to Special Local Option Sales Tax, the audit was designed to meet the requirements of the federal Single Audit Act of 1984 and the related Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in the compliance section of this report.

## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cartersville Board of Education for its comprehensive annual report (CAFR) for the fiscal year ending June 30, 2019. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR 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 our current report continues to conform to the Certificate of Achievement program requirements.

## Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department. We express our appreciation to all members of the Department who assisted and contributed to its preparation. We also extend appreciation to the School Board for their interest and support in planning and conducting the financial operation of the school system in a responsible and progressive manner.

Respectfully submitted,

Marc R. Feuerbach, Ed. D

Marc R. Feuerbach, Ed.D  
Superintendent of Schools

Richard L. Dyke Jr., CPA

Richard L. Dyke Jr., CPA  
Chief Financial Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

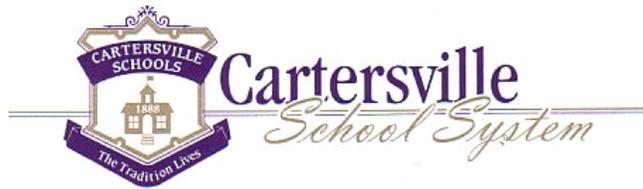
**City of Cartersville  
Board of Education, Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2019**

*Christopher P. Morrill*

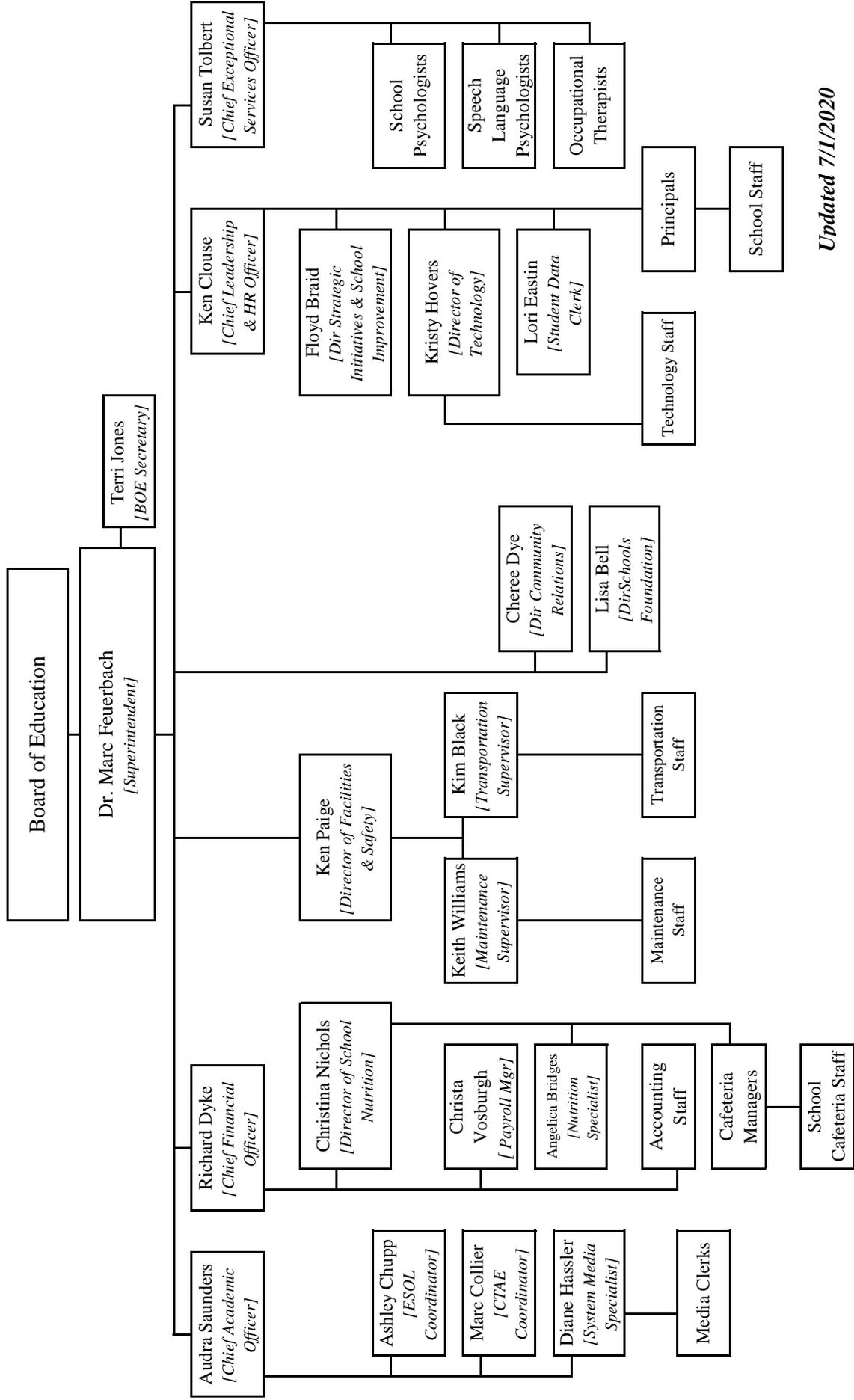
Executive Director/CEO



## Cartersville School Board

Ward	Name/Address	Telephone/Cell No.	Current Term
1	Carolyn Johnson 16 Dove Court Cartersville, GA 30120	(H) 770-386-4333 (cell) 770-289-3106 (email) cjohnson1955@gmail.com	1/18 - 12/21
2	Kathi White 201 Arrowhead Dr. Cartersville, GA 30120	(H) 770-386-2404 (cell) 770-606-4130 (email) whitejandk@hotmail.com	3/19 - 12/21
3	Travis Popham 428 Waterford Dr. Cartersville, GA 30120	(cell) 770-387-6372 (w) 770-387-1706 (email) prgi@mindspring.com	1/16 - 12/19
4	S. Pat Broadnax 14 Wofford St. Cartersville, GA 30120	(H) 770-382-3184 (cell) 770-833-0978 (email) pattybroadnax@gmail.com	1/16 - 12/19
5	Louise Panter 23 Brookland Dr. Cartersville, GA 30120	(cell) 706-540-2936 (email) louisemorris@yahoo.com	1/18 - 12/21
6	Mrs. Kelley A. Dial 4 Mimosa Terrace Cartersville, GA 30120	(H) 770-382-3373 (cell) 404-408-6918 (email) kelleydial@yahoo.com	1/18 - 12/21
At Large	Tim Chason 40 Westchester Drive Cartersville, GA 30120	(cell) 404-735-0540 (email) tchason@cartersvilleschools.org	7/17 - 12/19
Superintendent	Dr. Marc Feuerbach 45 Galway Drive Cartersville, GA 30120	(cell) 770-547-3453 (B) 770-382-5880 (F) 770-387-7476 (email) mfeuerbach@cartersvilleschools.org	
Assistant Superintendent	Mr. Ken Clouse 96 Planters Drive Cartersville, GA 30120	(cell) 404-401-6777 (B) 770-382-5880 (F) 770-387-7476 (email) kclouse@cartersvilleschools.org	

# Cartersville City Schools Organizational Chart



Updated 7/1/2020

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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**To the Superintendent and Members of  
the City of Cartersville Board of Education  
Cartersville, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **City of Cartersville Board of Education**, a component unit of the City of Cartersville, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Cartersville Board of Education's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

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***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Cartersville Board of Education, as of June 30, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 12, the City of Cartersville Board of Education implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as of July 1, 2019. This standard significantly changed the accounting for the City of Cartersville Board of Education's fiduciary activities. Our opinions are 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, Schedule of Proportionate Share of the Net Pension Liability – Teachers Retirement System, Schedule of Contributions – Teachers Retirement System, Schedule of Proportionate Share of Net Pension Liability – Public Schools Employee Retirement System, Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund, and Schedule of Contributions – School OPEB Fund, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cartersville Board of Education’s basic financial statements. The combining and individual fund financial statements and schedules, 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*, schedule of expenditures by object – lottery programs, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the introductory and the statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, schedule of expenditures of federal awards, schedule of expenditures by object – lottery programs, and the schedule of expenditures of special purpose local option sales tax proceeds (collectively “the supplementary information”) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 October 21, 2020 on our consideration of the City of Cartersville Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cartersville Board of Education’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cartersville Board of Education’s internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
October 21, 2020

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020*

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The discussion and analysis of the City of Cartersville Board of Education's financial performance provides an overall review of the Board's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the Board's financial performance as a whole; readers should review the notes to the basic financial statements and the financial statements to enhance their understanding of the Board's financial performance.

### **Financial Highlights**

Key financial highlights for 2020 are as follows:

- In total, net position increased approximately \$3.4 million during fiscal year 2020. This increase was more than the increase in fiscal year 2019 due to an increase in revenues as compared to fiscal year 2019 for governmental activities.
- General revenues accounted for approximately \$23.4 million in revenue or approximately 42% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for approximately \$33 million or approximately 58% of total revenues of approximately \$56.4 million.
- The Board had approximately \$53 million in expenses related to governmental activities; only approximately \$33 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of approximately \$23.4 million were used to provide for these programs.
- Among major funds, the General Fund had approximately \$44.0 million in revenues and approximately \$41.9 million in expenditures. The General Fund's fund balance increased to approximately \$16.5 million from approximately \$14.5 million. Additional fund balance will be used to expand Cartersville High School.

### **Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Cartersville Board of Education as a financial whole or as an entire operating entity.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Board, presenting both an aggregate view of the Board's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Board's most significant funds with all other nonmajor funds presented in total in one column. In the case of the City of Cartersville Board of Education, the General Fund is by far the most significant fund.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020*

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## **Reporting the Board as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the Board to provide programs and activities, the view of the Board as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflow of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Board's net position and changes in the net position. This change in net position is important because it tells the reader that, for the Board as a whole, the financial position of the Board has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the Board has one distinct type of activity:

- **Governmental Activities** – All of the Board's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service, after school program, school activity funds, and various others.

## **Reporting the Board's Most Significant Funds**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the Board's major funds. The Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Board's most significant funds. The Board's major governmental funds are the General Fund and Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund.

**Governmental Funds.** All of the Board's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Board's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational 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.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020*

## The Board as a Whole

The perspective of the Statement of Net Position is of the Board as a whole. Table 1 provides a summary of the Board's statement of net position for fiscal year 2020:

	<b>Governmental Activities</b>		<b>%</b>
	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>Assets</b>			
Current and other assets	\$ 38,847,944	\$ 35,133,109	10.6%
Capital assets, net	5,887,761	4,928,523	19.5%
<b>Total assets</b>	<b>44,735,705</b>	<b>40,061,632</b>	<b>11.7%</b>
<b>Deferred outflows of resources</b>			
Pension related items	11,978,385	8,547,318	40.1%
OPEB related items	1,528,686	1,070,346	42.8%
<b>Total deferred outflows of resources</b>	<b>13,507,071</b>	<b>9,617,664</b>	<b>40.4%</b>
<b>Liabilities</b>			
Current and other liabilities	6,840,178	6,697,970	2.1%
Net pension liability	40,957,490	36,075,523	13.5%
OPEB liability	23,632,593	24,548,645	-3.7%
<b>Total liabilities</b>	<b>71,430,261</b>	<b>67,322,138</b>	<b>6.1%</b>
<b>Deferred inflows of resources</b>			
Pension related items	1,908,047	1,860,079	2.6%
OPEB related items	6,837,935	5,802,122	17.9%
<b>Total deferred inflows of resources</b>	<b>8,745,982</b>	<b>7,662,201</b>	<b>14.1%</b>
<b>Net position</b>			
Investment in capital assets	5,887,761	4,689,944	25.5%
Restricted	14,462,661	13,194,487	9.6%
Unrestricted	(42,283,889)	(43,189,474)	-2.1%
<b>Total net position</b>	<b>\$ (21,933,467)</b>	<b>\$ (25,305,043)</b>	<b>-13.3%</b>

As previously stated, the total net position for fiscal year 2020 was a deficit of approximately \$21.9 million, which represents an approximate \$3.4 million increase in net position over fiscal year 2019. The Board's net position increase over the prior year was primarily due to revenues continuing to exceed expenses.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020*

Table 2 shows the changes in net position for fiscal year 2020:

**Table 2  
Changes in Net Position**

	<b>Governmental Activities</b>		<b>%</b>
	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>Revenues</b>			
Program Revenues			
Charges for Services and Sales	\$ 1,056,455	\$ 1,468,000	-28.0%
Operating Grants and Contributions	31,803,485	29,618,806	7.4%
Capital Grants and Contributions	77,220	231,660	-66.7%
Total Program Revenues	<u>32,937,160</u>	<u>31,318,466</u>	<u>5.2%</u>
General Revenues			
Property Taxes for Maintenance and Operations	17,831,396	17,104,763	4.2%
Special Purpose Local Option Sales Tax for Capital Projects	5,511,405	5,446,245	1.2%
Investment Earnings	81,453	58,222	39.9%
Total General Revenues	<u>23,424,254</u>	<u>22,609,230</u>	<u>3.6%</u>
<b>Total Revenues</b>	<u>56,361,414</u>	<u>53,927,696</u>	<u>4.5%</u>
<b>Program Expenses</b>			
Instruction	33,541,797	29,375,247	14.2%
Support Services			
Pupil Services	2,990,835	2,805,007	6.6%
Improvement of Instructional Services	1,224,500	959,773	27.6%
Educational Media Services	338,425	302,104	12.0%
General Administration	875,392	750,756	16.6%
School Administration	2,547,988	2,274,638	12.0%
Business Administration	627,536	562,634	11.5%
Maintenance and Operation of Plant	4,866,086	7,751,017	-37.2%
Student Transportation Services	1,893,043	1,707,566	10.9%
Central Support Services	550,252	562,133	-2.1%
Other Support Services	258,258	351,239	-26.5%
Operations of Non-Instructional Services			
Community Services	261,231	242,814	7.6%
Food Services	3,014,495	3,216,119	-6.3%
<b>Total Expenses</b>	<u>52,989,838</u>	<u>50,861,047</u>	<u>4.2%</u>
<b>Increase in Net Position</b>	<u>3,371,576</u>	<u>3,066,649</u>	<u>9.9%</u>
<b>Net Position, July 1</b>	<u>(25,305,043)</u>	<u>(28,371,692)</u>	<u>-10.8%</u>
<b>Net Position, June 30</b>	<u>\$ (21,933,467)</u>	<u>\$ (25,305,043)</u>	<u>-13.3%</u>

# CITY OF CARTERSVILLE BOARD OF EDUCATION

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020*

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## **Changes in Net Position from Operating Results**

### *Revenues*

The district's total revenue for fiscal year 2020 was approximately \$56.4 million, which represents an approximate 4.5% increase or approximately \$2.4 million from fiscal year 2019. Revenue from state sources accounted for the majority of the school district's revenue. Operating grants and contributions revenue in fiscal year 2020 increased approximately 7.4% or approximately \$2.1 million. Increased state revenue is attributable to enrollment changes and no austerity cuts to QBE. Capital grants and contributions decreased to approximately \$77 thousand.

