



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

Annual Comprehensive Financial Report

For The Fiscal Year Ended June 30, 2021

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

**THE CITY OF CARTERSVILLE
BOARD OF EDUCATION**

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

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

INTRODUCTORY SECTION

CITY OF CARTERSVILLE BOARD OF EDUCATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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CITY OF CARTERSVILLE BOARD OF EDUCATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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February 18, 2022

Members of the Cartersville School Board
Cartersville, Georgia

The Annual Comprehensive Financial Report of the Cartersville School Board, Cartersville, Georgia, for the fiscal year ending June 30, 2021, 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 47th 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 4,500 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 the Spring of 2021, the district will go through reaccreditation again. 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 masters 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 the 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
- Social Workers at each school to support ALL student needs
- Student Support Specialists at each school to support the MTSS/504 Process
- Teacher Support Specialists at each school to support the Professional Development of teachers
- Family Engagement Specialists at each school to support the Wraparound Services for students
- Job-embedded professional learning expectations and requirements
- New Teacher Induction and Mentor program entitled Purple Hurricane Induction
- 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
- Dual Enrollment program partnerships with Chattahoochee Technical College, Georgia Highlands College, and Embry-Riddle Aeronautical University
- 1:1 ratio technology devices for students

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 performed 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, 2021, 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 \$73.3 million in fund balance. The balance will be used to fund planned summer projects, expansion at Cartersville High School and building a new primary school. SPLOST revenue increased in FY 2021 by 7%. This was the result of the economy improving even with the COVID pandemic.

The system continues to monitor budget related activity in the Georgia General Assembly. State revenues have decreased over the past year. The State has implemented new austerity reductions to the QBE formula. This decreased state revenue required our Board to not roll 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 annual comprehensive report (ACFR) for the fiscal year ending June 30, 2020. 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 annual comprehensive financial report, whose contents conform to program standards. The ACFR 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
Reporting

Presented to

**Cartersville City Schools
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

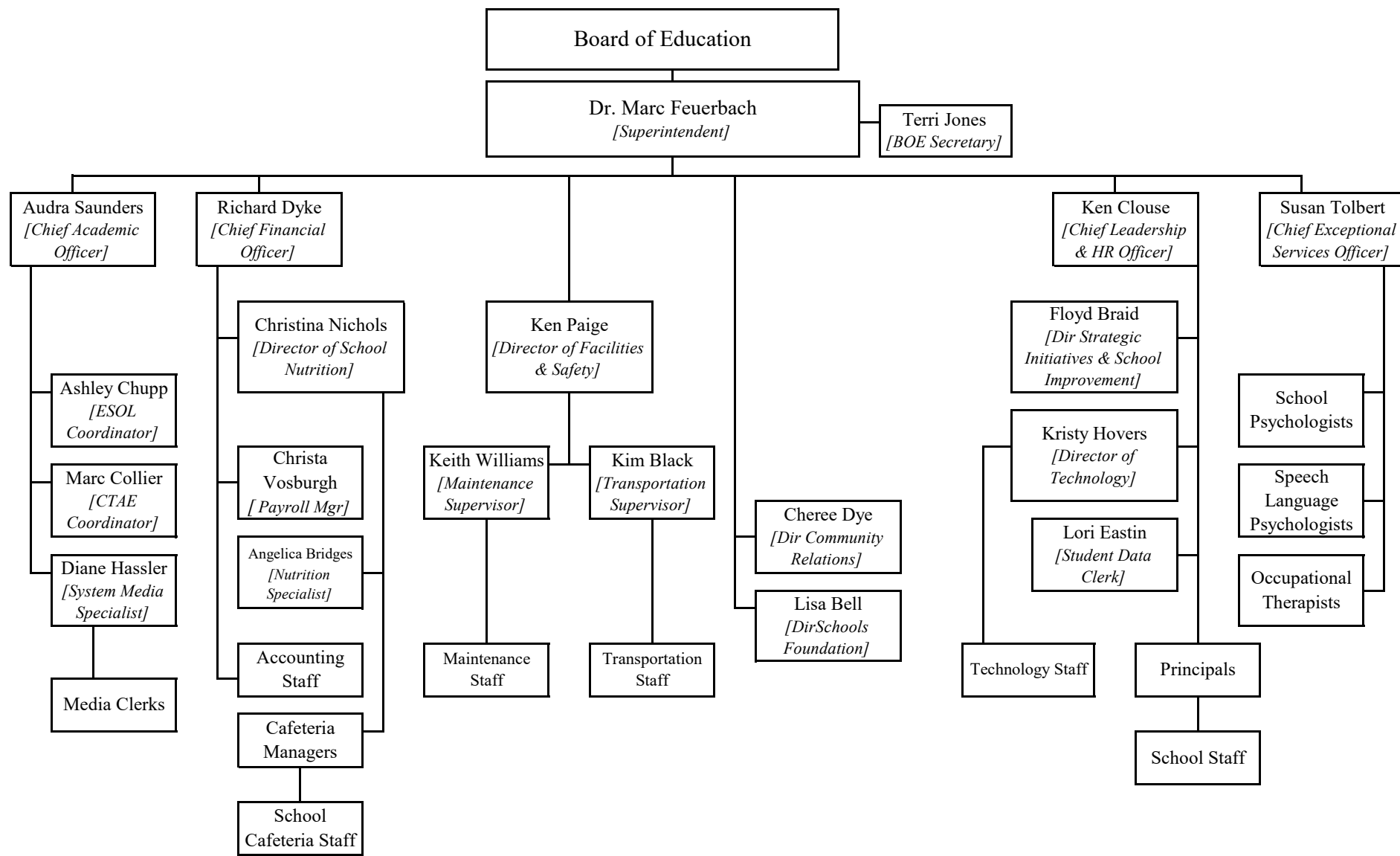
Executive Director/CEO



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) cjohnson@cartersvilleschools.org | 1/18 - 12/21 |
| 2 | Kathi White 201 Arrowhead Dr. Cartersville, GA 30120 | (H) 770-386-2404 (cell) 770-606-4130 (email) kwhite@cartersvilleschools.org | 3/19 - 12/21 |
| 3 | Travis Popham 428 Waterford Dr. Cartersville, GA 30120 | (cell) 770-387-6372 (w) 770-387-1706 (email) tpopham@cartersvilleschools.org | 1/20 - 12/23 |
| 4 | S. Pat Broadnax 14 Wofford St. Cartersville, GA 30120 | (H) 770-382-3184 (cell) 770-833-0978 (email) pbroadnax@cartersvilleschools.org | 1/20 - 12/23 |
| 5 | Louise Panter 23 Brookland Dr. Cartersville, GA 30120 | (cell) 706-540-2936 (email) lpanter@cartersvilleschools.org | 1/18 - 12/21 |
| 6 | Mrs. Kelley A. Dial 4 Mimosa Terrace Cartersville, GA 30120 | (H) 770-382-3373 (cell) 404-408-6918 (email) kdial@cartersvilleschools.org | 1/18 - 12/21 |
| At Large | Tim Chason 40 Westchester Drive Cartersville, GA 30120 | (cell) 404-735-0540 (email) tchason@cartersvilleschools.org | 1/20 - 12/23 |
| Superintendent | Dr. Marc Feuerbach 45 Galway Drive Cartersville, GA 30120 | (cell) 770-547-3453 (W) 770-382-5880 (Fax) 770-387-7476 (email) mfeuerbach@cartersvilleschools.org | |
| Assistant Superintendent | Mr. Andre' Weaver 3630 Bench Mark Dr. College Park, GA 30349 | (cell) 404-840-1036 (W) 770-382-5880 (Fax) 770-387-7476 (email) aweaver@cartersvilleschools.org | |

Cartersville City Schools Organizational Chart



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

**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, 2021, 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.

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, 2021, 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.

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.

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 February 18, 2022 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
February 18, 2022

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

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, 2021. 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 2021 are as follows:

- In total, net position increased approximately \$58.5 million during fiscal year 2021. This increase was more than the increase in fiscal year 2020 due to an increase in revenues as compared to fiscal year 2020 for governmental activities.
- General revenues accounted for approximately \$26.2 million in revenue or approximately 22% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for approximately \$92.6 million or approximately 78% of total revenues of approximately \$118.8 million.
- The Board had approximately \$60.3 million in expenses related to governmental activities, all of which were offset by program specific charges for services, grants or contributions. Net program revenues of approximately \$32.3 million and general revenues of approximately \$26.2 million resulted in the increase in net position of approximately \$58.5 million during fiscal year 2021.
- Among major funds, the General Fund had approximately \$44.1 million in revenues and approximately \$42 million in expenditures. The General Fund's fund balance increased to approximately \$18.4 million from approximately \$16.5 million. Additional fund balance will be used to expand Cartersville High School and build a new primary 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, 2021

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 2021?” 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, 2021

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 2021:

| | Governmental Activities | | % |
|---|--------------------------------|------------------------|----------------|
| | 2021 | 2020 | Change |
| Assets | | | |
| Current and other assets | \$ 101,933,412 | \$ 38,847,944 | 162.4% |
| Capital assets, net | 5,760,007 | 5,887,761 | -2.2% |
| Total assets | 107,693,419 | 44,735,705 | 140.7% |
| Deferred outflows of resources | | | |
| Pension related items | 13,184,730 | 11,978,385 | 10.1% |
| OPEB related items | 5,725,553 | 1,528,686 | 274.5% |
| Total deferred outflows of resources | 18,910,283 | 13,507,071 | 40.0% |
| Liabilities | | | |
| Current and other liabilities | 8,349,793 | 6,840,178 | 22.1% |
| Net pension liability | 46,386,373 | 40,957,490 | 13.3% |
| OPEB liability | 28,513,470 | 23,632,593 | 20.7% |
| Total liabilities | 83,249,636 | 71,430,261 | 16.5% |
| Deferred inflows of resources | | | |
| Pension related items | 469,091 | 1,908,047 | -75.4% |
| OPEB related items | 6,348,330 | 6,837,935 | -7.2% |
| Total deferred inflows of resources | 6,817,421 | 8,745,982 | -22.1% |
| Net position | | | |
| Investment in capital assets | 5,760,007 | 5,887,761 | -2.2% |
| Restricted | 74,217,183 | 14,462,661 | 413.2% |
| Unrestricted | (43,440,545) | (42,283,889) | 2.7% |
| Total net position | \$ 36,536,645 | \$ (21,933,467) | -266.6% |

As previously stated, the total net position for fiscal year 2021 was a surplus of approximately \$36.5 million, which represents an approximate \$58.5 million increase in net position over fiscal year 2020. The Board's net position increase over the prior year was primarily due the City issuing \$59 million in Bonds for expansion of the high school and a new primary school.