Local revenue sources including property taxes, sales taxes and interest income increased approximately \$815 thousand or approximately 3.6%. The increase in property tax revenue of approximately 4.2% was due to very little change in the tax digest. Sales tax revenue increased by 1.2% or \$65 thousand in 2020. The school district received a substantial audit adjustment from the Georgia Department of Revenue.

### *Expenses*

The school district's total expenses increased 4.2% over fiscal year 2019. Instruction went up by 14.2%. This was raises given to all employees and additional teachers added. Improvement of Instructional Services went up by 27.6%. This was due to raises for all employees and additional training for teachers. General Administration went up by 16.6%. This was due to raises and additional legal fees for the SPLOST Vote. Maintenance and Operation of Plant went down by 37.2%. This was due to construction of a new athletic facility at Cartersville High School that was expensed in FY 2019. Student Transportation Services increased by 10.9%. This was due to raises for bus drivers and additional bus purchases. Each of the other major functions increased and/or decreased as noted in Table 2.

Instruction comprises 63% of governmental program expenses.

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# CITY OF CARTERSVILLE BOARD OF EDUCATION

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020*

## Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3  
Governmental Activities**

	Total Cost of Services			Net Cost of Services		
	2020	2019	%	2020	2019	%
			Change			Change
Instruction	\$ 33,541,797	\$ 29,375,247	14.2%	\$ 9,261,154	\$ 6,794,369	36.3%
Support Services						
Pupil Services	2,990,835	2,805,007	6.6%	2,559,271	2,325,375	10.1%
Improvement of						
Instructional Services	1,224,500	959,773	27.6%	874,134	663,135	31.8%
Educational Media						
Services	338,425	302,104	12.0%	(313,894)	(306,768)	2.3%
General Administration	875,392	750,756	16.6%	(639,062)	(492,432)	29.8%
School Administration	2,547,988	2,274,638	12.0%	1,446,508	1,226,323	18.0%
Business Administration	627,536	562,634	11.5%	624,906	560,120	11.6%
Maintenance and						
Operation of Plant	4,866,086	7,751,017	-37.2%	3,436,068	6,329,149	-45.7%
Student Transportation						
Services	1,893,043	1,707,566	10.9%	1,527,857	1,172,891	30.3%
Central Support Services	550,252	562,133	-2.1%	544,985	557,199	-2.2%
Other Support Services	258,258	351,239	-26.5%	254,286	349,007	-27.1%
Operation of						
Non-Instructional Services						
Community Services	261,231	242,814	7.6%	238,800	203,547	17.3%
Food Services	3,014,495	3,216,119	-6.3%	237,665	160,366	48.2%
<b>Total Expenses</b>	<b>\$ 52,989,838</b>	<b>\$ 50,861,047</b>	<b>4.2%</b>	<b>\$ 20,052,678</b>	<b>\$ 19,542,281</b>	<b>2.6%</b>

## Governmental Activities

The Net Cost of Governmental Activities reports the total and net cost of major district activities: instruction, pupil and instructional services, school and administrative services, maintenance and operations, transportation, and other.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020*

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Net Cost of Services is the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost shows the financial burden on the district's taxpayers by each activity. The total cost of governmental services in fiscal year 2020 was approximately \$53 million. Users of the district's programs financed approximately \$1.1 million of costs. Federal and State grants subsidized programs and contributions financed approximately \$31.8 million of the cost. The district taxpayers financed the other portion of the school district's cost, which was approximately \$20.1 million for fiscal year 2020.

### **The Board's Funds**

The Board's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of approximately \$56.2 million and expenditures and other financing uses of approximately \$52.7 million. The General Fund had an increase in fund balance of approximately \$1.9 million; the Special Purpose Local Option Sales Tax Capital Projects Fund Balance had an increase of approximately \$1.6 million. The increase in the General Fund was due to additional revenues from Title Ad Valorem Tax (TAVT) and Payment in Lieu of Taxes (PILOT). The SPLOST Fund's increase was a result of the timing of SPLOST projects.

### **General Fund Budgeting Highlights**

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

Prior to April 1st of each year, the Superintendent and the School Board have work sessions to prepare the new upcoming budget. As soon as the School Board receives the budgeted allocations from the State of Georgia, the Board adopts the budget on or before the regular June meeting. The Board can then submit to the Cartersville City Council an estimate of the local revenue that will be required for the maintenance and operation of the school system for the succeeding year no later than June 30th. Based on the budgeted requirements, the Board will recommend to the City Council the rate of tax levy that in its judgment, and considering other sources of revenue, shall be necessary and advisable to meet the expenditures contemplated. The City Council shall cause the tax levy to be set for the upcoming fiscal year. The proceeds from the City tax levy will be appropriated to the Board to meet budgetary requirements of the school system for the succeeding school year.

For the General Fund, the final budgeted revenues and other financing sources of approximately \$41.7 million was an increase from the original budgeted amount of approximately \$41.3 million. The actual revenues and other financing sources of approximately \$43.8 million was more than the budgeted amount by approximately \$2.1 million. This is a result of additional Title Ad Valorem Taxes (TAVT) and Payment in Lieu of Taxes (PILOT) received. Also state revenue increased by \$1 million due to no austerity reductions and increased amounts for teacher raises.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020*

The final budgeted expenditures and other financing uses of approximately \$43.5 million exceeded the original budgeted amount of approximately \$43.0 million by approximately \$500 thousand. The actual expenditures and other financing uses per budget basis of approximately \$41.8 million was approximately \$1.8 million less than spent. A portion of the difference was due to on behalf payments by the Georgia Department of Education for Health Insurance of non-certified personnel and also conservative spending based on revenues received.

General Fund revenues and other financing sources were less than the expenditures and other financing uses by approximately \$1.9 million. The School Board has made a concerted effort to watch spending and this is evidence of their work.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

At the end of fiscal year 2020 the Board had approximately \$5.9 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2020 balances.

**Table 4**  
**Capital Assets at June 30**  
**(Net of depreciation, in Thousands)**

	<b>Governmental Activities</b>		<b>%</b>
	<b>2020</b>	<b>2019</b>	<b>Change</b>
Building and Land Improvements	\$ 171,957	\$ 171,957	0.0%
Vehicles	820,331	898,212	-8.7%
Computers	2,326,803	2,137,909	8.8%
Furniture and Equipment	2,568,670	1,720,445	49.3%
<b>Total</b>	<b>\$ 5,887,761</b>	<b>\$ 4,928,523</b>	<b>19.5%</b>

The primary increases occurred in furniture and equipment. The Board purchased new furniture and equipment for the new athletic facility. Vehicles went older vehicles and buses were retired. Additional information on the City of Cartersville Board of Education's capital assets can be found in Note 5 of this report.

#### **Debt Administration**

Currently the school district does not have any debt outstanding.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020*

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## **Economic Factors and Next Year's Budgets**

The local economy experienced a change in property tax revenue, an approximate 4.3% increase in Property Tax revenue, and an approximate 1.3% decrease in the Special Purpose Local Option Sales tax revenue. Property tax had only an increase due to PILOT money received and additional Title Ad Valorem Taxes. The Special Purpose Local Option Sales Tax revenue decreased by less than \$100 thousand, which is basically the same over 2019.

The City of Cartersville Board of Education adopted its fiscal year 2021 budget on July 27, 2020. The General Fund budget for fiscal year 2021 reflected revenues of \$40,823,818 and expenditures of \$43,032,280. Assigned fund balance in the amount of \$2,208,462 was used to make up the difference. The Board decided to not roll back the millage rate. The approved millage rate to fund the fiscal year 2021 budget is 14.576 mills. This budget reflects a decrease from the fiscal year 2020 budget of \$300 thousand or .71%. The COVID pandemic was the reason for keeping the expenditures the same or less than the previous year. Also the state reduced our revenue by \$2.3 million. The Board decided to use fund balance to make up this difference.

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

The financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Richard Dyke, Chief Financial Officer at the City of Cartersville Board of Education, P.O. Box 3310, Cartersville, Georgia 30120. You may also email your questions to [rdyke@cartersvilleschools.org](mailto:rdyke@cartersvilleschools.org).

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 33,713,864
Receivables:	
Intergovernmental	4,191,481
Taxes, net of allowance for uncollectible	841,512
Inventory	101,087
Capital assets, net of accumulated depreciation	5,887,761
Total assets	44,735,705
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related items	11,978,385
OPEB related items	1,528,686
Total deferred outflows of resources	13,507,071
<b>LIABILITIES</b>	
Accounts payable	724,879
Salaries payable	5,972,650
Unearned revenue	142,649
Noncurrent liabilities due in more than one year	
Net pension liability	40,957,490
Net OPEB liability	23,632,593
Total liabilities	71,430,261
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	1,908,047
OPEB related items	6,837,935
Total deferred inflows of resources	8,745,982
<b>NET POSITION</b>	
Investment in capital assets	5,887,761
Restricted for:	
Capital projects	13,584,458
School nutrition	878,203
Unrestricted	(42,283,889)
Total net position	\$ (21,933,467)

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION  
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 33,541,797	\$ 377,924	\$ 23,902,719	\$ -	\$ (9,261,154)
Support services:					
Pupil services	2,990,835	-	431,564	-	(2,559,271)
Improvement of instructional services	1,224,500	-	350,366	-	(874,134)
Educational media services	338,425	-	652,319	-	313,894
General administration	875,392	-	1,514,454	-	639,062
School administration	2,547,988	-	1,101,480	-	(1,446,508)
Business administration	627,536	-	2,630	-	(624,906)
Maintenance and operation of plant services	4,866,086	920	1,429,098	-	(3,436,068)
Student transportation services	1,893,043	-	287,966	77,220	(1,527,857)
Central support services	550,252	-	5,267	-	(544,985)
Other support services	258,258	-	3,972	-	(254,286)
Food services operation	3,014,495	654,045	2,121,650	-	(238,800)
Community services operation	261,231	23,566	-	-	(237,665)
Total governmental activities	<u>\$ 52,989,838</u>	<u>\$ 1,056,455</u>	<u>\$ 31,803,485</u>	<u>\$ 77,220</u>	<u>\$ (20,052,678)</u>
General revenues:					
Property taxes					17,831,396
Sales taxes					5,511,405
Unrestricted investment earnings					81,453
Total general revenues					<u>23,424,254</u>
Change in net position					3,371,576
Net position, beginning of year					<u>(25,305,043)</u>
Net position, end of year					<u>\$ (21,933,467)</u>

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

ASSETS	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 18,790,852	\$ 13,037,474	\$ 1,885,538	\$ 33,713,864
Receivables:				
Intergovernmental	3,643,721	-	547,760	4,191,481
Taxes, net of allowance for uncollectible	242,358	599,154	-	841,512
Due from other funds	356,364	-	-	356,364
Inventory	-	-	101,087	101,087
<b>Total assets</b>	<b>\$ 23,033,295</b>	<b>\$ 13,636,628</b>	<b>\$ 2,534,385</b>	<b>\$ 39,204,308</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 663,191	\$ 52,170	\$ 9,518	\$ 724,879
Salaries and benefits payable	5,717,379	-	255,271	5,972,650
Due to other funds	-	-	356,364	356,364
Unearned revenue	92,391	-	50,258	142,649
<b>Total liabilities</b>	<b>6,472,961</b>	<b>52,170</b>	<b>671,411</b>	<b>7,196,542</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	108,085	-	-	108,085
<b>Total deferred inflows of resources</b>	<b>108,085</b>	<b>-</b>	<b>-</b>	<b>108,085</b>
<b>FUND BALANCES</b>				
Fund balances:				
Nonspendable:				
Inventory	-	-	101,087	101,087
Restricted:				
Capital projects	-	13,584,458	-	13,584,458
School nutrition	-	-	777,116	777,116
Committed:				
After school programs	-	-	222,058	222,058
Student activities	-	-	762,713	762,713
Assigned:				
2021 fiscal year appropriations of fund balance	2,208,462	-	-	2,208,462
SS - Instruction	6,973	-	-	6,973
SS - Improvement of instructional services	2,392	-	-	2,392
SS - General administration	6,978	-	-	6,978
SS - Maintenance and operation of plant	3,636	-	-	3,636
SS - Central support services	61,790	-	-	61,790
Capital projects	5,500,000	-	-	5,500,000
Maintenance projects	300,000	-	-	300,000
Unassigned:	8,362,018	-	-	8,362,018
<b>Total fund balances</b>	<b>16,452,249</b>	<b>13,584,458</b>	<b>1,862,974</b>	<b>31,899,681</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 23,033,295</b>	<b>\$ 13,636,628</b>	<b>\$ 2,534,385</b>	<b>\$ 39,204,308</b>

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

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

Total fund balances - governmental funds	\$	31,899,681
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Cost	\$	15,709,075	
Less accumulated depreciation		<u>(9,821,314)</u>	5,887,761

The net pension liability is not due and payable with current financial resources and is therefore not reported in governmental funds.

Net pension liability		(40,957,490)	
Pension related deferred outflows of resources		11,978,385	
Pension related deferred inflows of resources		<u>(1,908,047)</u>	(30,887,152)

The net OPEB liability is not due and payable with current financial resources and is therefore not reported in governmental funds.

Net OPEB liability		(23,632,593)	
OPEB related deferred outflows of resources		1,528,686	
OPEB related deferred inflows of resources		<u>(6,837,935)</u>	(28,941,842)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

Property taxes			<u>108,085</u>
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Net position - governmental activities	\$	<u><u>(21,933,467)</u></u>
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**The accompanying notes are an integral part of these financial statements.**

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 17,762,370	\$ 5,511,405	\$ -	\$ 23,273,775
Federal sources	45,000	-	4,014,373	4,059,373
State sources	25,716,754	-	653,299	26,370,053
Local sources	165,242	92,068	1,238,587	1,495,897
Interest income	81,424	173,435	29	254,888
Charges for services	103,100	-	558,438	661,538
On behalf payments	77,796	-	-	77,796
Total revenues	<u>43,951,686</u>	<u>5,776,908</u>	<u>6,464,726</u>	<u>56,193,320</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	28,264,227	-	2,891,011	31,155,238
Support services:				
Pupil services	2,575,841	-	341,846	2,917,687
Improvement of instructional services	1,028,629	-	150,976	1,179,605
Educational media services	322,657	-	9,156	331,813
General administration	781,162	-	64,519	845,681
School administration	2,464,959	-	225	2,465,184
Business administration	629,733	-	-	629,733
Maintenance and operation of plant	3,207,496	-	32,827	3,240,323
Student transportation services	1,850,326	-	20,530	1,870,856
Central support services	380,152	-	-	380,152
Other support services	240,096	-	205	240,301
Food services operation	25,364	-	2,883,203	2,908,567
Community services operation	-	-	256,237	256,237
Capital outlay	120,000	4,155,198	-	4,275,198
Total expenditures	<u>41,890,642</u>	<u>4,155,198</u>	<u>6,650,735</u>	<u>52,696,575</u>
Excess (deficiency) of revenues over expenditures	<u>2,061,044</u>	<u>1,621,710</u>	<u>(186,009)</u>	<u>3,496,745</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	19,291	-	137,427	156,718
Transfers out	(137,427)	-	(19,291)	(156,718)
Sale of capital assets	6,856	-	-	6,856
Total other financing sources (uses)	<u>(111,280)</u>	<u>-</u>	<u>118,136</u>	<u>6,856</u>
Net change in fund balances	1,949,764	1,621,710	(67,873)	3,503,601
<b>FUND BALANCE, beginning of year</b>	<u>14,502,485</u>	<u>11,962,748</u>	<u>1,930,847</u>	<u>28,396,080</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 16,452,249</u>	<u>\$ 13,584,458</u>	<u>\$ 1,862,974</u>	<u>\$ 31,899,681</u>

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION  
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)  
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, 2020**

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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	\$	3,503,601
<p>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 expense in the current period.</p>		
Capital outlay	\$	2,687,574
Depreciation expense		<u>(1,705,115)</u>
		982,459
<p>The net effect of the disposal of capital assets is to decrease net position.</p>		
		(23,221)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		69,026
<p>In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.</p>		
		(1,498,868)
<p>In the governmental funds, current year expenditures related to OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of OPEB and related items.</p>		
		<u>338,579</u>
Changes in net position - governmental activities	\$	<u><u>3,371,576</u></u>

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 16,876,781	\$ 16,876,781	\$ 17,762,370	\$ 885,589
Federal sources	45,000	45,000	45,000	-
State sources	24,260,852	24,649,074	25,625,955	976,881
Local sources	-	-	165,242	165,242
Interest income	30,000	30,000	81,424	51,424
Charges for services	65,000	65,000	103,100	38,100
Total revenues	<u>41,277,633</u>	<u>41,665,855</u>	<u>43,783,091</u>	<u>2,117,236</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	28,761,259	28,867,395	28,173,428	693,967
Support services:				
Pupil services	2,882,491	2,906,391	2,575,841	330,550
Improvement of instructional services	885,345	951,406	1,028,629	(77,223)
Educational media services	335,013	335,013	322,657	12,356
General administration	823,382	859,071	781,162	77,909
School administration	2,492,137	2,499,115	2,464,959	34,156
Business administration	802,928	805,029	627,103	177,926
Maintenance and operation of plant	3,545,504	3,710,030	3,197,820	512,210
Student transportation services	1,759,891	1,759,891	1,819,234	(59,343)
Central support services	423,070	437,443	374,885	62,558
Other support services	266,700	271,532	236,329	35,203
Capital Outlay	-	120,000	120,000	-
Total expenditures	<u>42,977,720</u>	<u>43,522,316</u>	<u>41,722,047</u>	<u>1,800,269</u>
Excess (deficiency) of revenues over expenditures	<u>(1,700,087)</u>	<u>(1,856,461)</u>	<u>2,061,044</u>	<u>3,917,505</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	19,291	19,291
Transfers out	(101,200)	(101,200)	(137,427)	(36,227)
Sale of capital assets	-	-	6,856	6,856
Total other financing sources (uses)	<u>(101,200)</u>	<u>(101,200)</u>	<u>(111,280)</u>	<u>(10,080)</u>
Net change in fund balances	(1,801,287)	(1,957,661)	1,949,764	3,907,425
<b>FUND BALANCE, beginning of year</b>	<u>14,502,485</u>	<u>14,502,485</u>	<u>14,502,485</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 12,701,198</u>	<u>\$ 12,544,824</u>	<u>\$ 16,452,249</u>	<u>\$ 3,907,425</u>

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION  
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUND  
JUNE 30, 2020**

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<b>ASSETS</b>	
Cash	\$ 243,496
Total assets	<u>243,496</u>
<b>LIABILITIES</b>	
Accounts payable	<u>1,966</u>
Total liabilities	<u>1,966</u>
<b>NET POSITION</b>	
Restricted for individuals, organizations and other governments	<u><u>\$ 241,530</u></u>

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**ADDITIONS**

Local collections	\$ 531,245
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Total additions	<u>531,245</u>
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**DEDUCTIONS**

Collections disbursed	<u>549,539</u>
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Total deductions	<u>549,539</u>
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Change in net position	(18,294)
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**NET POSITION**

Beginning of year, as restated	<u>259,824</u>
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End of year	<u><u>\$ 241,530</u></u>
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**The accompanying notes are an integral part of these financial statements.**

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Cartersville Board of Education (the “Board”) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applicable to governmental units. The more significant of the Board's accounting policies are summarized below.

**Reporting Entity**

The City of Cartersville Board of Education was established in 1889. In its present state, the Board operates under a Board/Superintendent form of government. The seven member Board is elected by the public and the Board appoints the superintendent. Funding is received primarily from City, State and Federal sources. The City of Cartersville must authorize and approve any bond issuance of the Cartersville School Board and the legal liability for the general obligation portion of the Board's debt remains with the City of Cartersville. The Board does not have the authority to levy taxes. The City holds title to school land and buildings. Based upon criteria set forth by the Governmental Accounting Standards Board (GASB), the City of Cartersville School Board is a component unit of the City of Cartersville, Georgia.

The Board has one blended component unit, the Cartersville School Capital Improvement Foundation, Inc. (the “Foundation”). The Foundation was formed as a nonprofit corporation to engage and assist the Board in the development, financing, construction, acquisition, and reconstruction of capital projects and equipment. There was no activity for the Foundation during the year ended June 30, 2020. Members of the Board serve as directors of the Foundation.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Board. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Board does not consider any of its activities to be business-type activities.

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

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Property taxes are recognized as revenue in the period for which they were levied, if they are collected within sixty days of year end. All other revenues are considered to be available when they are collectible within one hundred twenty days of year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when payment is due.

Revenue from grants and donations are 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 Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis.

The State of Georgia reimburses the Board for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the school year (July 1 – June 30) and paid over a twelve-month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the Board over the same twelve-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State 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 Board recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

Property taxes, sales taxes, grant revenue, state Quality Basic Education (QBE) revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period if availability criteria is met. All other revenue items are considered to be measurable and available only when cash is received by the government.

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The Board reports the following major governmental funds:

The General Fund is the Board's primary operating fund. The General Fund is used to account for all financial transactions of the Board except those required to be accounted for in another fund.

The SPLOST Capital Projects Fund accounts for resources which are used exclusively for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities. The major revenue sources are sales taxes.

Additionally, the Board reports the following non-major funds:

The special revenue funds account for revenue sources that are legally restricted or committed to expenditure for specific purposes. Restricted revenues consist of federal and state grants while the charges from the after school and local revenues from the student activities have been committed by the Board to fund the after school programs and student services, respectively.

The Board reports the following fiduciary fund type:

The custodial fund accounts for assets held by the Board for student activity groups or individuals as it relates to the clubs and organizations of the Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories**

Inventories of the School Food Services Fund are stated at cost using the first-in, first-out method. Donated food commodities are recorded at fair value. The Board utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenses/expenditures when used rather than when purchased.

**Interfund Receivables and Payables**

During the course of its operations, the Board makes transfers between funds to finance operations, provide services and acquire assets. To the extent that certain transfers between funds had not been received as of year end, balances of interfund amounts receivable or payable have been recorded.

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

**Capital Assets**

General capital assets result from expenditures in governmental funds. The Board reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated acquisition value as of the date received. The Board maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are expensed. Improvements are depreciated over the remaining useful lives of the related capital assets. The City of Cartersville owns the majority of the Board’s buildings. Any renovations of existing buildings or construction of new buildings are recorded as an expense of the Board. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	40
Vehicles	8-15
Computers	5
Furniture and equipment	5-15

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensated Absences**

It is the Board's policy to permit employees to accumulate earned but unused sick pay benefits. There is no liability for unpaid accumulated sick leave since all accumulated sick leave is forfeited upon separation from the employer. It is the Board's policy not to accrue vacation leave and any unused vacation leave not taken before June 30 shall be forfeited.

**Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, 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 Postemployment 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.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. 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.

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 Public School Employees Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. 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.

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Equity/Net Position**

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 the assets and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board members through the adoption of a resolution. Only the Board members may modify or rescind the commitment, through formal action.
- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the Board’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board members have authorized the Board’s Superintendent and Director of Finance to assign fund balances.
- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The Board reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

***Flow Assumptions*** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Board’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Board’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Equity/Net Position (Continued)**

*Net Position* – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources for activities and funds, which use the accrual basis of accounting. Amounts shown as net investment in capital assets are made up of capital asset costs, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the Board has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Use of Estimates in the Preparation of Financial Statements**

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, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures 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 these estimates.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Board has seven (7) items that qualify for reporting in this category which occurs only in the governmental activities. Governmental Activities report (1) a deferred outflow of resources for the Board's actual contributions to the pension plan during the fiscal year ended June 30, 2020 which are subsequent to the measurement date of the net pension liability and will be recognized in fiscal year 2021; (2) a deferred outflow of resources for experience gains or losses related to the pension plan which will be amortized over the remaining service period; (3) a deferred outflow of resources for the changes in actuarial assumptions which will be amortized over the remaining service period; (4) a deferred outflow of resources for the change in the Board's proportionate share based on actual contributions towards the pension plan, which will be amortized over the remaining service period; (5) a deferred outflow of resources for the Board's actual contributions to the OPEB plan during the fiscal year ended June 30, 2020 which are subsequent to the measurement date of the net OPEB liability and will be recognized in fiscal year 2021; (6) a deferred outflow of resources for the net difference between projected and actual investment earnings on the OPEB assets, which will be amortized over a five year period; and (7) a deferred outflow of resources for the changes in actuarial assumptions of the OPEB plan which will be amortized over the remaining service period.

**CITY OF CARTERSVILLE BOARD OF EDUCATION  
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of deferred inflow 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. The Board has six (6) items that qualify for reporting in this category which occurs only in the governmental activities. Governmental Activities report (1) a deferred inflow of resources for the net difference between projected and actual investment earnings on the pension assets, which will be amortized over a five year period; (2) a deferred inflow of resources for experience gains or losses related to the pension plan from periodic studies by the actuary, which will be amortized over the remaining service period; (3) a deferred inflow of resources for the change in the Board's proportionate share based on actual contributions towards the pension plan, which will be amortized over the remaining service period; (4) a deferred inflow of resources for the changes in actuarial assumptions in relation to the OPEB plan which will be amortized over the remaining service period; (5) a deferred inflow of resources for the change in the Board's proportionate share based on actual contributions towards the OPEB plan, which will be amortized over the remaining service period; and (6) a deferred inflow of resources for experience gains or losses related to the OPEB plan from periodic studies by the actuary, which will be amortized over the remaining service period.