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

Table 2 shows the changes in net position for fiscal year 2021:

**Table 2
Changes in Net Position**

| | Governmental Activities | | % |
|---|--------------------------------|-----------------|---------------|
| | 2021 | 2020 | Change |
| Revenues | | | |
| Program Revenues | | | |
| Charges for Services and Sales | \$ 681,961 | \$ 1,056,455 | -35.4% |
| Operating Grants and Contributions | 31,384,678 | 31,803,485 | -1.3% |
| Capital Grants and Contributions | 60,530,371 | 77,220 | 78286.9% |
| Total Program Revenues | 92,597,010 | 32,937,160 | 181.1% |
| General Revenues | | | |
| Property Taxes for Maintenance and Operations | 20,236,873 | 17,831,396 | 13.5% |
| Special Purpose Local Option Sales Tax for Capital Projects | 5,954,875 | 5,511,405 | 8.0% |
| Investment Earnings | 8,963 | 81,453 | -89.0% |
| Total General Revenues | 26,200,711 | 23,424,254 | 11.9% |
| Total Revenues | 118,797,721 | 56,361,414 | 110.8% |
| Program Expenses | | | |
| Instruction | 35,867,850 | 33,541,797 | 6.9% |
| Support Services | | | |
| Pupil Services | 3,600,000 | 2,990,835 | 20.4% |
| Improvement of Instructional Services | 1,331,283 | 1,224,500 | 8.7% |
| Educational Media Services | 352,227 | 338,425 | 4.1% |
| General Administration | 901,366 | 875,392 | 3.0% |
| School Administration | 2,782,222 | 2,547,988 | 9.2% |
| Business Administration | 646,457 | 627,536 | 3.0% |
| Maintenance and Operation of Plant | 8,482,500 | 4,866,086 | 74.3% |
| Student Transportation Services | 2,150,399 | 1,893,043 | 13.6% |
| Central Support Services | 725,239 | 550,252 | 31.8% |
| Other Support Services | 441,442 | 258,258 | 70.9% |
| Operations of Non-Instructional Services | | | |
| Community Services | 255,132 | 261,231 | -2.3% |
| Food Services | 2,791,492 | 3,014,495 | -7.4% |
| Total Expenses | 60,327,609 | 52,989,838 | 13.8% |
| Increase in Net Position | 58,470,112 | 3,371,576 | 1634.2% |
| Net Position, July 1 | (21,933,467) | (25,305,043) | -13.3% |
| Net Position, June 30 | \$ 36,536,645 | \$ (21,933,467) | -266.6% |

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

Changes in Net Position from Operating Results

Revenues

The district's total revenue for fiscal year 2021 was approximately \$118.8 million, which represents an approximate 110.8% increase or approximately \$62.5 million from fiscal year 2020. Revenue from local sources accounted for the majority of the school district's revenue. Operating grants and contributions revenue in fiscal year 2021 decreased approximately 1% or approximately \$419 thousand. Decreased state revenue is attributable to enrollment changes and new austerity cuts to QBE. Capital grants and contributions increased approximately \$60.5 million due to the City issuing Bonds for a new primary school.

Local revenue sources including property taxes, sales taxes and interest income increased approximately \$2.8 million or approximately 12%. The increase in property tax revenue of approximately 13% was due to not rolling back the millage rate. Sales tax revenue increased by 7% or \$400 thousand in 2021. This increase was due to an improving local economy even though we were in the middle of the COVID-19 Pandemic.

Expenses

The school district's total expenses increased 13.8% over fiscal year 2020. Instruction went up by 6.9% due to additional teachers added for enrollment. Improvement of Instructional Services went up by 8.7%. This was additional training for teachers and other personnel. Maintenance and Operation of Plant went up by 74.3%, due to construction of a new front entrance at Cartersville High School and cafeteria expansion. Student Transportation Services increased by 13.6%. This was due to additional bus purchases. Each of the other major functions increased and/or decreased as noted in Table 2.

Instruction comprises approximately 59% 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, 2021

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 | | % |
|----------------------------|-------------------------------|----------------------|---------------|-----------------------------|----------------------|----------------|
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| Instruction | \$ 35,867,850 | \$ 33,541,797 | 6.9% | \$ 13,365,611 | \$ 9,261,154 | 44.3% |
| Support Services | | | | | | |
| Pupil Services | 3,600,000 | 2,990,835 | 20.4% | 2,880,278 | 2,559,271 | 12.5% |
| Improvement of | | | | | | |
| Instructional Services | 1,331,283 | 1,224,500 | 8.7% | 950,209 | 874,134 | 8.7% |
| Educational Media | | | | | | |
| Services | 352,227 | 338,425 | 4.1% | (286,244) | (313,894) | -8.8% |
| General Administration | 901,366 | 875,392 | 3.0% | (376,766) | (639,062) | -41.0% |
| School Administration | 2,782,222 | 2,547,988 | 9.2% | 1,672,421 | 1,446,508 | 15.6% |
| Business Administration | 646,457 | 627,536 | 3.0% | 638,953 | 624,906 | 2.2% |
| Maintenance and | | | | | | |
| Operation of Plant | 8,482,500 | 4,866,086 | 74.3% | (54,111,054) | 3,436,068 | -1674.8% |
| Student Transportation | | | | | | |
| Services | 2,150,399 | 1,893,043 | 13.6% | 1,611,138 | 1,527,857 | 5.5% |
| Central Support Services | 725,239 | 550,252 | 31.8% | 717,695 | 544,985 | 31.7% |
| Other Support Services | 441,442 | 258,258 | 70.9% | 386,736 | 254,286 | 52.1% |
| Operation of | | | | | | |
| Non-Instructional Services | | | | | | |
| Community Services | 255,132 | 261,231 | -2.3% | 77,819 | 238,800 | -67.4% |
| Food Services | 2,791,492 | 3,014,495 | -7.4% | 203,803 | 237,665 | -14.2% |
| Total Expenses | \$ 60,327,609 | \$ 52,989,838 | 13.8% | \$ (32,269,401) | \$ 20,052,678 | -260.9% |

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, 2021

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 2021 was approximately \$60.3 million. Users of the district's programs financed approximately \$700 thousand of costs. Federal and State grants subsidized programs and contributions financed approximately \$31.4 million of the cost. The district taxpayers have a surplus for the other portion of the school district's cost, which was approximately \$32.3 million for fiscal year 2021. This was due to the City issuing \$59 million in bond for expansion at the high school and constructing a new primary school.

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 \$118.7 million and expenditures and other financing uses of approximately \$57.2 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 \$59.8 million. The increase in the General Fund was due to additional revenues from Title Ad Valorem Tax (TAVT), Payment in Lieu of Taxes (PILOT), and not rolling back the millage rate. The SPLOST Fund's increase was a result of the city selling bonds for the new primary school and expansion of the high school.

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 \$41.1 million was an increase from the original budgeted amount of approximately \$40.8 million. The actual revenues and other financing sources of approximately \$44 million was more than the budgeted amount by approximately \$3 million. This is a result of additional Title Ad Valorem Taxes (TAVT), Payment in Lieu of Taxes (PILOT) received, and not rolling back the millage rate. Also state revenue increased by \$1.2 million due to a decrease in austerity reductions that the state passed on to schools systems during the year.

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

The final budgeted expenditures and other financing uses of approximately \$43.8 million exceeded the original budgeted amount of approximately \$43 million by approximately \$800 thousand. The actual expenditures and other financing uses per budget basis of approximately \$42.2 million was approximately \$1.7 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 exceeded 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 2021 the Board had approximately \$5.8 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2021 balances.

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

| | Governmental Activities | | % |
|--------------------------------|--------------------------------|---------------------|---------------|
| | 2021 | 2020 | Change |
| Building and Land Improvements | \$ - | \$ 171,957 | -100.0% |
| Vehicles | 976,109 | 820,331 | 19.0% |
| Computers | 2,288,975 | 2,326,803 | -1.6% |
| Furniture and Equipment | 2,494,923 | 2,568,670 | -2.9% |
| Total | \$ 5,760,007 | \$ 5,887,761 | -2.2% |

The primary increases (cost basis) occurred in vehicles and computers, although depreciation expense offset those increases, resulting in an overall decrease to capital assets, net of accumulated depreciation. The Board purchased new buses and other work vehicles when older vehicles and buses were retired. Building and Land Improvements went down due to a reclassification of items to equipment. 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. Debt is issued by the City of Cartersville. During, FY2021, the City of Cartersville issued \$59 million in bonds for construction of a primary school and expansion at our high school. The school system will be paying this debt to the City of Cartersville from our current SPLOST proceeds.

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

Economic Factors and Next Year's Budgets

The local economy experienced a change in property tax revenue, an approximate 12.9% increase in Property Tax revenue, and an approximate 1.7% increase in the Special Purpose Local Option Sales tax revenue. Property tax had only an increase due to PILOT money received, additional Title Ad Valorem Taxes and the Board's decision to not roll back the millage rate. The Special Purpose Local Option Sales Tax revenue increased by \$400 thousand, which is basically the same over 2020.

The City of Cartersville Board of Education adopted its fiscal year 2022 budget on June 14, 2021. The General Fund budget for fiscal year 2022 reflected revenues of \$42,903,606 and expenditures of \$44,717,800. Assigned fund balance in the amount of \$1,814,194 was used to make up the difference. The Board decided to roll back the millage rate. The approved millage rate to fund the fiscal year 2022 budget is 13.906 mills. This budget reflects an increase from the fiscal year 2021 budget of \$1.7 million or 4%. The Board decided to hire additional social workers, guidance counselors and a psychologist to assist students and families with the mental issues related to the COVID-19 pandemic. 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.