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**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

***Budgetary Data***

The City of Cartersville Board of Education adopts an annual budget for the General Fund, as required by Georgia law and the State of Georgia Department of Education.

Prior to April 1<sup>st</sup> of each year, the Superintendent and the Board have work sessions to prepare the new upcoming budget. As soon as the Board receives the budgeted allocations from the State of Georgia Department of Education, the City of Cartersville School Board adopts the budget on or before their regular June meeting. The Board can then submit to the Cartersville City Council an estimate of the local revenue which will be required for the maintenance and operation of the public schools for the succeeding year no later than June 30<sup>th</sup>. Based on the budgeted requirements, the Board will recommend to the City Council the rate of tax levy that in its judgement, and considering other sources of revenue, shall be necessary and advisable to meet the expenditures contemplated. The City Council shall cause the tax levy to be set for the upcoming fiscal year. The proceeds from the City tax levy will be appropriated to the City of Cartersville Board of Education to meet budgetary requirements of the Board for the succeeding school year.

The budget shall be adopted at the level of budgetary control, which is the function level. For management control, the Board shall prepare and present the annual budget by fund type, fund function and object. An annual budget is adopted for the General Fund only. Encumbered appropriations are carried forward to the subsequent year automatically with no formal action required by the Board.

The Superintendent is authorized by the Board to approve an unlimited number of transfers of appropriations to make adjustments of less than five percent of the amount budgeted for expenditures in any function for any fund without the approval of the Board. If at any time during the budget year, expenditures of funds in any budget function for any fund are anticipated to exceed, by five percent or more, the amount budgeted; the Board must authorize the additional anticipated expenditures. Therefore, the legal level of budgetary control is the function level.

During the year the budget was amended to show previously unbudgeted grant fund receipts and the previously unbudgeted uses of those funds.

***Budgetary/GAAP Basis Reconciliation***

In the General Fund, accounting principles used in developing budgets on a budgetary basis differ from those used in preparing financial statements in conformity with generally accepted accounting principles (GAAP). Because related 2020 revenues and expenditures for certain personnel are budgeted in June 2019, based on information concerning cash to be received from the Georgia Department of Education's Quality Basic Education revenues and the City of Cartersville during the fiscal year which ends June 30, 2020, the July and August 2020 salaries for a number of employees of the Board have not been considered in the budgeted revenues and expenditures. Additionally, the recording of revenues and expenditures for on-behalf pension benefits and health insurance benefits from the State of Georgia were not considered in the budget period.

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**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

***Budgetary/GAAP Basis Reconciliation (Continued)***

Thus, there is an accounting basis difference between the budget and actual Statement of Revenues, Expenditures and changes in Fund Balances in the General Fund that is reconciled as follows:

Actual Revenues GAAP Basis	\$	43,951,686	
Revenues Receivable Decrease		(90,799)	
On-Behalf Benefit Contribution		(77,796)	
Budgeted Revenues, Budgetary Basis		43,783,091	\$ 43,783,091
Expenditures GAAP Basis	\$	41,890,642	
Accrued Salary Decrease		(90,799)	
On-Behalf Benefits Expenditure		(77,796)	
Budgeted Expenditures, Budgetary Basis		41,722,047	41,722,047
Other Financing Uses, Net		(111,280)	
Revenues Over Expenditures and Other Financing Uses, Budgetary Basis		1,949,764	\$ 1,949,764
Revenues Over Expenditures and Other Financing Uses, GAAP Basis		1,949,764	\$ 1,949,764

The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2020:

General Fund:		
Support services:		
Improvement of instructional services	\$	77,223
Student transportation services		59,343

The excess of expenditures over budget were primarily funded by fewer than anticipated expenditures.

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**NOTE 3 - DEPOSITS AND INVESTMENTS**

**Composition**

Cash consists of deposits (including certificates of deposit, savings accounts and interest bearing checking accounts) in authorized financial institutions. Georgia Law authorizes the Board to deposit its funds in one or more solvent banks, insured federal savings and loan associations, or insured state chartered building and loan associations. The placement of proceeds from bond issues in certificates of deposits is limited to financial institutions located within this state.

**Interest rate risk.** The Board 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.

**Credit risk.** The Board is authorized by state statutes to invest in the securities of the United States Treasury, United States agencies and instrumentalities, repurchase agreements and the Georgia Fund 1 administered by the State of Georgia. It is the government’s policy to limit any investments in these to the top rating issued by NRSROs. At June 30, 2020, all investments of the Board were invested in Georgia Fund 1, the local government investment pool, administered by the State of Georgia and are considered cash equivalents. The Georgia Fund 1 investment pool is not subject to credit risk classification and the carrying amount of \$14,452,606 is at fair value, which is the same as the value of pool shares.

The investment in the local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AA Af 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 value as of year-end and the Board’s investment in the Georgia Fund 1 is reported at fair value. The Board considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

At June 30, 2020, the Board had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Georgia Fund 1	38 day weighted average	AA Af	\$ 14,452,606

**Fair Value Measurements.** The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the Board does not disclose investment in the Georgia Fund 1 within the fair value hierarchy.

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**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

**Custodial credit risk.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board 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 or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2020, the Board had deposits with one (1) financial institution collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. Additionally, the Board had deposits with one (1) financial institution that was collateralized by pledged securities, as defined above, such that all of the Board’s bank balances were insured and/or collateralized as defined by GASB and required by State statutes.

**NOTE 4 - RECEIVABLES**

Intergovernmental receivables consist of grant reimbursements due from federal, state or other grantors for expenditures made but not yet reimbursed. The Georgia Department of Education is the main government agency that grants are due from as of June 30, 2020.

Property taxes are levied on property values assessed as of January 1. The City of Cartersville Board of Education approved a millage rate of 14.576 mills for tax year 2019. The City of Cartersville bills and collects property taxes for the City of Cartersville Board of Education. The taxes are levied by September 15 based on the assessed value of property as listed on the previous January 1 and are due and collectable on November 15. Liens are enforceable on March 2 of the following year.

Property taxes are recorded as receivables and unavailable revenues when assessed. Revenues are recognized when available.

	<u>General</u>	<u>SPLOST Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 272,061	\$ 599,154	\$ -	\$ 871,215
Intergovernmental	3,643,721	-	547,760	4,191,481
Gross receivables	3,915,782	599,154	547,760	5,062,696
Less allowance for uncollectibles	(29,703)	-	-	(29,703)
Net total receivables	<u>\$ 3,886,079</u>	<u>\$ 599,154</u>	<u>\$ 547,760</u>	<u>\$ 5,032,993</u>

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**NOTE 5 - CAPITAL ASSETS**

Changes in capital assets used in the Board's governmental activities during the year ended June 30, 2020 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Building and improvements	\$ 200,254	\$ -	\$ -	\$ 200,254
Vehicles	3,452,485	158,110	(149,865)	3,460,730
Computers	6,015,733	1,295,629	(50,516)	7,260,846
Furniture and equipment	3,562,881	1,233,835	(9,471)	4,787,245
Total depreciable	<u>13,231,353</u>	<u>2,687,574</u>	<u>(209,852)</u>	<u>15,709,075</u>
Accumulated depreciation:				
Building and improvements	28,297	-	-	28,297
Vehicles	2,554,273	235,988	(149,862)	2,640,399
Computers	3,877,824	1,090,065	(33,846)	4,934,043
Furniture and equipment	1,842,436	379,062	(2,923)	2,218,575
Total depreciable	<u>8,302,830</u>	<u>1,705,115</u>	<u>(186,631)</u>	<u>9,821,314</u>
Governmental activities capital assets, net	<u>\$ 4,928,523</u>	<u>\$ 982,459</u>	<u>\$ (23,221)</u>	<u>\$ 5,887,761</u>

Depreciation expense was charged to functions of the Board as follows:

<b>Governmental activities:</b>	
Instruction	\$ 401,975
Pupil services	204
Educational media services	2,312
General administration	10,773
School administration	5,927
Business administration	2,509
Maintenance and operations of plant services	39,381
Student transportation services	41,512
Central support services	171,150
Other support services	17,957
School nutrition program	80,286
Facilities and acquisition services	926,135
Community services operations	4,994
Total depreciation expense	<u>\$ 1,705,115</u>

**CITY OF CARTERSVILLE BOARD OF EDUCATION  
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**NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2020 is as follows:

<b>Interfund Receivable</b>	<b>Interfund Payable</b>	<b>Amount</b>
General Fund	Non-major Governmental Funds	\$ 356,364

The balance between the General Fund and the Non-major Governmental Funds resulted from the time lag between the dates that the General Fund incurred expenditures for payroll and payment was made by the Non-major Governmental Funds to reimburse the General Fund.

Transfers are used to use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2020 are as follows:

<b>Transfer In</b>	<b>Transfer out</b>	<b>Amount</b>
General Fund	Non-major Governmental Funds	\$ 19,291
Non-Major Governmental Funds	General Fund	137,427

**NOTE 7 - RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disaster; and unemployment compensation. The Board purchases commercial insurance for all risks of loss. Settled claims have not exceeded purchased commercial insurance coverage in any of the past three years. There was no significant reduction in insurance coverage.

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**NOTE 8 - RETIREMENT PLANS**

**GENERAL INFORMATION ABOUT THE TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)**

**Plan description:** All teachers of the Board 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).

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

**Contributions:** Per Title 47 of the 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 6.00% of their annual pay during fiscal year 2020. The Board's contractually required contribution rate for the year ended June 30, 2020 was 21.14% of annual Board payroll. District contributions to TRS were \$5,221,209 for the year ended June 30, 2020.

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**NOTE 8 - RETIREMENT PLANS (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

At June 30, 2020, the Board reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the Board by the State of Georgia for certain public school support personnel. The amount recognized by the Board 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 Board were as follows:

Board's proportionate share of the net pension liability	\$	40,957,490
State of Georgia's proportionate share of the net pension liability associated with the Board		266,634
Total	\$	41,224,124

The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The Board's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2019. At June 30 2019, the Board's proportion was 0.190476%, which was a decrease of 0.003874% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Board recognized pension expense of \$6,720,077 and revenue of \$19,600 for support provided by the State of Georgia for certain support personnel. At June 30, 2020, the Board 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>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 975,323
Changes in proportion and differences between Board contributions and proportionate share of contributions	518,197	920,581
Assumption changes	3,930,406	-
Experience differences between expected and actual	2,308,573	12,143
Board contributions subsequent to the measurement date	5,221,209	-
Total	\$ 11,978,385	\$ 1,908,047

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**NOTE 8 - RETIREMENT PLANS (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)**

Board contributions subsequent to the measurement date of \$5,221,209 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. 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>	
2021	\$ 2,022,143
2022	413,516
2023	1,201,521
2024	1,211,949
Total	<u>\$ 4,849,129</u>

**Actuarial assumptions:** The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00 – 8.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Postretirement benefit increases	1.50% semi-annually

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the long-term assumed rate of return on assets (discount rate), which was changed from 7.50% to 7.25%, and the assumed annual rate of inflation, which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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**NOTE 8 - RETIREMENT PLANS (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)**

The long-term expected rate of return on 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%	(0.10)%
Domestic large equities	51.00	8.90
Domestic small equities	1.50	13.20
International developed market equities	12.40	8.90
International emerging market equities	5.10	10.90
Total	100.00%	

\* Rates shown are net of the 2.50% assumed rate of inflation

**Discount rate:** The discount rate used to measure the total pension liability was 7.25%, which was a decrease from the discount rate of 7.50% utilized in the previous valuation. 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.

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**NOTE 8 - RETIREMENT PLANS (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)**

*Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate:* The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current discount rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Board's proportionate share of the net pension liability	\$ 66,485,994	\$ 40,957,490	\$ 19,963,990

*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).

**GENERAL INFORMATION ABOUT THE PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM (PSERS)**

*Plan description:* PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the 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/financials](http://www.ers.ga.gov/financials).

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

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

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**NOTE 8 - RETIREMENT PLANS (Continued)**

**GENERAL INFORMATION ABOUT THE PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM (PSERS) (Continued)**

**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, 2020, the Board did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the State’s proportionate share of the net pension liability associated with the District is as follows:

State of Georgia’s proportionate share of the Net Pension Liability associated with the Board	\$ <u>257,688</u>
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The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The State’s proportion of the net pension liability associated with the Board was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2019.

For the year ended June 30, 2020, the Board recognized pension expense of \$79,468 and revenue of \$79,468 for support provided by the State of Georgia.

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	N/A
Investment rate of return	7.30%, net of pension plan investment expense, including inflation
Postretirement benefit increase	1.50% semi-annually

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**NOTE 8 - RETIREMENT PLANS (Continued)**

**GENERAL INFORMATION ABOUT THE PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM (PSERS) (Continued)**

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

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:

<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected real rate of return*</b>
Fixed income	30.00%	(0.10)%
Domestic large stocks	46.20	8.90
Domestic small stocks	1.30	13.20
International developed market stocks	12.40	8.90
International emerging market stocks	5.10	10.90
Alternatives	5.00	12.00
Total	100.00%	

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

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**NOTE 8 - RETIREMENT PLANS (Continued)**

**GENERAL INFORMATION ABOUT THE PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM (PSERS) (Continued)**

*Discount rate:* The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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.

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

**Grant Programs**

The Board 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 Board has not complied with the rules and regulations governing the grants, refunds of any amounts received may be required and the collectibility of any related receivable at year-end may be impaired. In the opinion of the Board, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**Litigation**

The Board is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of Board operations. While the ultimate results of these legal actions cannot be determined, the Board does not expect that these matters will have a material adverse effect on the financial condition of the Board.

**Encumbrances**

As discussed in Note 2, the Board's policy is to automatically carry forward encumbered amounts into the subsequent budget period. As of June 30, 2020 the General Fund's encumbrances expected to be honored upon performance by vendor in the next year are \$81,769.

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 10 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS**

The Board has recognized revenue and expenditures in the amount of \$77,796 for retirement contributions paid on the Board's behalf as follows:

Paid by the Office the State Treasurer of the State of Georgia to the Public School Employees Retirement System for Public School Employees Retirement (PSERS) in the amount of \$44,552.

Paid by the Georgia Department of Education to the Teachers Retirement System for Teachers Retirement (TRS) in the amount of \$33,244.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**Georgia School Personnel Employees Postemployment Health Benefit Fund**

**Plan Description:** The Board participates in the State of Georgia School Employees Postemployment Benefit Fund (the School OPEB Fund) which is an other postemployment 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 Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment 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 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 Board were \$656,508 for the year ended June 30, 2020. Active employees are not required to contribute to the School OPEB Fund.

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

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

At June 30, 2020, the Board reported a liability of \$23,632,593 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2018. An expected total OPEB liability as of June 30, 2019 was determined using standard roll-forward techniques. The Board'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, 2019. At June 30 2019, the Board's proportion was 0.192571%, which was a decrease of 0.000578% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Board recognized OPEB expense of \$317,929. At June 30, 2020, 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>
Differences between expected and actual experience	\$ -	\$ 2,570,980
Net difference between projected and actual earnings on OPEB plan investments	51,464	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	935,506
Changes in plan assumptions	820,714	3,331,449
Board contributions subsequent to the measurement date	656,508	-
Total	\$ 1,528,686	\$ 6,837,935

Board contributions subsequent to the measurement date of \$656,508 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ending June 30:</b>	
2021	\$ (1,373,102)
2022	(1,373,102)
2023	(1,375,080)
2024	(1,150,271)
2025	(574,351)
2026	(119,851)
Total	\$ (5,965,757)

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**Actuarial assumptions:**

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 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, 2019:

Inflation	2.50%
Salary Increases	TRS – 3.00-8.75%, including inflation PSERS – N/A
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare eligible	7.25%
Medicare eligible	5.375%
Ultimate trend rate:	
Pre-Medicare eligible	4.75%
Medicare eligible	4.75%
Year of ultimate trend rate:	
Pre-Medicare eligible	2028
Medicare eligible	2022

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 1 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 2 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 3 years for males and 2 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 5 years for both males and females) was used for the period after disability retirement.

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2014 and adopted by the pension Board on November 15, 2015. The next experience study for TRS will be for the period ending June 30, 2018.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Board 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.

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. Beginning in fiscal year 2018, the School OPEB fund update their investment strategy to a more long-term approach. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	(0.10)%
Domestic Stocks -- Large Cap	46.20%	8.90%
Domestic Stocks -- Small Cap	1.30%	13.20%
Int'l Stocks - Developed Mkt	12.40%	8.90%
Int'l Stocks - Emerging Mkt	5.10%	10.90%
Alternatives	5.00%	12.00%
Total	100.00%	

\*Net of Inflation

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**Discount rate:**

The discount rate has changed since the prior measurement date from 3.87% 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 (3.58% per the Bond Buyers Index). The projection of cash flows used to determine the discount rate assumed that contributions from members and 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 2119. 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 2026. Therefore, the calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate:**

The following presents the Board's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the Board'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>
Board's proportionate share of the net OPEB liability	\$ 27,468,873	\$ 23,632,593	\$ 20,511,952

**Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate:**

The following presents the Board's proportionate share of the net OPEB liability calculated using the healthcare cost trend rates of 5.375% to 7.25%, 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 (4.375% to 6.25%) or 1-percentage-point higher (6.375% to 8.25%) than the current rates:

	<b>1% Decrease (4.375% to 6.25%)</b>	<b>Current discount rate (5.375% to 7.25%)</b>	<b>1% Increase (6.375% to 8.25%)</b>
Board's proportionate share of the net OPEB liability	\$ 19,907,956	\$ 23,632,593	\$ 28,363,165

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**OPEB plan fiduciary net position:**

Detailed information about the OPEB plan’s fiduciary net position is available in the Comprehensive Annual Financial Report (CAFR) which is publicly available at <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

**NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLE**

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, the City of Cartersville Board of Education is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the City of Cartersville Board of Education to determine if funds are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the custodial fund.

Net Position, fiduciary activities, as previously reported	\$	-
Recognition of the beginning net position of the custodial fund		259,824
Net position, fiduciary activities, as restated	\$	<u>259,824</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**TEACHERS RETIREMENT SYSTEM OF GEORGIA**  
**FOR THE FISCAL YEAR ENDED JUNE 30**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board's proportion of the net pension liability	0.190476%	0.194350%	0.193826%	0.187335%	0.196712%	0.199006%
Board's proportionate share of the net pension liability	\$ 40,957,490	\$ 36,075,523	\$ 36,023,159	\$ 38,649,299	\$ 29,947,449	\$ 25,141,783
State of Georgia's proportionate share of the net pension liability associated with the Board	266,634	241,679	252,574	305,134	325,642	256,843
<b>Total</b>	<b><u>\$ 41,224,124</u></b>	<b><u>\$ 36,317,202</u></b>	<b><u>\$ 36,275,733</u></b>	<b><u>\$ 38,954,433</u></b>	<b><u>\$ 30,273,091</u></b>	<b><u>\$ 25,398,626</u></b>
Board's covered payroll	\$ 23,245,895	\$ 23,148,316	\$ 22,239,958	\$ 20,570,694	\$ 20,766,335	\$ 20,302,581
Board's proportionate share of the net pension liability as a percentage of its covered payroll	176.19%	155.85%	161.97%	187.89%	144.21%	123.84%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%	76.06%	81.44%	84.03%

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION  
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
TEACHERS RETIREMENT SYSTEM OF GEORGIA  
FOR THE FISCAL YEAR ENDED JUNE 30**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contributions	\$ 5,221,209	\$ 4,858,392	\$ 3,891,232	\$ 3,173,642	\$ 2,935,438	\$ 2,732,088	\$ 2,493,157	\$ 2,333,282	\$ 2,199,278	\$ 2,208,067
Contributions in relation to the contractually required contributions	5,221,209	4,858,392	3,891,232	3,173,642	2,935,438	2,732,088	2,493,157	2,333,282	2,199,278	2,208,067
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 24,698,245	\$ 23,245,895	\$ 23,148,316	\$ 22,239,958	\$ 20,570,694	\$ 20,766,335	\$ 20,302,581	\$ 20,449,448	N/A	N/A
Contributions as a percentage of covered payroll	21.140%	20.900%	16.810%	14.270%	14.270%	13.156%	12.280%	11.410%	N/A	N/A

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**PUBLIC SCHOOLS EMPLOYEE RETIREMENT SYSTEM OF GEORGIA**  
**FOR THE FISCAL YEAR ENDED JUNE 30**

	2020	2019	2018	2017	2016	2015
Board's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
Board's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability associated with the Board	<u>257,688</u>	<u>239,620</u>	<u>220,551</u>	<u>281,158</u>	<u>187,254</u>	<u>170,734</u>
Total	<u>\$ 257,688</u>	<u>\$ 239,620</u>	<u>\$ 220,551</u>	<u>\$ 281,158</u>	<u>\$ 187,254</u>	<u>\$ 170,734</u>
Board's covered-employee payroll	\$ 922,590	\$ 884,653	\$ 830,592	\$ 701,516	\$ 697,463	\$ 694,237
Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.02%	85.26%	85.69%	81.00%	87.00%	88.29%

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY**  
**SCHOOL OPEB FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net OPEB liability	0.192571%	0.193149%	0.196075%
Board's proportionate share of the net OPEB liability	<u>\$ 23,632,593</u>	<u>\$ 24,548,645</u>	<u>\$ 27,548,459</u>
Total	<u>\$ 23,632,593</u>	<u>\$ 24,548,645</u>	<u>\$ 27,548,459</u>
Board's covered-employee payroll	\$ 19,698,296	\$ 22,591,715	\$ 21,638,535
Board's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	119.97%	108.66%	127.31%
Plan fiduciary net position as a percentage of the total OPEB liability	4.63%	2.93%	1.61%

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**SCHOOL OPEB FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 656,508	\$ 1,037,131	\$ 1,001,070
Contributions in relation to the contractually required contributions	<u>656,508</u>	<u>1,037,131</u>	<u>1,001,070</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 20,943,727	\$ 19,698,296	\$ 22,591,715
Contributions as a percentage of covered-employee payroll	3.135%	5.265%	4.431%

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

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**Teachers Retirement System of Georgia:**

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

On November 18, 2015, the 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 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).

Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.5% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.50%.

**Public Schools Employees Retirement System of Georgia:**

*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 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 3 years for males and 2 years for females).

**School OPEB Fund:**

*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 in 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 AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

ASSETS	Special Revenue					Total Nonmajor Governmental Funds
	School Food Services	Federal Programs	Lottery Programs	After School Program	Student Activities	
Cash and cash equivalents	\$ 837,970	\$ -	\$ 62,747	\$ 222,108	\$ 762,713	\$ 1,885,538
Intergovernmental receivables	142,121	405,639	-	-	-	547,760
Inventory	101,087	-	-	-	-	101,087
Total assets	\$ 1,081,178	\$ 405,639	\$ 62,747	\$ 222,108	\$ 762,713	\$ 2,534,385
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 9,399	\$ -	\$ 69	\$ 50	\$ -	\$ 9,518
Salaries and benefits payable	143,318	49,275	62,678	-	-	255,271
Unearned revenue	50,258	-	-	-	-	50,258
Due to other funds	-	356,364	-	-	-	356,364
Total liabilities	202,975	405,639	62,747	50	-	671,411
<b>FUND BALANCES</b>						
Nonspendable:						
Inventory	101,087	-	-	-	-	101,087
Restricted:						
School nutrition	777,116	-	-	-	-	777,116
Committed:						
After school programs	-	-	-	222,058	-	222,058
Student activities	-	-	-	-	762,713	762,713
Total fund balances	878,203	-	-	222,058	762,713	1,862,974
Total liabilities and fund balances	\$ 1,081,178	\$ 405,639	\$ 62,747	\$ 222,108	\$ 762,713	\$ 2,534,385

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue				Total Nonmajor Governmental Funds	
	School Food Services	Federal Programs	Lottery Programs	After School Program		Student Activities
<b>REVENUES</b>						
Federal sources	\$ 2,021,834	\$ 1,992,539	\$ -	\$ -	\$ -	\$ 4,014,373
State sources	73,830	-	579,469	-	-	653,299
Local sources	671,959	-	-	-	566,628	1,238,587
Interest income	-	-	-	-	29	29
Charges for services	-	-	-	283,614	274,824	558,438
Total revenues	<u>2,767,623</u>	<u>1,992,539</u>	<u>579,469</u>	<u>283,614</u>	<u>841,481</u>	<u>6,464,726</u>
<b>EXPENDITURES</b>						
Instruction	-	1,563,038	525,490	-	802,483	2,891,011
Support services:						
Pupil services	-	341,846	-	-	-	341,846
Improvement of instructional services	-	148,960	2,016	-	-	150,976
Educational media services	-	9,156	-	-	-	9,156
General administration	-	57,287	7,232	-	-	64,519
School administration	-	-	225	-	-	225
Maintenance and operation of plant	-	-	32,827	-	-	32,827
Student transportation services	-	9,679	10,851	-	-	20,530
Other support services	-	-	205	-	-	205
Food services operation	2,882,580	-	623	-	-	2,883,203
Community services operation	-	-	-	256,237	-	256,237
Total expenditures	<u>2,882,580</u>	<u>2,129,966</u>	<u>579,469</u>	<u>256,237</u>	<u>802,483</u>	<u>6,650,735</u>
Excess (deficiency) of revenues over expenditures	(114,957)	(137,427)	-	27,377	38,998	(186,009)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	137,427	-	-	-	137,427
Transfers out	-	-	-	-	(19,291)	(19,291)
Total other financing sources (uses)	<u>-</u>	<u>137,427</u>	<u>-</u>	<u>-</u>	<u>(19,291)</u>	<u>118,136</u>
Net change in fund balances	(114,957)	-	-	27,377	19,707	(67,873)
<b>FUND BALANCE, beginning of year</b>	<u>993,160</u>	<u>-</u>	<u>-</u>	<u>194,681</u>	<u>743,006</u>	<u>1,930,847</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 878,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,058</u>	<u>\$ 762,713</u>	<u>\$ 1,862,974</u>

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**SCHEDULE OF EXPENDITURES BY OBJECT**  
**LOTTERY PROGRAMS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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<b>EXPENDITURES</b>	<b>Pre-Kindergarten Program</b>
Salaries/benefits:	
Pre-K teacher salaries/benefits	\$ 384,354
Paraprofessional	129,189
Substitute	2,603
Total salaries/benefits	<u>516,146</u>
Operating costs:	
Supplies	9,587
Other expenditures	53,736
Total operating costs	<u>63,323</u>
 Total expenditures	 <u><u>\$ 579,469</u></u>

**CITY OF CARTERSVILLE BOARD OF EDUCATION  
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Project</u>	<u>Original Estimated Cost(1)</u>	<u>Current Estimated Costs(2)</u>	<u>Expended In Current Year (3)</u>	<u>Expended In Prior Years (3)</u>	<u>Total Expended</u>	<u>Project Status</u>
<b>2017 SPLOST</b>						
Acquiring system-wide technology improvements (including necessary software), adding to, renovating, repairing, improving and equipping existing school buildings, athletic facilities, and other buildings and facilities useful or desirable in connection therewith, acquiring and installing playgrounds at existing schools, acquiring land for expansion of Cartersville High School and for future schools, acquiring school buses and other vehicles, and acquiring any necessary property therefore, both real and personal.	\$ 34,000,000	\$ 34,000,000	\$ 4,155,198	\$ 3,846,835	\$ 8,002,033	Ongoing
<b>Total 2017 SPLOST</b>	<u>\$ 34,000,000</u>	<u>\$ 34,000,000</u>	<u>\$ 4,155,198</u>	<u>\$ 3,846,835</u>	<u>\$ 8,002,033</u>	

- (1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- (2) The School District's current estimate of total cost for the project(s). Includes all cost from project inception to completion.
- (3) The voters of Bartow County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt.