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

STATEMENT OF NET POSITION
JUNE 30, 2021

| ASSETS | Governmental Activities |
|--|------------------------------------|
| Cash and cash equivalents | \$ 96,900,066 |
| Receivables: | |
| Intergovernmental | 4,046,397 |
| Taxes, net of allowance for uncollectible | 880,418 |
| Inventory | 106,531 |
| Capital assets, net of accumulated depreciation | <u>5,760,007</u> |
| Total assets | <u>107,693,419</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension related items | 13,184,730 |
| OPEB related items | <u>5,725,553</u> |
| Total deferred outflows of resources | <u>18,910,283</u> |
| LIABILITIES | |
| Accounts payable | 2,154,938 |
| Salaries payable | 6,098,224 |
| Unearned revenue | 96,631 |
| Noncurrent liabilities due in more than one year | |
| Net pension liability | 46,386,373 |
| Net OPEB liability | <u>28,513,470</u> |
| Total liabilities | <u>83,249,636</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension related items | 469,091 |
| OPEB related items | <u>6,348,330</u> |
| Total deferred inflows of resources | <u>6,817,421</u> |
| NET POSITION | |
| Investment in capital assets | 5,760,007 |
| Restricted for: | |
| Capital projects | 73,331,421 |
| School nutrition | 885,762 |
| Unrestricted | <u>(43,440,545)</u> |
| Total net position | <u><u>\$ 36,536,645</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 ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---|----------------------|-----------------------------|---|---|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities: | | | | | |
| Instruction | \$ 35,867,850 | \$ 461,817 | \$ 22,040,422 | \$ - | \$ (13,365,611) |
| Support services: | | | | | |
| Pupil services | 3,600,000 | - | 719,722 | - | (2,880,278) |
| Improvement of instructional services | 1,331,283 | - | 381,074 | - | (950,209) |
| Educational media services | 352,227 | - | 638,471 | - | 286,244 |
| General administration | 901,366 | - | 1,278,132 | - | 376,766 |
| School administration | 2,782,222 | - | 1,109,801 | - | (1,672,421) |
| Business administration | 646,457 | - | 7,504 | - | (638,953) |
| Maintenance and operation of plant services | 8,482,500 | - | 2,140,403 | 60,453,151 | 54,111,054 |
| Student transportation services | 2,150,399 | - | 462,041 | 77,220 | (1,611,138) |
| Central support services | 725,239 | - | 7,544 | - | (717,695) |
| Other support services | 441,442 | - | 54,706 | - | (386,736) |
| Food services operation | 2,791,492 | 168,815 | 2,544,858 | - | (77,819) |
| Community services operation | 255,132 | 51,329 | - | - | (203,803) |
| Total governmental activities | <u>\$ 60,327,609</u> | <u>\$ 681,961</u> | <u>\$ 31,384,678</u> | <u>\$ 60,530,371</u> | <u>\$ 32,269,401</u> |
| General revenues: | | | | | |
| Property taxes | | | | | 20,236,873 |
| Sales taxes | | | | | 5,954,875 |
| Unrestricted investment earnings | | | | | 8,963 |
| Total general revenues | | | | | <u>26,200,711</u> |
| Change in net position | | | | | 58,470,112 |
| Net position, beginning of year | | | | | <u>(21,933,467)</u> |
| Net position, end of year | | | | | <u>\$ 36,536,645</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, 2021

| ASSETS | General | SPLOST Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|-------------------------------|--------------------------------|--------------------------------|
| Cash and cash equivalents | \$ 20,809,580 | \$ 74,131,671 | \$ 1,958,815 | \$ 96,900,066 |
| Receivables: | | | | |
| Intergovernmental | 3,370,015 | - | 676,382 | 4,046,397 |
| Taxes, net of allowance for uncollectible | 287,483 | 592,935 | - | 880,418 |
| Due from other funds | 494,126 | - | - | 494,126 |
| Inventory | - | - | 106,531 | 106,531 |
| Total assets | <u>\$ 24,961,204</u> | <u>\$ 74,724,606</u> | <u>\$ 2,741,728</u> | <u>\$ 102,427,538</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 729,943 | \$ 1,393,185 | \$ 31,810 | \$ 2,154,938 |
| Salaries and benefits payable | 5,706,654 | - | 391,570 | 6,098,224 |
| Unearned revenue | 52,583 | - | 44,048 | 96,631 |
| Due to other funds | - | - | 494,126 | 494,126 |
| Total liabilities | <u>6,489,180</u> | <u>1,393,185</u> | <u>961,554</u> | <u>8,843,919</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | <u>117,632</u> | <u>-</u> | <u>-</u> | <u>117,632</u> |
| Total deferred inflows of resources | <u>117,632</u> | <u>-</u> | <u>-</u> | <u>117,632</u> |
| FUND BALANCES | | | | |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Inventory | - | - | 106,531 | 106,531 |
| Restricted: | | | | |
| Capital projects | - | 73,331,421 | - | 73,331,421 |
| School nutrition | - | - | 779,231 | 779,231 |
| Committed: | | | | |
| After school programs | - | - | 250,334 | 250,334 |
| Student activities | - | - | 780,950 | 780,950 |
| Assigned: | | | | |
| 2022 fiscal year appropriations of fund balance | 1,814,194 | - | - | 1,814,194 |
| SS - Instruction | 10,957 | - | - | 10,957 |
| SS - Business administration | 4,450 | - | - | 4,450 |
| SS - Maintenance and operation of plant | 11,500 | - | - | 11,500 |
| SS - Central support services | 1,512 | - | - | 1,512 |
| Capital projects | 5,500,000 | - | - | 5,500,000 |
| Maintenance projects | 300,000 | - | - | 300,000 |
| Unassigned (deficit) | <u>10,711,779</u> | <u>-</u> | <u>(136,872)</u> | <u>10,574,907</u> |
| Total fund balances | <u>18,354,392</u> | <u>73,331,421</u> | <u>1,780,174</u> | <u>93,465,987</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 24,961,204</u> | <u>\$ 74,724,606</u> | <u>\$ 2,741,728</u> | <u>\$ 102,427,538</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 GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

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

| | | |
|--|----|------------|
| Total fund balances - governmental funds | \$ | 93,465,987 |
|--|----|------------|

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

| | | | |
|-------------------------------|----|---------------------|-----------|
| Cost | \$ | 16,686,888 | |
| Less accumulated depreciation | | <u>(10,926,881)</u> | 5,760,007 |

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

| | | |
|--|------------------|--------------|
| Net pension liability | (46,386,373) | |
| Pension related deferred outflows of resources | 13,184,730 | |
| Pension related deferred inflows of resources | <u>(469,091)</u> | (33,670,734) |

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

| | | |
|---|--------------------|--------------|
| Net OPEB liability | (28,513,470) | |
| OPEB related deferred outflows of resources | 5,725,553 | |
| OPEB related deferred inflows of resources | <u>(6,348,330)</u> | (29,136,247) |

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

| | | |
|----------------|--|----------------|
| Property taxes | | <u>117,632</u> |
|----------------|--|----------------|

| | | |
|--|----|--------------------------|
| Net position - governmental activities | \$ | <u><u>36,536,645</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 REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | General | SPLOST Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|-------------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | |
| Taxes | \$ 20,227,326 | \$ 5,954,875 | \$ - | \$ 26,182,201 |
| Federal sources | 54,555 | - | 6,181,882 | 6,236,437 |
| State sources | 23,404,218 | - | 647,630 | 24,051,848 |
| Local sources | 152,496 | 60,453,151 | 798,405 | 61,404,052 |
| Interest income | 8,930 | 11,064 | 33 | 20,027 |
| Charges for services | 164,100 | - | 576,257 | 740,357 |
| On behalf payments | 76,790 | - | - | 76,790 |
| Total revenues | <u>44,088,415</u> | <u>66,419,090</u> | <u>8,204,207</u> | <u>118,711,712</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 28,363,001 | - | 3,706,879 | 32,069,880 |
| Support services: | | | | |
| Pupil services | 2,853,671 | - | 581,474 | 3,435,145 |
| Improvement of instructional services | 1,030,625 | - | 196,810 | 1,227,435 |
| Educational media services | 324,386 | - | 15,598 | 339,984 |
| General administration | 815,189 | - | 35,922 | 851,111 |
| School administration | 2,537,059 | - | 29,152 | 2,566,211 |
| Business administration | 599,574 | - | 4,859 | 604,433 |
| Maintenance and operation of plant | 2,633,749 | - | 776,337 | 3,410,086 |
| Student transportation services | 1,999,546 | - | 67,633 | 2,067,179 |
| Central support services | 538,352 | - | - | 538,352 |
| Other support services | 368,767 | - | 54,718 | 423,485 |
| Food services operation | 29,651 | - | 2,684,598 | 2,714,249 |
| Community services operation | - | - | 250,264 | 250,264 |
| Capital outlay | - | 6,672,127 | - | 6,672,127 |
| Total expenditures | <u>42,093,570</u> | <u>6,672,127</u> | <u>8,404,244</u> | <u>57,169,941</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,994,845</u> | <u>59,746,963</u> | <u>(200,037)</u> | <u>61,541,771</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 19,864 | - | 137,101 | 156,965 |
| Transfers out | (137,101) | - | (19,864) | (156,965) |
| Sale of capital assets | 24,535 | - | - | 24,535 |
| Total other financing sources (uses) | <u>(92,702)</u> | <u>-</u> | <u>117,237</u> | <u>24,535</u> |
| Net change in fund balances | 1,902,143 | 59,746,963 | (82,800) | 61,566,306 |
| FUND BALANCE, beginning of year | <u>16,452,249</u> | <u>13,584,458</u> | <u>1,862,974</u> | <u>31,899,681</u> |
| FUND BALANCE, end of year | <u>\$ 18,354,392</u> | <u>\$ 73,331,421</u> | <u>\$ 1,780,174</u> | <u>\$ 93,465,987</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, 2021**

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

| | | |
|--|----|------------|
| Net change in fund balances - total governmental funds | \$ | 61,566,306 |
|--|----|------------|

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 depreciation expense exceeded capital outlay in the current period.

| | | | |
|----------------------|----|-------------|----------|
| Capital outlay | \$ | 1,649,417 | |
| Depreciation expense | | (1,667,411) | (17,994) |

| | | |
|---|--|-----------|
| The net effect of the disposal of capital assets is to decrease net position. | | (109,760) |
|---|--|-----------|

| | | |
|---|--|-------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. | | 9,547 |
|---|--|-------|

| | | |
|--|--|-------------|
| 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. | | (2,783,582) |
|--|--|-------------|

| | | |
|--|--|-----------|
| 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. | | (194,405) |
|--|--|-----------|

| | | |
|---|----|------------|
| Changes in net position - governmental activities | \$ | 58,470,112 |
|---|----|------------|

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, 2021**

| | Budget | | Actual | Variance With Final Budget |
|---|---------------|---------------|---------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 18,728,192 | \$ 18,728,192 | \$ 20,227,326 | \$ 1,499,134 |
| Federal sources | 45,000 | 45,000 | 54,555 | 9,555 |
| State sources | 21,935,626 | 22,205,764 | 23,414,943 | 1,209,179 |
| Local sources | - | - | 152,496 | 152,496 |
| Interest income | 50,000 | 50,000 | 8,930 | (41,070) |
| Charges for services | 65,000 | 65,000 | 164,100 | 99,100 |
| Total revenues | 40,823,818 | 41,093,956 | 44,022,350 | 2,928,394 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 29,042,768 | 29,342,851 | 28,373,726 | 969,125 |
| Support services: | | | | |
| Pupil services | 2,909,079 | 2,938,933 | 2,853,671 | 85,262 |
| Improvement of instructional services | 1,080,027 | 1,142,624 | 1,030,625 | 111,999 |
| Educational media services | 335,104 | 339,344 | 324,386 | 14,958 |
| General administration | 798,926 | 820,951 | 815,189 | 5,762 |
| School administration | 2,573,583 | 2,594,602 | 2,537,059 | 57,543 |
| Business administration | 799,710 | 802,710 | 596,929 | 205,781 |
| Maintenance and operation of plant | 2,841,232 | 2,953,205 | 2,624,391 | 328,814 |
| Student transportation services | 1,811,451 | 1,951,412 | 1,967,140 | (15,728) |
| Central support services | 419,199 | 492,019 | 532,968 | (40,949) |
| Other support services | 291,200 | 324,333 | 366,619 | (42,286) |
| Food services operation | - | 4,802 | 4,802 | - |
| Total expenditures | 42,902,279 | 43,707,786 | 42,027,505 | 1,680,281 |
| Excess (deficiency) of revenues over expenditures | (2,078,461) | (2,613,830) | 1,994,845 | 4,608,675 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 19,864 | 19,864 |
| Transfers out | (130,000) | (130,000) | (137,101) | (7,101) |
| Sale of capital assets | - | - | 24,535 | 24,535 |
| Total other financing sources (uses) | (130,000) | (130,000) | (92,702) | 37,298 |
| Net change in fund balances | (2,208,461) | (2,743,830) | 1,902,143 | 4,645,973 |
| FUND BALANCE, beginning of year | 16,452,249 | 16,452,249 | 16,452,249 | - |
| FUND BALANCE, end of year | \$ 14,243,788 | \$ 13,708,419 | \$ 18,354,392 | \$ 4,645,973 |

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, 2021**

ASSETS

| | |
|--------------|------------|
| Cash | \$ 283,839 |
| | <hr/> |
| Total assets | 283,839 |
| | <hr/> |

NET POSITION

| | |
|---|-------------|
| Restricted for individuals, organizations and other governments | \$ 283,839 |
| | <hr/> <hr/> |

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, 2021

ADDITIONS

| | |
|-------------------|------------|
| Local collections | \$ 447,766 |
| | <hr/> |
| Total additions | 447,766 |
| | <hr/> |

DEDUCTIONS

| | |
|------------------------|---------|
| Collections disbursed | 405,457 |
| | <hr/> |
| Total deductions | 405,457 |
| | <hr/> |
| Change in net position | 42,309 |

NET POSITION

| | |
|-------------------|-------------|
| Beginning of year | 241,530 |
| | <hr/> |
| End of year | \$ 283,839 |
| | <hr/> <hr/> |

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, 2021**

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.

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, 2021

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, 2021**

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, 2021

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 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> |
|-------------------------|---------------------|
| 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, 2021**

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, 2021

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, 2021

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, 2021 which are subsequent to the measurement date of the net pension liability and will be recognized in fiscal year 2022; (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 for the pension and OPEB plan 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 and OPEB 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, 2021 which are subsequent to the measurement date of the net OPEB liability and will be recognized in fiscal year 2022; (6) a deferred outflow of resources for the net difference between projected and actual investment earnings on the pension assets and 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, 2021**

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 four (4) 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 change in the Board's proportionate share based on actual contributions towards the pension plan, which will be amortized over the remaining service period; (2) 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; (3) 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 (4) 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
JUNE 30, 2021**

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 1st 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 30th. 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 2021 revenues and expenditures for certain personnel are budgeted in June 2020, 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, 2021, the July and August 2021 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.

CITY OF CARTERSVILLE BOARD OF EDUCATION
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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 | \$ 44,088,415 | |
| Revenues Receivable Increase | 10,725 | |
| On-Behalf Benefit Contribution | <u>(76,790)</u> | |
| Budgeted Revenues, Budgetary Basis | | \$ 44,022,350 |
| Expenditures GAAP Basis | \$ 42,093,570 | |
| Accrued Salary Increase | 10,725 | |
| On-Behalf Benefits Expenditure | <u>(76,790)</u> | |
| Budgeted Expenditures, Budgetary Basis | | 42,027,505 |
| Other Financing Uses, Net | | <u>(92,702)</u> |
| Revenues Over Expenditures and Other Financing Uses, Budgetary Basis | | <u><u>\$ 1,902,143</u></u> |
| Revenues Over Expenditures and Other Financing Uses, GAAP Basis | | <u><u>\$ 1,902,143</u></u> |

The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2021:

| | |
|---------------------------------|-----------|
| General Fund: | |
| Support services: | |
| Student transportation services | \$ 15,728 |
| Central support services | 40,949 |
| Other support services | 42,286 |

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

Deficit Fund Equity

At June 30, 2021, the Federal Programs fund reported a deficit fund balance of \$136,872. The deficit is the result of a timing difference in the recognition of expenditures versus the recognition of the revenue from the American Recovery Plan Act, Elementary & Secondary School Emergency Relief Fund grant passed through the Georgia Department of Education. Federal revenues to be recognized in the fiscal year ending June 30, 2022 are expected to alleviate this deficit.

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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 Nationally Recognized Statistical Ratings Organization (NRSROs). At June 30, 2021, 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 \$15,426,191 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 AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair 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, 2021, the Board had the following investments:

| <u>Investment</u> | <u>Maturities</u> | <u>Credit Rating</u> | <u>Fair Value</u> |
|-------------------|-------------------------|----------------------|-------------------|
| Georgia Fund 1 | 36 day weighted average | AAAf | \$ 15,426,191 |

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, 2021, 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 were 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, 2021.

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 2020. 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.

| | General | SPLOST Capital Projects | Other Governmental Funds | Total |
|--------------------------------------|---------------------|-------------------------------|--------------------------------|---------------------|
| Receivables: | | | | |
| Taxes | \$ 326,708 | \$ 592,935 | \$ - | \$ 919,643 |
| Intergovernmental | 3,370,015 | - | 676,382 | 4,046,397 |
| Gross receivables | 3,696,723 | 592,935 | 676,382 | 4,966,040 |
| Less allowance for uncollectibles | (39,225) | - | - | (39,225) |
| Net total receivables | <u>\$ 3,657,498</u> | <u>\$ 592,935</u> | <u>\$ 676,382</u> | <u>\$ 4,926,815</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, 2021 were as follows:

| | Beginning Balance | Additions | Reductions | Transfers | Ending Balance |
|--|------------------------------|--------------------|---------------------|------------------|---------------------------|
| Governmental activities: | | | | | |
| Building and improvements | \$ 200,254 | \$ - | \$ - | \$ (200,254) | \$ - |
| Vehicles | 3,460,730 | 380,908 | (223,456) | - | 3,618,182 |
| Computers | 7,260,846 | 1,029,162 | (285,752) | - | 8,004,256 |
| Furniture and equipment | 4,787,245 | 239,347 | (162,396) | 200,254 | 5,064,450 |
| Total depreciable | <u>15,709,075</u> | <u>1,649,417</u> | <u>(671,604)</u> | <u>-</u> | <u>16,686,888</u> |
| Accumulated depreciation: | | | | | |
| Building and improvements | 28,297 | - | - | (28,297) | - |
| Vehicles | 2,640,399 | 203,874 | (202,200) | - | 2,642,073 |
| Computers | 4,934,043 | 1,051,292 | (270,054) | - | 5,715,281 |
| Furniture and equipment | 2,218,575 | 412,245 | (89,590) | 28,297 | 2,569,527 |
| Total depreciable | <u>9,821,314</u> | <u>1,667,411</u> | <u>(561,844)</u> | <u>-</u> | <u>10,926,881</u> |
| Governmental activities - capital assets, net | <u>\$ 5,887,761</u> | <u>\$ (17,994)</u> | <u>\$ (109,760)</u> | <u>\$ -</u> | <u>\$ 5,760,007</u> |

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

| | |
|--|---------------------|
| Governmental activities: | |
| Instruction | \$ 299,213 |
| Pupil services | 610 |
| Educational media services | 1,445 |
| General administration | 10,083 |
| School administration | 6,276 |
| Business administration | 2,509 |
| Maintenance and operations of plant services | 39,435 |
| Student transportation services | 45,051 |
| Central support services | 171,469 |
| Other support services | 17,957 |
| School nutrition program | 77,243 |
| Facilities and acquisition services | 991,252 |
| Community services operations | 4,868 |
| Total depreciation expense | <u>\$ 1,667,411</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, 2021 is as follows:

| <u>Interfund Receivable</u> | <u>Interfund Payable</u> | <u>Amount</u> |
|-----------------------------|------------------------------|---------------|
| General Fund | Non-major Governmental Funds | \$ 494,126 |

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, 2021 are as follows:

| <u>Transfer In</u> | <u>Transfer Out</u> | <u>Amount</u> |
|------------------------------|------------------------------|-------------------|
| General Fund | Non-major Governmental Funds | \$ 19,864 |
| Non-Major Governmental Funds | General Fund | 137,101 |
| Total | | <u>\$ 156,965</u> |

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.