# STATISTICAL SECTION

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This part of the City of Cartersville Board of Education’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board’s overall financial health.

	<u>Page</u>
<b>Financial Trends .....</b>	<b>60</b>
<b>These schedules contain trend information to help the reader understand how the Board’s financial performance and well-being have changed over time.</b>	
<b>Revenue Capacity.....</b>	<b>64</b>
<b>These schedules contain information to help the reader assess the Board’s most significant local revenue source, property tax.</b>	
<b>Debt Capacity .....</b>	<b>68</b>
<b>These schedules present information to help the reader assess the affordability of the Board’s current levels of outstanding debt and the Board’s ability to issue additional debt in the future.</b>	
<b>Demographic and Economic Information .....</b>	<b>72</b>
<b>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board’s financial activities take place.</b>	
<b>Operating Information .....</b>	<b>75</b>
<b>These schedules contain service and infrastructure data to help the reader understand how the information in the Board’s financial report relates to the services the Board provides and the activities it performs.</b>	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (accrual basis of accounting)

	2011	2012	2013	2014	2015 (1)	2016	2017	2018 (2)	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 2,378,347	\$ 2,554,000	\$ 3,046,194	\$ 3,408,555	\$ 4,130,717	\$ 4,477,174	\$ 4,808,949	\$ 4,870,437	\$ 4,689,944	\$ 5,887,761
Restricted	8,148,578	7,305,466	9,561,809	10,057,780	13,123,855	7,293,701	10,867,976	12,919,012	13,194,487	14,462,661
Unrestricted	12,262,011	11,515,221	13,312,746	12,684,258	(18,044,519)	(16,708,998)	(16,618,028)	(46,161,141)	(43,189,474)	(42,283,889)
Total governmental activities net position	<u>\$ 22,788,936</u>	<u>\$ 21,374,687</u>	<u>\$ 25,920,749</u>	<u>\$ 26,150,593</u>	<u>\$ (789,947)</u>	<u>\$ (4,938,123)</u>	<u>\$ (941,103)</u>	<u>\$ (28,371,692)</u>	<u>\$ (25,305,043)</u>	<u>\$ (21,933,467)</u>

(1) Net position was restated due to the implementation of GASBS Nos. 68 and 71, effective July 1, 2014.

(2) Net position was restated due to the implementation of GASBS No. 75, effective July 1, 2017.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
Instruction	\$ 25,245,277	\$ 25,951,241	\$ 25,617,850	\$ 25,464,194	\$ 25,038,245	\$ 26,574,370	\$ 28,880,464	\$ 30,503,660	\$ 29,375,247	\$ 33,541,797
Support Services:										
Pupil services	1,293,166	1,255,932	1,218,309	1,253,982	1,577,700	1,717,681	2,039,216	2,520,370	2,805,007	2,990,835
Improvement of Instruction	1,346,535	1,569,840	1,376,105	1,286,064	1,020,909	956,982	1,204,973	825,651	959,773	1,224,500
Educational media services	500,258	458,667	262,242	264,048	275,210	278,279	302,984	290,619	302,104	338,425
General administration	811,620	820,273	808,889	779,080	824,456	802,079	856,175	832,610	750,756	875,392
School administration	1,896,584	1,920,090	2,003,017	1,987,418	1,972,110	2,109,713	2,453,017	2,400,255	2,274,638	2,547,988
Business administration	522,523	525,608	618,102	490,976	532,111	484,342	591,280	666,903	562,634	627,536
Maintenance and operation of plant	6,062,740	7,812,148	4,419,615	6,508,509	5,089,490	12,996,965	(1) 4,870,444	5,468,391	7,751,017	4,866,086
Student transportation service	1,280,390	1,217,782	1,162,442	1,364,926	1,269,390	1,510,084	1,628,379	1,730,471	1,707,566	1,893,043
Support services - central	152,916	208,895	351,401	323,495	321,362	379,438	743,753	572,602	562,133	550,252
Other support services	206,346	169,737	166,563	267,924	358,673	381,789	278,251	325,951	351,239	258,258
Total Support Services	14,073,078	15,958,972	12,386,685	14,526,422	13,210,961	21,617,352	14,968,472	15,633,823	18,026,867	16,172,315
Operations of non-instructional services										
Food services operation	3,071,864	3,062,448	3,099,196	3,422,217	3,289,424	3,368,006	3,793,209	3,541,353	3,216,119	3,014,495
Community service operations	109,014	136,518	167,842	177,371	179,680	200,800	223,267	310,172	242,814	261,231
Other Miscellaneous Expenses	4,054	-	-	-	-	-	-	-	-	-
	3,184,932	3,198,966	3,267,038	3,599,588	3,469,104	3,568,806	4,016,476	3,851,525	3,458,933	3,275,726
<b>Total Expenses</b>	42,503,287	45,109,179	41,271,573	43,590,204	41,718,310	51,760,528	47,865,412	49,989,008	50,861,047	52,989,838
<b>Program revenues</b>										
Governmental activities:										
Charges for services and sales:										
Instruction	211,700	194,236	375,207	329,440	396,815	494,790	598,084	446,753	565,931	377,924
Support services	33,873	36,246	36,470	35,102	30,422	34,539	34,892	34,847	27,431	920
Food services operation	907,099	918,766	946,451	898,091	774,693	748,625	790,332	818,541	835,371	654,045
Community services operation	199,182	-	-	-	-	-	-	107,624	39,267	23,566
Operating grants, contributions and interest	23,817,658	22,340,252	24,219,378	23,003,502	25,140,437	26,324,502	28,448,165	28,707,024	29,618,806	31,803,485
Capital grants and contributions	161,921	83,064	9,747	9,749	1,194,912	14,378	1,743,056	128,315	231,660	77,220
<b>Total governmental activities program revenues</b>	25,331,433	23,572,564	25,587,253	24,275,884	27,537,279	27,616,834	31,614,529	30,243,104	31,318,466	32,937,160
<b>Net Expense</b>	(17,171,854)	(21,536,615)	(15,684,320)	(19,314,320)	(14,181,031)	(24,143,694)	(16,250,883)	(19,745,904)	(19,542,581)	(20,052,678)
<b>General revenues</b>										
Governmental activities:										
Property taxes	16,445,865	15,580,291	16,003,431	15,237,287	15,634,009	15,829,893	15,908,795	16,314,094	17,104,763	17,831,396
Special purpose local option sales taxes	4,904,104	4,529,806	4,214,954	4,297,269	4,436,961	4,157,621	4,326,514	5,034,791	5,446,245	5,511,405
Investment earnings	30,350	12,269	11,997	9,608	9,758	8,004	12,239	25,113	58,222	81,453
Gain on sale of capital assets	12,121	-	-	-	3,740	-	355	-	-	-
<b>Total governmental activities general revenues and other changes in net position</b>	21,392,440	20,122,366	20,230,382	19,544,164	20,084,468	19,995,518	20,247,903	21,373,998	22,609,230	23,424,254
<b>Change in net position</b>										
Governmental activities	4,220,586	(1,414,249)	4,546,062	229,844	5,903,437	(4,148,176)	3,997,020	1,628,094	3,066,649	3,371,576
<b>Total primary government change in net position</b>	\$ 4,220,586	\$ (1,414,249)	\$ 4,546,062	\$ 229,844	\$ 5,903,437	\$ (4,148,176)	\$ 3,997,020	\$ 1,628,094	\$ 3,066,649	\$ 3,371,576

Source: City of Cartersville Board of Education available records.

(1) Increase represents additional payments to City.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2011 **	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Undesignated										
Assigned	8,420,946	6,818,148	8,186,880	8,105,354	8,864,787	8,757,710	9,433,167	8,759,712	7,603,718	8,090,231
Unassigned	3,015,008	3,839,099	4,216,974	4,132,837	4,198,353	4,426,610	4,074,647	4,533,366	6,898,767	8,362,018
Total general fund	<u>\$ 11,435,954</u>	<u>\$ 10,657,247</u>	<u>\$ 12,403,854</u>	<u>\$ 12,238,191</u>	<u>\$ 13,063,140</u>	<u>\$ 13,184,320</u>	<u>\$ 13,507,814</u>	<u>\$ 13,293,078</u>	<u>\$ 14,502,485</u>	<u>\$ 16,452,249</u>
All Other Governmental Funds										
Reserved										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Undesignated, reported in:										
Special Purpose Local Option Sales Tax Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Unreserved, Designated, reported in:										
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	113,747	101,220	113,754	144,533	129,410	133,618	126,044	113,997	61,192	101,087
Restricted	8,148,578	7,305,466	9,561,809	9,913,247	12,994,445	7,160,083	10,741,932	12,791,280	12,894,716	14,361,574
Committed	281,106	338,453	476,426	395,586	526,606	589,741	814,617	773,370	937,687	984,771
Unassigned	-	-	-	(95)	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 8,543,431</u>	<u>\$ 7,745,139</u>	<u>\$ 10,151,989</u>	<u>\$ 10,453,271</u>	<u>\$ 13,650,461</u>	<u>\$ 7,883,442</u>	<u>\$ 11,682,593</u>	<u>\$ 13,678,647</u>	<u>\$ 13,893,595</u>	<u>\$ 15,447,432</u>

Source: City of Cartersville Board of Education available records.

\*\* In the 2011 fiscal year, the Board implemented GASB Statement No. 54.

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Taxes	\$ 16,473,982	\$ 15,593,194	\$ 16,103,020	\$ 15,505,423	\$ 15,605,948	\$ 15,858,469	\$ 15,904,799	\$ 16,318,537	\$ 17,115,318	\$ 17,762,370
Local sources	1,807,737	1,965,194	2,229,102	2,069,228	2,201,037	2,367,178	4,157,356	2,231,873	2,398,119	1,495,897
State sources	17,607,466	16,706,406	17,577,839	17,203,498	20,293,707	20,038,590	21,627,721	23,101,186	23,990,352	26,370,053
Federal sources	5,626,456	4,650,280	5,455,554	4,666,347	4,640,779	4,778,194	5,316,228	4,303,494	4,146,736	4,059,373
Special purpose local option sales tax	4,904,104	4,529,806	4,214,954	4,297,269	4,436,961	4,157,621	4,326,514	5,034,791	5,446,245	5,511,405
School receipts	191,090	196,708	253,908	256,918	281,672	316,475	355,578	361,071	391,117	661,538
Interest income	39,687	19,113	21,744	19,357	23,467	22,382	54,295	153,428	323,472	254,888
Other sources	89,347	47,132	61,103	70,144	74,879	67,099	55,480	67,673	71,033	77,796
Total revenues	46,739,869	43,707,833	45,917,224	44,088,184	47,558,450	47,606,008	51,797,971	51,572,053	53,882,392	56,193,320
<b>Expenditures:</b>										
Current:										
Instruction	25,195,660	25,899,470	25,589,969	25,827,724	26,119,029	27,649,797	28,455,364	29,308,149	29,339,992	31,155,238
Pupil services	1,291,166	1,253,932	1,216,309	1,253,982	1,621,631	1,766,389	2,019,144	2,526,778	2,900,297	2,917,687
Improvement of instructional services	1,346,535	1,569,840	1,376,105	1,286,064	1,054,309	989,405	1,191,167	833,984	1,006,818	1,179,605
Educational media services	499,418	457,827	261,402	263,208	277,560	285,665	303,756	296,572	315,430	331,813
General administration	811,620	820,273	808,889	779,080	820,373	816,772	848,009	829,955	765,008	845,681
School administration	1,896,584	1,920,090	2,003,017	1,987,418	2,048,553	2,204,045	2,426,792	2,404,696	2,426,314	2,465,184
Business administration	511,543	514,628	608,386	482,108	475,034	488,785	573,494	643,327	580,720	629,733
Maintenance and operation of plant	2,792,360	2,754,693	2,856,097	2,903,257	3,090,797	3,090,321	3,076,626	3,157,978	3,391,612	3,240,323
Student transportation service	1,440,021	1,249,939	1,201,237	1,254,298	1,268,275	1,465,947	1,592,475	1,659,835	1,947,551	1,870,856
Support services - central	147,641	200,132	325,291	348,965	304,777	329,627	674,533	1,004,050	402,147	380,152
Other support services	201,320	164,711	161,537	262,898	351,382	378,672	273,225	313,658	366,366	240,301
Food services operation	3,041,238	3,017,612	3,046,485	3,446,821	3,118,519	3,363,532	3,770,376	3,574,035	3,174,817	2,908,567
Community service operations	107,309	134,812	164,952	171,998	191,435	187,426	208,988	291,019	231,937	256,237
Intergovernmental	2,518,768	2,377,677	1,147,975	1,487,450	1,455,475	9,809,100 (1)	-	-	-	-
Capital outlay	1,128,297	2,949,196	996,116	2,197,294	1,345,162	429,857	2,262,758	2,952,012	5,617,379	4,275,198
Debt service:										
Principal retirement	107,535	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	4,054	-	-	-	-	-	-	-	-	-
Total expenditures	43,041,069	45,284,832	41,763,767	43,952,565	43,542,311	53,255,340	47,676,707	49,796,048	52,466,388	52,696,575
Excess (deficiency) of revenues over expenditures	3,698,800	(1,576,999)	4,153,457	135,619	4,016,139	(5,649,332)	4,121,264	1,776,005	1,416,004	3,496,745
Other financing sources (uses)										
Proceeds from sale of capital assets	14,000	-	-	-	6,000	3,493	1,381	11,313	8,351	6,856
Transfers in	358,554	22,497	4,127	31,696	34,346	238,617	31,217	57,195	68,905	156,718
Transfers out	(358,554)	(22,497)	(4,127)	(31,696)	(34,346)	(238,617)	(31,217)	(57,195)	(68,905)	(156,718)
Total other financing sources (uses)	14,000	-	-	-	6,000	3,493	1,381	11,313	8,351	6,856
Net change in fund balances	\$ 3,712,800	\$ (1,576,999)	\$ 4,153,457	\$ 135,619	\$ 4,022,139	\$ (5,645,839)	\$ 4,122,645	\$ 1,787,318	\$ 1,424,355	\$ 3,503,601
Debt service as a percentage of non-capital expenditures	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Cartersville Board of Education available records.