**CITY OF CARTERSVILLE BOARD OF EDUCATION
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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.

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 2021. The Board's contractually required contribution rate for the year ended June 30, 2021 was 19.06% of annual Board payroll. District contributions to TRS were \$4,839,791 for the year ended June 30, 2021.

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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, 2021, 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 | \$ 46,386,373 |
| State of Georgia's proportionate share of the net pension liability associated with the Board | <u>298,681</u> |
| Total | <u><u>\$ 46,685,054</u></u> |

The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 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, 2020. At June 30 2020, the Board's proportion was 0.191490%, which was an increase of 0.001014% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Board recognized pension expense of \$7,621,300 and revenue of \$21,254 for support provided by the State of Georgia for certain support personnel. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Net difference between projected and actual earnings on pension plan investments | \$ 1,117,224 | \$ - |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | 429,724 | 469,091 |
| Assumption changes | 4,777,850 | - |
| Experience differences between expected and actual | 2,020,141 | - |
| Board contributions subsequent to the measurement date | 4,839,791 | - |
| Total | <u><u>\$ 13,184,730</u></u> | <u><u>\$ 469,091</u></u> |

CITY OF CARTERSVILLE BOARD OF EDUCATION
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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 \$4,839,791 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ending June 30: | |
|-----------------------------|---------------------|
| 2022 | \$ 1,728,225 |
| 2023 | 2,521,158 |
| 2024 | 2,531,847 |
| 2025 | 1,094,618 |
| Total | <u>\$ 7,875,848</u> |

Actuarial assumptions: The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 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 |

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

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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 actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, 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.

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%. 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:

| | 1% Decrease (6.25%) | Current discount rate (7.25%) | 1% Increase (8.25%) |
|--|------------------------------------|--|------------------------------------|
| Board's proportionate share of the net pension liability | \$ 73,557,714 | \$ 46,386,373 | \$ 24,113,664 |

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.

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.

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 \$15.50, 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, 2021, 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>274,346</u> |

The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 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, 2020.

For the year ended June 30, 2020, the Board recognized pension expense of \$55,208 and revenue of \$55,208 for support provided by the State of Georgia.

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

| | |
|---------------------------------|---|
| Inflation | 2.50% |
| 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 |

CITY OF CARTERSVILLE BOARD OF EDUCATION
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NOTES TO FINANCIAL STATEMENTS
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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, 2019 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:

| Asset class | Target allocation | Long-term expected real rate of return* |
|---------------------------------------|--------------------------|--|
| 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

**CITY OF CARTERSVILLE BOARD OF EDUCATION
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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, 2021 the General Fund's encumbrances expected to be honored upon performance by vendor in the next year are \$28,419.

CITY OF CARTERSVILLE BOARD OF EDUCATION
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JUNE 30, 2021

NOTE 9 - COMMITMENTS AND CONTINGENCIES (Continued)

Outstanding Construction Commitments

The following is an analysis of significant outstanding construction or renovation contracts executed by the Board as of June 30, 2021:

| Project | |
|---|---------------------|
| Cartersville High School Demo | \$ 53,512 |
| Cartersville High School Football Field | 568,497 |
| Cartersville High School Phase I | <u>2,139,495</u> |
| Total | <u>\$ 2,761,504</u> |

NOTE 10 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The Board has recognized revenue and expenditures in the amount of \$76,790 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 \$45,890.

Paid by the Georgia Department of Education to the Teachers Retirement System for Teachers Retirement (TRS) in the amount of \$30,900.

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 Annual Comprehensive Financial Report which is publicly available and can be obtained at <https://sao.georgia.gov/statewide-reporting/acfr>.

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.

CITY OF CARTERSVILLE BOARD OF EDUCATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

Benefits (continued): 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 \$740,278 for the year ended June 30, 2021. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2021, the Board reported a liability of \$28,513,470 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019. An expected total OPEB liability as of June 30, 2020 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, 2020. At June 30, 2020, the Board's proportion was 0.194132%, which was an increase of 0.001561% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Board recognized OPEB expense of \$934,683. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 3,112,786 |
| Net difference between projected and actual earnings on OPEB plan investments | 74,317 | - |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | 195,463 | 698,458 |
| Changes in plan assumptions | 4,715,495 | 2,537,086 |
| Board contributions subsequent to the measurement date | 740,278 | - |
| Total | <u>\$ 5,725,553</u> | <u>\$ 6,348,330</u> |

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JUNE 30, 2021

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

Board contributions subsequent to the measurement date of \$740,278 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ending June 30: | |
|-----------------------------|-----------------------|
| 2022 | \$ (764,658) |
| 2023 | (766,653) |
| 2024 | (540,576) |
| 2025 | 39,047 |
| 2026 | 487,355 |
| 2027 | 182,430 |
| Total | <u>\$ (1,363,055)</u> |

Actuarial assumptions:

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 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, 2020:

| | |
|-----------------------------------|--|
| 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 | 7.00% |
| Medicare eligible | 5.25% |
| Ultimate trend rate: | |
| Pre-Medicare eligible | 4.50% |
| Medicare eligible | 4.50% |
| Year of ultimate trend rate: | |
| Pre-Medicare eligible | 2029 |
| Medicare eligible | 2023 |

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JUNE 30, 2021

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

Mortality rates were based as follows:

- For TRS Members: The Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with the MP-2019 projection scale (set forward one year and adjusted 106%) is used for death prior to retirement and for service retirements and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with the MP-2019 Projection scale (set forward one year and adjusted 106%) is used for disability retirements. For both, rates of improvement were reduced by 20% for all years prior to the ultimate rate.
- For PSERS Members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward three years for males and two years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward five years for both males and females) is used for the period 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. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the pension systems, which covered the period ending July 1, 2013 – June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 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.

CITY OF CARTERSVILLE BOARD OF EDUCATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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% | 0.53% |
| Equities | 70.00% | 9.20% |
| Total | <u>100.00%</u> | |

*Net of Inflation

Discount rate:

The discount rate has changed since the prior measurement date from 3.58% to 2.22%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 2.22% 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 (2.21% 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 2118. 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 2.22% 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 2.22%, 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 (1.22%) or 1-percentage-point higher (3.22%) than the current rate:

| | <u>1% Decrease (1.22%)</u> | <u>Current discount rate (2.22%)</u> | <u>1% Increase (3.22%)</u> |
|--|------------------------------------|--|------------------------------------|
| Board's proportionate share of the net OPEB liability | \$ 33,498,623 | \$ 28,513,470 | \$ 24,526,740 |

**CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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 5.25% to 7.00%, 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 (4.25% to 6.00%) or 1-percentage-point higher (6.25% to 8.00%) than the current rates:

| | 1% Decrease (4.25% to 6.00%) | Current discount rate (5.25% to 7.00%) | 1% Increase (6.25% to 8.00%) |
|--|---|---|---|
| Board's proportionate share of the net OPEB liability | \$ 23,740,330 | \$ 28,513,470 | \$ 34,693,300 |

OPEB plan fiduciary net position:

Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Report (ACFR) which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

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>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Board's proportion of the net pension liability | 0.191490% | 0.190476% | 0.194350% | 0.193826% | 0.187335% |
| Board's proportionate share of the net pension liability | \$ 46,386,373 | \$ 40,957,490 | \$ 36,075,523 | \$ 36,023,159 | \$ 38,649,299 |
| State of Georgia's proportionate share of the net pension liability associated with the Board | <u>298,681</u> | <u>266,634</u> | <u>241,679</u> | <u>252,574</u> | <u>305,134</u> |
| Total | <u>\$ 46,685,054</u> | <u>\$ 41,224,124</u> | <u>\$ 36,317,202</u> | <u>\$ 36,275,733</u> | <u>\$ 38,954,433</u> |
| Board's covered payroll | \$ 24,698,245 | \$ 23,245,895 | \$ 23,148,316 | \$ 22,239,958 | \$ 20,570,694 |
| Board's proportionate share of the net pension liability as a percentage of its covered payroll | 187.81% | 176.19% | 155.85% | 161.97% | 187.89% |
| Plan fiduciary net position as a percentage of the total pension liability | 77.01% | 78.56% | 80.27% | 79.33% | 76.06% |
| | <u>2016</u> | <u>2015</u> | | | |
| Board's proportion of the net pension liability | 0.196712% | 0.199006% | | | |
| Board's proportionate share of the net pension liability | \$ 29,947,449 | \$ 25,141,783 | | | |
| State of Georgia's proportionate share of the net pension liability associated with the Board | <u>325,642</u> | <u>256,843</u> | | | |
| Total | <u>\$ 30,273,091</u> | <u>\$ 25,398,626</u> | | | |
| Board's covered payroll | \$ 20,766,335 | \$ 20,302,581 | | | |
| Board's proportionate share of the net pension liability as a percentage of its covered payroll | 144.21% | 123.84% | | | |
| Plan fiduciary net position as a percentage of the total pension liability | 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

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---------------|---------------|---------------|---------------|---------------|
| Contractually required contributions | \$ 4,839,791 | \$ 5,221,209 | \$ 4,858,392 | \$ 3,891,232 | \$ 3,173,642 |
| Contributions in relation to the contractually required contributions | 4,839,791 | 5,221,209 | 4,858,392 | 3,891,232 | 3,173,642 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Board's covered payroll | \$ 25,392,622 | \$ 24,698,245 | \$ 23,245,895 | \$ 23,148,316 | \$ 22,239,958 |
| Contributions as a percentage of covered payroll | 19.060% | 21.140% | 20.900% | 16.810% | 14.270% |
| | | | | | |
| Contractually required contributions | 2016 | 2015 | 2014 | 2013 | 2012 |
| | \$ 2,935,438 | \$ 2,732,088 | \$ 2,493,157 | \$ 2,333,282 | \$ 2,199,278 |
| Contributions in relation to the contractually required contributions | 2,935,438 | 2,732,088 | 2,493,157 | 2,333,282 | 2,199,278 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Board's covered payroll | \$ 20,570,694 | \$ 20,766,335 | \$ 20,302,581 | \$ 20,449,448 | N/A |
| Contributions as a percentage of covered payroll | 14.270% | 13.156% | 12.280% | 11.410% | 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**

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Board's proportion of the net pension liability | 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>274,346</u> | <u>257,688</u> | <u>239,620</u> | <u>220,551</u> | <u>281,158</u> |
| Total | <u>\$ 274,346</u> | <u>\$ 257,688</u> | <u>\$ 239,620</u> | <u>\$ 220,551</u> | <u>\$ 281,158</u> |
| Board's covered-employee payroll | \$ 910,384 | \$ 922,590 | \$ 884,653 | \$ 830,592 | \$ 701,516 |
| 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 |
| Plan fiduciary net position as a percentage of the total pension liability | 84.45% | 85.02% | 85.26% | 85.69% | 81.00% |
| | | | | | |
| Board's proportion of the net pension liability | <u>2016</u> | <u>2015</u> | | | |
| | 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>187,254</u> | <u>170,734</u> | | | |
| Total | <u>\$ 187,254</u> | <u>\$ 170,734</u> | | | |
| Board's covered-employee payroll | \$ 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 | | | |
| Plan fiduciary net position as a percentage of the total pension liability | 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>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|-------------------|----------------------|----------------------|----------------------|
| Board's proportion of the net OPEB liability | 0.194132% | 0.192571% | 0.193149% | 0.196075% |
| Board's proportionate share of the net OPEB liability | <u>28,513,470</u> | <u>\$ 23,632,593</u> | <u>\$ 24,548,645</u> | <u>\$ 27,548,459</u> |
| Total | <u>28,513,470</u> | <u>\$ 23,632,593</u> | <u>\$ 24,548,645</u> | <u>\$ 27,548,459</u> |
| Board's covered-employee payroll | 20,943,727 | \$ 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 | 136.14% | 119.97% | 108.66% | 127.31% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 3.99% | 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

| | 2021 | 2020 | 2019 | 2018 |
|---|---------------|---------------|---------------|---------------|
| Contractually required contributions | \$ 740,278 | \$ 656,508 | \$ 1,037,131 | \$ 1,001,070 |
| Contributions in relation to the contractually required contributions | 740,278 | 656,508 | 1,037,131 | 1,001,070 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Board's covered-employee payroll | \$ 21,649,579 | \$ 20,943,727 | \$ 19,698,296 | \$ 22,591,715 |
| Contributions as a percentage of covered-employee payroll | 3.419% | 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, 2021

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%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

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

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

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.

The inflation assumption was lowered from 2.75% to 2.50% effective with the June 30, 2018 actuarial valuation.

In the June 30, 2019 actuarial valuation, decremental assumptions were changed to reflect the Teachers Retirement Systems experience study.

**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, 2021

| ASSETS | Special Revenue | | | | | Total Nonmajor Governmental Funds |
|--------------------------------------|----------------------|-------------------|------------------|----------------------|--------------------|-----------------------------------|
| | School Food Services | Federal Programs | Lottery Programs | After School Program | Student Activities | |
| Cash and cash equivalents | \$ 858,239 | \$ - | \$ 68,218 | \$ 251,408 | \$ 780,950 | \$ 1,958,815 |
| Intergovernmental receivables | 134,070 | 542,312 | - | - | - | 676,382 |
| Inventory | 106,531 | - | - | - | - | 106,531 |
| Total assets | <u>\$ 1,098,840</u> | <u>\$ 542,312</u> | <u>\$ 68,218</u> | <u>\$ 251,408</u> | <u>\$ 780,950</u> | <u>\$ 2,741,728</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 21,774 | \$ 7,339 | \$ 1,623 | \$ 1,074 | \$ - | \$ 31,810 |
| Salaries and benefits payable | 147,256 | 177,719 | 66,595 | - | - | 391,570 |
| Unearned revenue | 44,048 | - | - | - | - | 44,048 |
| Due to other funds | - | 494,126 | - | - | - | 494,126 |
| Total liabilities | <u>213,078</u> | <u>679,184</u> | <u>68,218</u> | <u>1,074</u> | <u>-</u> | <u>961,554</u> |
| FUND BALANCES | | | | | | |
| Nonspendable: | | | | | | |
| Inventory | 106,531 | - | - | - | - | 106,531 |
| Restricted: | | | | | | |
| School nutrition | 779,231 | - | - | - | - | 779,231 |
| Committed: | | | | | | |
| After school programs | - | - | - | 250,334 | - | 250,334 |
| Student activities | - | - | - | - | 780,950 | 780,950 |
| Unassigned (deficit) | - | (136,872) | - | - | - | (136,872) |
| Total fund balances (deficit) | <u>885,762</u> | <u>(136,872)</u> | <u>-</u> | <u>250,334</u> | <u>780,950</u> | <u>1,780,174</u> |
| Total liabilities and fund balances | <u>\$ 1,098,840</u> | <u>\$ 542,312</u> | <u>\$ 68,218</u> | <u>\$ 251,408</u> | <u>\$ 780,950</u> | <u>\$ 2,741,728</u> |

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, 2021

| | Special Revenue | | | | | Total Nonmajor Governmental Funds |
|---|----------------------|---------------------|------------------|----------------------|--------------------|-----------------------------------|
| | School Food Services | Federal Programs | Lottery Programs | After School Program | Student Activities | |
| REVENUES | | | | | | |
| Federal sources | \$ 2,407,059 | \$ 3,762,649 | \$ 12,174 | \$ - | \$ - | \$ 6,181,882 |
| State sources | 72,412 | - | 575,218 | - | - | 647,630 |
| Local sources | 172,148 | - | - | - | 626,257 | 798,405 |
| Interest income | - | - | - | - | 33 | 33 |
| Charges for services | - | - | - | 278,540 | 297,717 | 576,257 |
| Total revenues | <u>2,651,619</u> | <u>3,762,649</u> | <u>587,392</u> | <u>278,540</u> | <u>924,007</u> | <u>8,204,207</u> |
| EXPENDITURES | | | | | | |
| Instruction | - | 2,258,534 | 562,439 | - | 885,906 | 3,706,879 |
| Support services: | | | | | | |
| Pupil services | - | 581,116 | 358 | - | - | 581,474 |
| Improvement of instructional services | - | 196,586 | 224 | - | - | 196,810 |
| Educational media services | - | 15,598 | - | - | - | 15,598 |
| General administration | - | 31,738 | 4,184 | - | - | 35,922 |
| School administration | - | 29,152 | - | - | - | 29,152 |
| Business administration | - | 4,859 | - | - | - | 4,859 |
| Maintenance and operation of plant | - | 769,768 | 6,569 | - | - | 776,337 |
| Student transportation services | - | 54,098 | 13,535 | - | - | 67,633 |
| Other support services | - | 54,718 | - | - | - | 54,718 |
| Food services operation | 2,644,060 | 40,455 | 83 | - | - | 2,684,598 |
| Community services operation | - | - | - | 250,264 | - | 250,264 |
| Total expenditures | <u>2,644,060</u> | <u>4,036,622</u> | <u>587,392</u> | <u>250,264</u> | <u>885,906</u> | <u>8,404,244</u> |
| Excess (deficiency) of revenues over expenditures | 7,559 | (273,973) | - | 28,276 | 38,101 | (200,037) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | 137,101 | - | - | - | 137,101 |
| Transfers out | - | - | - | - | (19,864) | (19,864) |
| Total other financing sources (uses) | - | 137,101 | - | - | (19,864) | 117,237 |
| Net change in fund balances | 7,559 | (136,872) | - | 28,276 | 18,237 | (82,800) |
| FUND BALANCE, beginning of year | <u>878,203</u> | <u>-</u> | <u>-</u> | <u>222,058</u> | <u>762,713</u> | <u>1,862,974</u> |
| FUND BALANCE (deficit), end of year | <u>\$ 885,762</u> | <u>\$ (136,872)</u> | <u>\$ -</u> | <u>\$ 250,334</u> | <u>\$ 780,950</u> | <u>\$ 1,780,174</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, 2021

| | Pre-Kindergarten Program |
|---------------------------------|-------------------------------------|
| EXPENDITURES | |
| Salaries/benefits: | |
| Pre-K teacher salaries/benefits | \$ 401,501 |
| Paraprofessional | 143,384 |
| Substitute | 7,451 |
| Total salaries/benefits | <u>552,336</u> |
| Operating costs: | |
| Supplies | 10,290 |
| Other expenditures | 24,766 |
| Total operating costs | <u>35,056</u> |
| Total expenditures | <u><u>\$ 587,392</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, 2021

| <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> |
|---|---|---|---|--|---------------------------|---------------------------|
| 2017 SPLOST | | | | | | |
| 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 | \$ 6,672,127 | \$ 8,002,033 | \$ 14,674,160 | Ongoing |
| Total 2017 SPLOST | <u>\$ 34,000,000</u> | <u>\$ 34,000,000</u> | <u>\$ 6,672,127</u> | <u>\$ 8,002,033</u> | <u>\$ 14,674,160</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

This part of the City of Cartersville Board of Education’s annual comprehensive 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> |
|---|-------------|
| Financial Trends | 60 |
| These schedules contain trend information to help the reader understand how the Board’s financial performance and well-being have changed over time. | |
| Revenue Capacity..... | 64 |
| These schedules contain information to help the reader assess the Board’s most significant local revenue source, property tax. | |
| Debt Capacity | 68 |
| 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. | |
| Demographic and Economic Information | 72 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board’s financial activities take place. | |
| Operating Information | 75 |
| 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. | |