(1) Increase represents additional payments to City.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## CITY OF CARTERSVILLE, GEORGIA - ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY <sup>1</sup> LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Estimated		Personal Property	Estimated		Total Property	Total Direct Tax Rate	Estimated		Assessed Value as a Percentage of Actual Value
		Actual Value	Actual Value		Actual Value	Actual Value			Actual Value	Actual Value	
2011	\$ 664,254,340	\$ 1,660,635,850	\$ 258,467,335	\$ 646,168,338	\$ 922,721,675	17.23	\$ 2,306,804,188	40%			
2012	646,156,175	1,615,390,438	254,283,144	635,707,860	900,439,319	17.23	2,251,098,298	40%			
2013	620,156,532	1,550,391,330	254,400,015	636,000,038	874,556,547	18.23	2,186,391,368	40%			
2014	588,178,102	1,470,445,255	249,732,551	261,693,592	837,910,653	18.23	1,732,138,847	40%			
2015	600,435,917	1,501,089,793	261,534,085	653,835,213	861,970,002	17.93	2,154,925,005	40%			
2016	658,538,948	1,646,347,370	287,958,319	719,895,798	946,497,267	16.82	2,366,243,168	40%			
2017	680,238,829	1,700,597,073	276,397,156	690,992,890	956,635,985	16.55	2,391,589,963	40%			
2018	719,627,034	1,799,067,585	289,930,683	724,826,708	1,009,557,717	16.19	2,523,894,293	40%			
2019	754,224,799	1,885,561,998	314,045,528	785,113,820	1,068,270,327	15.67	2,670,675,818	40%			
2020	843,735,547	2,109,338,868	336,749,476	841,873,690	1,180,485,023	14.58	2,951,212,558	40%			

<sup>1</sup> Source: Bartow County Tax Assessor

Notes: The county assesses property at 40% of actual value. Actual tax value is calculated by dividing assessed value by 40 percent. Tax rates are per \$1,000 of assessed value.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Fiscal Year	Direct Rate (1)	Overlapping Rates				Total
	Cartersville School Board	City of Cartersville Operating	Bartow County	State of Georgia	Parks & Recreation Bond	Direct & Overlapping Rates
2011	17.23	1.38	9.05	0.25	-	27.91
2012	17.23	1.38	9.05	0.20	-	27.86
2013	18.23	1.38	10.97	0.15	-	30.73
2014	18.23	1.38	10.97	0.10	-	30.68
2015	17.93	1.38	10.30	0.05	1.10	30.76
2016	16.82	2.38	10.30	0.00	1.08	30.58
2017	16.55	2.33	10.30	0.00	1.00	30.18
2018	16.19	2.33	10.30	0.00	1.00	29.82
2019	15.67	2.26	10.30	0.00	0.97	29.20
2020	14.58	2.91	9.96	0.00	0.77	28.22

Source: Bartow County Tax Commissioner

(1) Cartersville School Board only levies one rate for maintenance and operations, thus there are no components of the direct rate to report.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## CITY OF CARTERSVILLE, GEORGIA - PRINCIPAL PROPERTY TAXPAYERS PRIOR YEAR AND NINE YEARS AGO

<u>Employer</u>	2019*			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Anheuser Busch	\$ 103,848,161	1	9.72%	\$ 124,644,125	1	12.29%
Shaw Industries	74,950,379	2	7.02%	34,739,484	2	3.43%
Aquafil USA	14,014,137	3	1.31%	5,869,365	7	0.58%
Trinity Rail	10,585,618	4	0.99%	12,715,367	3	1.25%
Continental Pet	8,224,908	5	0.77%	11,425,510	4	1.13%
Colloid	5,215,922	6	0.49%	8,512,040	6	0.84%
TI Group Automotive Systems	5,099,047	7	0.48%	5,340,718	9	0.53%
HD Dev/Home Depot	4,801,243	8	0.45%			0.00%
Komatsu	4,656,014	9	0.44%			0.00%
Forty-one Connector, LLC	4,626,195	10	0.43%	9,946,760	5	0.98%
Bellsouth Communications			0.00%	5,823,473	8	0.57%
Monitor Manufacturing Co.			0.00%	4,780,056	10	0.47%
	<u>\$ 236,021,624</u>		<u>22.09%</u>	<u>\$ 223,796,898</u>		<u>22.07%</u>

Sources: City Tax Digest

\* The Statistical information for the fiscal year ended June 30, 2020 from the City of Cartersville, Georgia is not available.

**CITY OF CARTERSVILLE BOARD OF EDUCATION**

**PROPERTY TAX LEVIES AND COLLECTIONS <sup>1</sup>  
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2011	\$ 16,701,807	\$ 15,045,085	90.1%	\$ 1,112,658	\$ 16,157,743	96.7%
2012	15,362,432	14,613,806	95.1%	748,626	15,362,432	100.0%
2013	15,893,971	14,847,832	93.4%	766,655	15,614,487	98.2%
2014	14,930,001	13,917,886	93.2%	492,409	14,410,295	96.5%
2015	14,837,508	13,943,670	94.0%	206,536	14,150,206	95.4%
2016	14,192,665	14,047,904	99.0%	147,309	14,195,213	100.0%
2017	14,130,538	13,993,799	99.0%	114,916	14,108,715	99.8%
2018	14,515,543	14,283,070	98.4%	92,822	14,375,892	99.0%
2019	14,875,090	14,755,468	99.2%	10,204	14,765,672	99.3%
2020	15,380,406	15,121,545	98.3%	-	15,121,545	98.3%

<sup>1</sup> Source: Bartow County Tax Commissioner's Office

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2020 \*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
City of Cartersville, Georgia	\$ 11,399,987	100%	\$ 11,399,987
Bartow County, Georgia	<u>15,990,000</u>	25%	<u>3,997,500</u>
Total overlapping debt	<u><u>\$ 27,389,987</u></u>		<u><u>\$ 15,397,487</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Bartow County Tax Commissioner. Debt outstanding data obtained from the City of Cartersville.

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

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

\* The Statistical information for the fiscal year ended June 30, 2020 from the City of Cartersville, Georgia is not available.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## CITY OF CARTERSVILLE, GEORGIA - PRINCIPAL EMPLOYERS PRIOR YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2019*</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Shaw Industries	2,562	1	24.67%	2,562	1	30.14%
Bartow County Schools	2,108	2	20.30%	1,618	2	19.04%
Toyo Tire North America	1,755	3	16.90%	650	5	7.65%
Bartow County	882	4	8.49%	715	4	8.41%
Voestalpine	712	5	6.86%			0.00%
Anheuser-Busch	571	6	5.50%	535	6	6.29%
Quest Global	500	7	4.81%			0.00%
Cartersville School System	500	8	4.81%	503	7	5.92%
Kennesaw Transportation	400	9	3.85%			0.00%
Georgia Power	396	10	3.81%	396	8	4.66%
Cartersville Medical			0.00%	750	3	8.82%
Walmart			0.00%	390	9	4.59%
Gerdau Ameristeel			0.00%	380	10	4.47%
	10,386		100.00%	8,499		100.00%

Source: Bartow County Tax Commissioner.

N/A - The total employment of the City was not available.

\* The Statistical information for the fiscal year ended June 30, 2020 from the City of Cartersville, Georgia is not available.

**CITY OF CARTERSVILLE BOARD OF EDUCATION**

**APPROPRIATION/TAX ASSESSMENT PER CHILD DATA  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>School System</b>	<b>Total ADA/FEE** (1)</b>	<b>Local Appropriation for Education***</b>	<b>Cartersville City Assessed Value of Taxable Property***</b>	<b>Education % of Assessed Value</b>	<b>Appropriation Per Child</b>
2011	Cartersville	\$ 4,159	\$ 16,473,982	\$ 922,721,675	1.62%	\$ 3,961
2012	Cartersville	4,162	15,593,194	900,439,319	1.64%	3,747
2013	Cartersville	4,046	16,103,020	874,556,547	1.81%	3,980
2014	Cartersville	4,046	15,505,423	837,910,653	1.68%	3,832
2015	Cartersville	4,119	15,605,948	861,970,002	1.76%	3,789
2016	Cartersville	4,128	15,858,469	946,497,267	1.76%	3,842
2017	Cartersville	4,254	15,904,799	956,635,985	1.66%	3,739
2018	Cartersville	4,361	16,318,537	1,009,557,717	1.62%	3,742
2019	Cartersville	4,460	17,115,318	1,068,270,327	1.60%	3,838
2020	Cartersville	4,609	17,762,370	1,180,485,023	1.50%	3,854

Source: Bartow County Tax Commissioner.

\*\* City of Cartersville Board of Education

\*\*\* City of Cartersville, Georgia

(1) Average Daily Attendance was determined in early October of each fiscal year.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## COST/TAX ASSESSMENT PER CHILD DATA LAST TEN FISCAL YEARS

Fiscal Year	School System	Total ADA/FEE**	Total Cost Per Child	Tax Base Per Child	Cost/Tax Base Percentage	Cartersville City Assessed Value of Taxable Property***
2011	Cartersville	\$ 4,159	\$ 10,349	\$ 229,197	4.52%	\$ 953,229,075
2012	Cartersville	4,162	10,881	222,807	4.88%	927,321,827
2013	Cartersville	4,046	10,322	223,898	4.61%	905,889,711
2014	Cartersville	4,046	10,866	211,622	5.13%	856,221,779
2015	Cartersville	4,119	10,571	208,668	5.07%	859,501,942
2016	Cartersville	4,128	12,901	219,900	5.87%	907,745,544
2017	Cartersville	4,254	11,208	214,061	5.24%	910,616,363
2018	Cartersville	4,361	12,031	217,509	5.53%	948,556,126
2019	Cartersville	4,460	11,764	223,850	5.26%	998,371,226
2020	Cartersville	4,609	11,433	256,126	4.46%	1,180,485,023

Source: Bartow County Tax Commissioner.

\*\* City of Cartersville Board of Education

\*\*\* City of Cartersville, Georgia

(1) Average Daily Attendance was determined in early October of each fiscal year.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## CITY OF CARTERSVILLE, GEORGIA - DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

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Fiscal Year	Population**(1)	Personal Income	Per Capita Income(1)	Median Age(1)	School Enrollment(2)
2011	100,157	\$ 2,317,132,195	\$ 23,135	37.30	4,159
2012	100,968	2,335,894,680	23,135	35.90	4,162
2013	101,282	2,381,342,384	23,512	36.30	4,046
2014	102,000	2,256,138,000	22,119	36.10	4,046
2015	101,740	2,142,135,700	21,055	37.30	4,119
2016	101,740	2,142,135,700	21,055	37.30	4,128
2017	103,862	2,407,313,436	23,178	37.70	4,254
2018	105,484	2,728,660,112	25,868	36.90	4,361
2019	108,171	2,874,860,667	26,577	38.1	4,460
2020	*	*	*	*	4,609

Source: Cartersville - Bartow County Chamber of Commerce.

(1) Sales Management Survey of Buying Power and Georgia Power

(2) Average Daily Enrollment was determined in early October of each fiscal year.

\*\* County-wide data

\* The Statistical information for the fiscal year ended June 30, 2020 obtained from the City of Cartersville, Georgia is not available.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## NUMBER OF PERSONNEL AND RATIO OF PUPILS TO PROFESSIONAL PERSONNEL\* LAST TEN FISCAL YEARS

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Fiscal Year	Professional Personnel (1)	Other Operating Personnel (2)	Service Personnel (3)	Total Personnel	Average Daily Enrollment (4)	Ratio of Pupils to Professional Personnel
2011	297	181	43	521	4,159	14.00
2012	298	178	44	520	4,162	13.97
2013	280	89	44	413	4,046	14.45
2014	280	89	44	413	4,046	14.45
2015	281	88	43	412	4,119	14.66
2016	283	90	42	415	4,128	14.59
2017	287	85	42	414	4,254	14.82
2018	290	90	42	422	4,361	15.04
2019	287	90	42	426	4,460	15.54
2020	296	96	42	434	4,609	15.57

- (1) Professional Personnel consists of all certified personnel including teachers, librarians, counselors, supervisors, consultants, coordinators, principals, assistant principals, and other leadership personnel.
- (2) Other operating personnel includes non-certified leadership personnel, classroom aides, secretarial, food service personnel, custodial and clerical employees and other technicians.
- (3) Service personnel includes bus drivers and maintenance/warehouse employees.
- (4) Average Daily Enrollment was determined in early October of each fiscal year.