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

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

| | 2012 | 2013 | 2014 | 2015 (1) | 2016 |
|---|----------------------|----------------------|----------------------|---------------------|-----------------------|
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 2,554,000 | \$ 3,046,194 | \$ 3,408,555 | \$ 4,130,717 | \$ 4,477,174 |
| Restricted | 7,305,466 | 9,561,809 | 10,057,780 | 13,123,855 | 7,293,701 |
| Unrestricted | 11,515,221 | 13,312,746 | 12,684,258 | (18,044,519) | (16,708,998) |
| Total governmental activities net position | <u>\$ 21,374,687</u> | <u>\$ 25,920,749</u> | <u>\$ 26,150,593</u> | <u>\$ (789,947)</u> | <u>\$ (4,938,123)</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.

| 2017 | 2018 (2) | 2019 | 2020 | 2021 |
|---------------------|------------------------|------------------------|------------------------|----------------------|
| \$ 4,808,949 | \$ 4,870,437 | \$ 4,689,944 | \$ 5,887,761 | \$ 5,760,007 |
| 10,867,976 | 12,919,012 | 13,194,487 | 14,462,661 | 74,217,183 |
| (16,618,028) | (46,161,141) | (43,189,474) | (42,283,889) | (43,440,545) |
| <u>\$ (941,103)</u> | <u>\$ (28,371,692)</u> | <u>\$ (25,305,043)</u> | <u>\$ (21,933,467)</u> | <u>\$ 36,536,645</u> |

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|-----------------------|---------------------|---------------------|---------------------|-----------------------|
| Expenses | | | | | |
| Governmental activities: | | | | | |
| Instruction | \$ 25,951,241 | \$ 25,617,850 | \$ 25,464,194 | \$ 25,038,245 | \$ 26,574,370 |
| Support Services: | | | | | |
| Pupil services | 1,255,932 | 1,218,309 | 1,253,982 | 1,577,700 | 1,717,681 |
| Improvement of Instruction | 1,569,840 | 1,376,105 | 1,286,064 | 1,020,909 | 956,982 |
| Educational media services | 458,667 | 262,242 | 264,048 | 275,210 | 278,279 |
| General administration | 820,273 | 808,889 | 779,080 | 824,456 | 802,079 |
| School administration | 1,920,090 | 2,003,017 | 1,987,418 | 1,972,110 | 2,109,713 |
| Business administration | 525,608 | 618,102 | 490,976 | 532,111 | 484,342 |
| Maintenance and operation of plant | 7,812,148 | 4,419,615 | 6,508,509 | 5,089,040 | 12,996,965 |
| Student transportation service | 1,217,782 | 1,162,442 | 1,364,926 | 1,269,390 | 1,510,084 |
| Support services - central | 208,895 | 351,401 | 323,495 | 291,362 | 379,438 |
| Other support services | 169,737 | 166,563 | 267,924 | 358,673 | 381,789 |
| Total Support Services | 15,958,972 | 12,386,685 | 14,526,422 | 13,210,961 | 21,617,352 |
| Operations of non-instructional services | | | | | |
| Food services operation | 3,062,448 | 3,099,196 | 3,422,217 | 3,289,424 | 3,368,006 |
| Community service operations | 136,518 | 167,842 | 177,371 | 179,680 | 200,800 |
| | 3,198,966 | 3,267,038 | 3,599,588 | 3,469,104 | 3,568,806 |
| Total Expenses | 45,109,179 | 41,271,573 | 43,590,204 | 41,718,310 | 51,760,528 |
| Program revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services and sales: | | | | | |
| Instruction | 194,236 | 375,207 | 329,440 | 396,815 | 494,790 |
| Support services | 36,246 | 36,470 | 35,102 | 30,422 | 34,539 |
| Food services operation | 918,766 | 946,451 | 898,091 | 774,693 | 748,625 |
| Community services operation | - | - | - | - | - |
| Operating grants, contributions and interest | 22,340,252 | 24,219,378 | 23,003,502 | 25,140,437 | 26,324,502 |
| Capital grants and contributions | 83,064 | 9,747 | 9,749 | 1,194,912 | 14,378 |
| Total governmental activities program revenues | 23,572,564 | 25,587,253 | 24,275,884 | 27,537,279 | 27,616,834 |
| Net Expense | (21,536,615) | (15,684,320) | (19,314,320) | (14,181,031) | (24,143,694) |
| General revenues | | | | | |
| Governmental activities: | | | | | |
| Property taxes | 15,580,291 | 16,003,431 | 15,237,287 | 15,634,009 | 15,829,893 |
| Special purpose local option sales taxes | 4,529,806 | 4,214,954 | 4,297,269 | 4,436,961 | 4,157,621 |
| Investment earnings | 12,269 | 11,997 | 9,608 | 9,758 | 8,004 |
| Gain on sale of capital assets | - | - | - | 3,740 | - |
| Total governmental activities general revenues and other changes in net position | 20,122,366 | 20,230,382 | 19,544,164 | 20,084,468 | 19,995,518 |
| Change in net position | | | | | |
| Governmental activities | (1,414,249) | 4,546,062 | 229,844 | 5,903,437 | (4,148,176) |
| Total primary government change in net position | \$ (1,414,249) | \$ 4,546,062 | \$ 229,844 | \$ 5,903,437 | \$ (4,148,176) |

Source: City of Cartersville Board of Education available records.

(1) Increase represents additional payments to City.

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----|--------------|---------------|---------------|---------------|---------------|
| \$ | 28,880,464 | \$ 30,503,660 | \$ 29,375,247 | \$ 33,541,797 | \$ 35,867,850 |
| | 2,039,216 | 2,520,370 | 2,805,007 | 2,990,835 | 3,600,000 |
| | 1,204,973 | 825,651 | 959,773 | 1,224,500 | 1,331,283 |
| | 302,984 | 290,619 | 302,104 | 338,425 | 352,227 |
| | 856,175 | 832,610 | 750,756 | 875,392 | 901,366 |
| | 2,453,017 | 2,400,255 | 2,274,638 | 2,547,988 | 2,782,222 |
| | 591,280 | 666,903 | 562,634 | 627,536 | 646,457 |
| (1) | 4,870,444 | 5,468,391 | 7,751,017 | 4,866,086 | 8,482,500 |
| | 1,628,379 | 1,730,471 | 1,707,566 | 1,893,043 | 2,150,399 |
| | 743,753 | 572,602 | 562,133 | 550,252 | 725,239 |
| | 278,251 | 325,951 | 351,239 | 258,258 | 441,442 |
| | 14,968,472 | 15,633,823 | 18,026,867 | 16,172,315 | 21,413,135 |
| | 3,793,209 | 3,541,353 | 3,216,119 | 3,014,495 | 2,791,492 |
| | 223,267 | 310,172 | 242,814 | 261,231 | 255,132 |
| | 4,016,476 | 3,851,525 | 3,458,933 | 3,275,726 | 3,046,624 |
| | 47,865,412 | 49,989,008 | 50,861,047 | 52,989,838 | 60,327,609 |
| | 598,084 | 446,753 | 565,931 | 377,924 | 461,817 |
| | 34,892 | 34,847 | 27,431 | 920 | - |
| | 790,332 | 818,541 | 835,371 | 654,045 | 168,815 |
| | - | 107,624 | 39,267 | 23,566 | 51,329 |
| | 28,448,165 | 28,707,024 | 29,618,806 | 31,803,485 | 31,384,678 |
| | 1,743,056 | 128,315 | 231,660 | 77,220 | 60,530,371 |
| | 31,614,529 | 30,243,104 | 31,318,466 | 32,937,160 | 92,597,010 |
| | (16,250,883) | (19,745,904) | (19,542,581) | (20,052,678) | 32,269,401 |
| | 15,908,795 | 16,314,094 | 17,104,763 | 17,831,396 | 20,236,873 |
| | 4,326,514 | 5,034,791 | 5,446,245 | 5,511,405 | 5,954,875 |
| | 12,239 | 25,113 | 58,222 | 81,453 | 8,963 |
| | 355 | - | - | - | - |
| | 20,247,903 | 21,373,998 | 22,609,230 | 23,424,254 | 26,200,711 |
| | 3,997,020 | 1,628,094 | 3,066,649 | 3,371,576 | 58,470,112 |
| \$ | 3,997,020 | \$ 1,628,094 | \$ 3,066,649 | \$ 3,371,576 | \$ 58,470,112 |

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | |
| Assigned | \$ 6,818,148 | \$ 8,186,880 | \$ 8,105,354 | \$ 8,864,787 | \$ 8,757,710 |
| Unassigned | 3,839,099 | 4,216,974 | 4,132,837 | 4,198,353 | 4,426,610 |
| Total general fund | <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> |
| All Other Governmental Funds | | | | | |
| Nonspendable | \$ 101,220 | \$ 113,754 | \$ 144,533 | \$ 129,410 | \$ 133,618 |
| Restricted | 7,305,466 | 9,561,809 | 9,913,247 | 12,994,445 | 7,160,083 |
| Committed | 338,453 | 476,426 | 395,586 | 526,606 | 589,741 |
| Unassigned | - | - | (95) | - | - |
| Total all other governmental funds | <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> |

Source: City of Cartersville Board of Education available records.

| <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 9,433,167 | \$ 8,759,712 | \$ 7,603,718 | \$ 8,090,231 | \$ 7,642,613 |
| 4,074,647 | 4,533,366 | 6,898,767 | 8,362,018 | 10,711,779 |
| <u>\$ 13,507,814</u> | <u>\$ 13,293,078</u> | <u>\$ 14,502,485</u> | <u>\$ 16,452,249</u> | <u>\$ 18,354,392</u> |
| | | | | |
| \$ 126,044 | \$ 113,997 | \$ 61,192 | \$ 101,087 | \$ 106,531 |
| 10,741,932 | 12,791,280 | 12,894,716 | 14,361,574 | 74,110,652 |
| 814,617 | 773,370 | 937,687 | 984,771 | 1,031,284 |
| - | - | - | - | (136,872) |
| <u>\$ 11,682,593</u> | <u>\$ 13,678,647</u> | <u>\$ 13,893,595</u> | <u>\$ 15,447,432</u> | <u>\$ 75,111,595</u> |