\* Source: City of Cartersville Board of Education Personnel Office.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## SCHOLASTIC ACHIEVEMENT TESTS (SAT'S) \* LAST TEN FISCAL YEARS

Fiscal Year	Participation Rate	Verbal	ERW	Math	Writing	Composite	Georgia	National
2011	70%	485	-	487	473	1,445	1,445	1,500
2012	68%	519	-	522	504	1,545	1,452	1,498
2013	67%	497	-	492	474	1,463	1,452	1,498
2014	56%	497	-	489	478	1,464	1,450	1,490
2015	59%	478	-	480	461	1,419	1,445	1,490
2016	58%	479	-	475	463	1,417	1,434	1,478
2017	**	**	-	**	**	1,070	1,051	1,010
2018	62%	**	587	566	***	1,088	1,054	1,060
2019	68%	***	557	549	***	1,075	1,048	1,039
2020	45%	***	535	522	***	1,057	1,043	1,030

\* Source: City of Cartersville Board of Education's Curriculum Department.

\*\* Information not available

\*\*\* Combined test of Verbal and Writing

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## FULL TIME EQUIVALENT (FTE) POSITIONS\* LAST TEN FISCAL YEARS

Positions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Cartersville Primary School</b>										
Classroom Teachers	91	88	83	83	81	79	78	78	77	80
Support Personnel	60	58	21 (1)	19	20	20	17	17	17	18
Administrators	3	3	3	3	3	3	3	3	3	3
<b>Cartersville Elementary School</b>										
Classroom Teachers	69	67	65	64	63	61	62	62	62	63
Support Personnel	35	38	18 (1)	16	16	17	17	19	19	19
Administrators	2	2	3	3	3	2	2	2	2	2
<b>Cartersville Middle School</b>										
Classroom Teachers	59	61	57	59	61	63	66	68	63	64
Support Personnel	28	31	21 (1)	19	18	18	17	18	18	20
Administrators	3	3	3	3	3	3	3	3	3	3
<b>Cartersville High School</b>										
Classroom Teachers	61	61	58	58	60	61	62	63	67	72
Support Personnel	31	30	18 (1)	17	18	18	18	20	20	20
Administrators	4	4	3	3	3	4	4	4	4	4
<b>Central Office</b>										
Support Personnel	16	14	13	12	11	13	12	12	12	13
Administrators	5	5	4	4	4	6	6	6	5	5
<b>Maintenance Facility</b>										
	7	7	7	7	7	6	5	5	6	6
<b>Other Auxiliary Facility</b>										
Support Personnel	4	4	3	3	4	4	4	4	4	5
Administrators	-	-	1	1	1	1	1	1	1	1
<b>Transportation</b>										
	36	37	34	34	36	36	37	37	36	36
<b>School Board Members</b>										
	7	7	7	7	7	7	7	7	7	7
	521	520	422	415	419	422	421	429	426	441

Source: City of Cartersville Board of Education Payroll records.

\*CPI (CP002) Annual School Report filed with the Department of Education

(1) During the fiscal year ended June 30, 2013 the District eliminated numerous support personnel and filled the vacant roles with externally contracted services, as a means of trying to reduce expenditures.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## TEACHER'S SALARY SCHEDULE\* LAST TEN FISCAL YEARS

Fiscal Year	Minimum**	Maximum**	Annual Salary Increase Approved by School Board	State-Wide Average
2011	\$ 36,766	\$ 79,783	0.0%	\$ 52,871
2012	36,766	79,783	0.0%	N/A
2013	36,766	79,783	0.0%	N/A
2014	36,766	79,783	0.0%	N/A
2015	36,766	79,783	0.0%	N/A
2016	36,766	79,783	0.0%	N/A
2017	39,273	85,223	6.8%	N/A
2018	37,856	86,927	2.0%	N/A
2019	37,856	86,927	0.0%	N/A
2020	41,381	90,452	***	N/A

Source: City of Cartersville Board of Education Payroll records.

\*CCS Salary Schedule for Minimum and Maximum

\*\*Minimum - T-4 Certification; Maximum - Doctorate

N/A - Information is not available as of June 30, 2020.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## OPERATING STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Expenditures	Average Daily Enrollment (1)	Cost Per Pupil Enrolled	Percentage of Change	Professional Personnel	Ratio of Pupils to Professional Personnel
2011	\$ 43,041,069	4,159	\$ 10,349	0.62%	297	14.00
2012	45,284,832	4,162	10,881	5.14%	298	13.97
2013	41,763,767	4,046	10,322	-5.13%	280	14.45
2014	43,952,565	4,046	10,866	5.27%	280	14.45
2015	43,542,311	4,119	10,571	-2.71%	281	14.66
2016	53,255,340	4,128	12,901	22.04%	283	14.59
2017	47,676,707	4,254	11,208	-13.12%	290	14.67
2018	49,796,048	4,361	11,418	1.88%	290	15.04
2019	52,466,388	4,460	11,764	3.02%	287	15.54
2020	52,696,575	4,609	11,433	-2.81%	296	15.57

Source: City of Cartersville Board of Education available records.

(1) Average Daily Enrollment was determined in early October of each fiscal year.

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## SCHOOL NUTRITION PROGRAM \* LAST TEN FISCAL YEARS

Fiscal Year	Average # of Lunches Served Daily	Student Lunch Prices			Average # of Breakfasts Served Daily	Student Breakfast Prices			Free and Reduced Eligibility
		Elementary & Primary School	Middle & High School			Elementary, Middle & Primary School	High School		
2011	2,784	\$ 2.00	\$ 2.25	\$	1,576	\$ 1.25	\$ 1.50	4	55.00%
2012	2,781	2.00	2.25		1,596	1.25	1.50	4	56.00%
2013	2,748	2.25	2.50		1,915	1.25	1.50	4	57.52%
2014	2,714	2.25	2.50		1,838	1.25	1.50	4	56.43%
2015	2,758	2.25	2.50		1,721	1.25	1.50	4	57.72%
2016	2,863	2.25	2.50		1,916	1.25	1.50	4	56.27%
2017	2,815	2.25	2.50		1,891	1.25	1.50	4	54.83%
2018	2,783	2.25	2.50		1,892	1.25	1.50	4	51.92%
2019	2,825	2.25	2.50		1,664	1.25	1.50	4	51.59%
2020	2,628	2.25	2.50		1,723	1.25	1.50	4	52.37%

\*\* Source: City of Cartersville Board of Education's School Nutrition Office

# CITY OF CARTERSVILLE BOARD OF EDUCATION

## SCHOOL BUILDINGS \*\* LAST TEN FISCAL YEARS

School Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cartersville Primary School (1967)										
Square Feet	125,193	125,193	125,193	125,193	125,193	125,193	125,193	133,949	133,949	133,949
Capacity*										
Enrollment	991	992	1,112	1,070	889	897	942	933	937	1,005
Cartersville Elementary School (1989)										
Square Feet	98,414	98,414	98,414	98,414	98,414	98,414	98,414	98,414	98,414	98,414
Capacity*										
Enrollment	996	996	1,035	1,003	987	977	954	952	939	1,011
Cartersville Middle School (1993)										
Square Feet	149,120	169,972	169,972	169,972	169,972	169,972	169,972	169,972	169,972	169,972
Capacity*										
Enrollment	938	939	915	990	1,024	1,056	1,098	1,116	1,127	1,104
Cartersville High School (1953)										
Square Feet	239,587	239,587	239,587	239,587	239,587	23,587	239,587	239,587	249,621	262,182
Capacity*										
Enrollment	1,102	1,103	1,065	1,114	1,147	1,198	1,260	1,360	1,457	1,489

Source: City of Cartersville Board of Education available records.

\*Information not available

\*\*Enrollment - Curriculum Department; Square Feet - Maintenance & Facilities Directors

Note: Year of original construction is shown in parenthesis. Increases in square footage are the result of renovations and additions.

NOTE: Data was obtained from the School System's Facility and Ground's department

## **COMPLIANCE SECTION**



**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 City of Cartersville Board of Education  
Cartersville, 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, each major fund, and the aggregate remaining fund information of the City of Cartersville Board of Education (the "Board"), a component unit of the City of Cartersville, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated October 21, 2020. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing 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 the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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.

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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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board'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 financial statements. 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 the entity'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.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
October 21, 2020



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

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**To the Superintendent and Members of  
the City of Cartersville Board of Education  
Cartersville, Georgia**

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

We have audited the City of Cartersville Board of Education's, a component unit of the City of Cartersville, Georgia, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Cartersville Board of Education's major federal programs for the year ended June 30, 2020. The City of Cartersville 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 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 the City of Cartersville 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 City of Cartersville Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 the City of Cartersville Board of Education's compliance.

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

In our opinion, the City of Cartersville Board of Education complied, in all material respects, with the types of 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, 2020.

**Report on Internal Control Over Compliance**

Management of the City of Cartersville 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 the City of Cartersville 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 City of Cartersville 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.

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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.

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*

Atlanta, Georgia  
October 21, 2020

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<b>FUNDING AGENCY PROGRAM/GRANT</b>	<b>CFDA NUMBER</b>	<b>PASS- THROUGH ENTITY ID NUMBER</b>	<b>EXPENDITURES</b>
<b>U.S. Department of Agriculture</b>			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education:			
Food and Nutrition Program			
Food Services			
National School Lunch Program:			
Cash Assistance	10.555	205GA324N1100	\$ 1,742,873
Non-Cash Assistance (Commodities) (2)	10.555	205GA324N1100	104,089
National School Lunch Program			<u>1,846,962</u>
Summer Food Service Program for Children	10.559	205GA324N1099	174,872
Total Child Nutrition Cluster			<u>2,021,834</u>
<b>Total U.S. Department of Agriculture</b>			<u>2,021,834</u>
<b>U.S. Department of Defense</b>			
Junior R.O.T.C	12.112	N/A	<u>73,069</u>
<b>Total U.S. Department of Defense</b>			<u>73,069</u>
<b>U.S. Department of Education</b>			
Special Education Cluster (IDEA)			
Pass-Through From Georgia Department of Education:			
Part B-Exceptional Student			
Flow Through	84.027	H027A180073	59,862
Flow Through	84.027	H027A190073	641,358
Preschool	84.173	H173A190081	19,904
Total Special Education Cluster (IDEA)			<u>721,124</u>
Title I Part A			
Pass-Through From Georgia Department of Education:			
Title I Part A			
Grants to Local Educational Agencies	84.010	S010A180010	38,957
Grants to Local Educational Agencies	84.010	S010A190010	847,132
			<u>886,089</u>
Education of Homeless Children and Youth			
Pass-Through From Georgia Department of Education:			
Stewart B. McKinney Homeless Assistance Act			
Education for Homeless Children and Youth	84.196	S196A160011	<u>32,074</u>

**(Continued)**

**CITY OF CARTERSVILLE BOARD OF EDUCATION  
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>FUNDING AGENCY PROGRAM/GRANT</u>	<u>CFDA NUMBER</u>	<u>PASS- THROUGH ENTITY ID NUMBER</u>	<u>EXPENDITURES</u>
Other Programs			
Pass-Through From Georgia Department of Education:			
Title II			
Improving Teacher Quality	84.367	S367A190001	132,338
			<u>132,338</u>
Title III			
Limited English Proficient	84.365	S365A180010	1,370
Limited English Proficient	84.365	S365A190010	45,575
Immigrant	84.365	S365A180010	114
Immigrant	84.365	S365A190010	2,506
			<u>49,565</u>
Title IV Part A			
Student Support and Academic Enrichment	84.424	S42A190011	60,044
			<u>60,044</u>
Vocational Education-Basic Grants to States			
Perkins IV Carryover	84.048	V048A190010	1,981
Program Improvement	84.048	V048A190010	36,254
Total Vocational Education			<u>38,235</u>
<b>Total U.S. Department of Education</b>			<u>1,919,469</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 4,014,372</u>

Notes to the Schedule of Expenditures of Federal Awards

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

The School District did not provide Federal Assistance to any Subrecipient.

The School District did not utilize the 10% de minimis indirect cost rate.

Federal, state and local expenditures were consolidated in a schoolwide plan for the fiscal year. The amounts of consolidated schoolwide plan expenditures, by program, are as follows:

Title I, Part A - Grants to Local Educational Agencies	\$ 886,089
Title II - Improving Teacher Quality	132,338
Title III - Limited English Proficient	46,945
Title III - Immigrant	2,620
Title IV, Part A - Student Support and Academic Enrichment	60,044

- (1) Expenditures for the School Breakfast Program were not maintained separately and are included in the National School Lunch Program.
- (2) The amounts shown for the Food Distribution Program represents the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the District during the current fiscal year.

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:  
 Material weaknesses identified?

\_\_\_\_\_ yes    X no

Significant deficiencies identified?

\_\_\_\_\_ yes    X none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes    X no

**Federal Awards**

Internal Control over major federal programs:  
 Material weaknesses identified?

\_\_\_\_\_ yes    X no

Significant deficiencies identified?

\_\_\_\_\_ yes    X none reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ?

\_\_\_\_\_ yes    X no

Identification of major federal programs:

Name of Federal Program or Cluster

CFDA Number

Child Nutrition Cluster

10.555 and 10.559

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

\$750,000

Auditee qualified as low-risk auditee?

X yes    \_\_\_ no

**CITY OF CARTERSVILLE BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**Section II – Financial Statement Findings and Responses**

None noted

**Section III – Federal Award Findings and Questioned Costs**

None noted