CITY OF CARTERSVILLE BOARD OF EDUCATION

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|----------------|---------------|---------------|---------------|----------------|
| Revenues: | | | | | |
| Taxes | \$ 15,593,194 | \$ 16,103,020 | \$ 15,505,423 | \$ 15,605,948 | \$ 15,858,469 |
| Local sources | 1,965,194 | 2,229,102 | 2,069,228 | 2,201,037 | 2,367,178 |
| State sources | 16,706,406 | 17,577,839 | 17,203,498 | 20,293,707 | 20,038,590 |
| Federal sources | 4,650,280 | 5,455,554 | 4,666,347 | 4,640,779 | 4,778,194 |
| Special purpose local option sales tax | 4,529,806 | 4,214,954 | 4,297,269 | 4,436,961 | 4,157,621 |
| School receipts | 196,708 | 253,908 | 256,918 | 281,672 | 316,475 |
| Interest income | 19,113 | 21,744 | 19,357 | 23,467 | 22,382 |
| Other sources | 47,132 | 61,103 | 70,144 | 74,879 | 67,099 |
| Total revenues | 43,707,833 | 45,917,224 | 44,088,184 | 47,558,450 | 47,606,008 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction | 25,899,470 | 25,589,969 | 25,827,724 | 26,119,029 | 27,649,797 |
| Pupil services | 1,253,932 | 1,216,309 | 1,253,982 | 1,621,631 | 1,766,389 |
| Improvement of instructional services | 1,569,840 | 1,376,105 | 1,286,064 | 1,054,309 | 989,405 |
| Educational media services | 457,827 | 261,402 | 263,208 | 277,560 | 285,665 |
| General administration | 820,273 | 808,889 | 779,080 | 820,373 | 816,772 |
| School administration | 1,920,090 | 2,003,017 | 1,987,418 | 2,048,553 | 2,204,045 |
| Business administration | 514,628 | 608,386 | 482,108 | 475,034 | 488,785 |
| Maintenance and operation of plant | 2,754,693 | 2,856,097 | 2,903,257 | 3,090,797 | 3,090,321 |
| Student transportation service | 1,249,939 | 1,201,237 | 1,254,298 | 1,268,275 | 1,465,947 |
| Support services - central | 200,132 | 325,291 | 348,965 | 304,777 | 329,627 |
| Other support services | 164,711 | 161,537 | 262,898 | 351,382 | 378,672 |
| Food services operation | 3,017,612 | 3,046,485 | 3,446,821 | 3,118,519 | 3,363,532 |
| Community service operations | 134,812 | 164,952 | 171,998 | 191,435 | 187,426 |
| Intergovernmental | 2,377,677 | 1,147,975 | 1,487,450 | 1,455,475 | 9,809,100 (1) |
| Capital outlay | 2,949,196 | 996,116 | 2,197,294 | 1,345,162 | 429,857 |
| Total expenditures | 45,284,832 | 41,763,767 | 43,952,565 | 43,542,311 | 53,255,340 |
| Excess (deficiency) of revenues over expenditures | (1,576,999) | 4,153,457 | 135,619 | 4,016,139 | (5,649,332) |
| Other financing sources (uses) | | | | | |
| Proceeds from sale of capital assets | - | - | - | 6,000 | 3,493 |
| Transfers in | 22,497 | 4,127 | 31,696 | 34,346 | 238,617 |
| Transfers out | (22,497) | (4,127) | (31,696) | (34,346) | (238,617) |
| Total other financing sources (uses) | - | - | - | 6,000 | 3,493 |
| Net change in fund balances | \$ (1,576,999) | \$ 4,153,457 | \$ 135,619 | \$ 4,022,139 | \$ (5,645,839) |
| Debt service as a percentage of non-capital expenditures | 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.

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|----|------------|---------------|---------------|---------------|---------------|
| \$ | 15,904,799 | \$ 16,318,537 | \$ 17,115,318 | \$ 17,762,370 | \$ 20,227,326 |
| | 4,157,356 | 2,231,873 | 2,398,119 | 1,495,897 | 61,404,052 |
| | 21,627,721 | 23,101,186 | 23,990,352 | 26,370,053 | 24,051,848 |
| | 5,316,228 | 4,303,494 | 4,146,736 | 4,059,373 | 6,236,437 |
| | 4,326,514 | 5,034,791 | 5,446,245 | 5,511,405 | 5,954,875 |
| | 355,578 | 361,071 | 391,117 | 661,538 | 740,357 |
| | 54,295 | 153,428 | 323,472 | 254,888 | 20,027 |
| | 55,480 | 67,673 | 71,033 | 77,796 | 76,790 |
| | 51,797,971 | 51,572,053 | 53,882,392 | 56,193,320 | 118,711,712 |
| | | | | | |
| | 28,455,364 | 29,308,149 | 29,339,992 | 31,155,238 | 32,069,880 |
| | 2,019,144 | 2,526,778 | 2,900,297 | 2,917,687 | 3,435,145 |
| | 1,191,167 | 833,984 | 1,006,818 | 1,179,605 | 1,227,435 |
| | 303,756 | 296,572 | 315,430 | 331,813 | 339,984 |
| | 848,009 | 829,955 | 765,008 | 845,681 | 851,111 |
| | 2,426,792 | 2,404,696 | 2,426,314 | 2,465,184 | 2,566,211 |
| | 573,494 | 643,327 | 580,720 | 629,733 | 604,433 |
| | 3,076,626 | 3,157,978 | 3,391,612 | 3,240,323 | 3,410,086 |
| | 1,592,475 | 1,659,835 | 1,947,551 | 1,870,856 | 2,067,179 |
| | 674,533 | 1,004,050 | 402,147 | 380,152 | 538,352 |
| | 273,225 | 313,658 | 366,366 | 240,301 | 423,485 |
| | 3,770,376 | 3,574,035 | 3,174,817 | 2,908,567 | 2,714,249 |
| | 208,988 | 291,019 | 231,937 | 256,237 | 250,264 |
| | - | - | - | - | - |
| | 2,262,758 | 2,952,012 | 5,617,379 | 4,275,198 | 6,672,127 |
| | 47,676,707 | 49,796,048 | 52,466,388 | 52,696,575 | 57,169,941 |
| | | | | | |
| | 4,121,264 | 1,776,005 | 1,416,004 | 3,496,745 | 61,541,771 |
| | | | | | |
| | 1,381 | 11,313 | 8,351 | 6,856 | 24,535 |
| | 31,217 | 57,195 | 68,905 | 156,718 | 156,965 |
| | (31,217) | (57,195) | (68,905) | (156,718) | (156,965) |
| | 1,381 | 11,313 | 8,351 | 6,856 | 24,535 |
| \$ | 4,122,645 | \$ 1,787,318 | \$ 1,424,355 | \$ 3,503,601 | \$ 61,566,306 |
| | | | | | |
| | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

CITY OF CARTERSVILLE BOARD OF EDUCATION

CITY OF CARTERSVILLE, GEORGIA - ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY ¹ LAST TEN FISCAL YEARS

| Fiscal Year | Real Property | Estimated Actual Value | Personal Property | Estimated Actual Value | Total Property | Total Direct Tax Rate | Estimated Actual Value | Assessed Value as a Percentage of Actual Value |
|--------------------|----------------------|-------------------------------|--------------------------|-------------------------------|-----------------------|------------------------------|-------------------------------|---|
| 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% |
| 2021 | 1,053,918,482 | 2,634,796,205 | 313,986,798 | 784,966,995 | 1,367,905,280 | 13.91 | 3,419,763,200 | 40% |

¹ 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 |
| 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 |
| 2021 | 13.91 | 2.91 | 9.64 | 0.00 | 0.71 | 27.17 |

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> | 2020* | | | 2012 | | |
|-----------------------------|------------------------------|------|--|------------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Anheuser Busch | \$ 100,391,475 | 1 | 9.40% | \$ 118,290,110 | 1 | 12.29% |
| Shaw Industries | 75,090,368 | 2 | 7.03% | 27,553,067 | 2 | 3.43% |
| Aquafil USA | 17,956,850 | 3 | 1.68% | 11,368,338 | 4 | 0.58% |
| CSX Transportation | 14,804,731 | 4 | 1.39% | | | 1.25% |
| VKEP-A, LLC | 9,800,994 | 5 | 0.92% | | | 1.13% |
| Georgia Transmission | 9,265,462 | 6 | 0.87% | | | 0.84% |
| ARCP/Academy/Red Lobster | 9,209,966 | 7 | 0.86% | | | 0.53% |
| Comcast | 9,024,591 | 8 | 0.84% | | | 0.00% |
| Trinity Industries | 8,253,543 | 9 | 0.77% | | | 0.00% |
| Forty-one Connector, LLC | 4,626,195 | 10 | 0.43% | 9,950,280 | 5 | 0.98% |
| Applied Thermoplastic | | | | 6,532,981 | 6 | 0.57% |
| Bartow County Bank | | | | 5,599,400 | 9 | 0.57% |
| Bellsouth Communications | | | | 5,541,170 | 10 | 0.57% |
| Colloid Environment Tech Co | | | | 5,970,570 | 7 | 0.57% |
| Continental | | | | 12,166,538 | 3 | 0.57% |
| Monitor Manufacturing Co. | | | | 5,609,087 | 8 | 0.47% |
| | <u>\$ 258,424,175</u> | | <u>24.19%</u> | <u>\$ 208,581,541</u> | | <u>24.35%</u> |

Sources: City Tax Digest

* The Statistical information for the fiscal year ended June 30, 2021 from the City of Cartersville, Georgia is not available.

CITY OF CARTERSVILLE BOARD OF EDUCATION

PROPERTY TAX LEVIES AND COLLECTIONS ¹ 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 | |
|----------------|--|---|------------|---------------------------------------|---------------------------|------------|
| | | | Percent of | | | Percent of |
| | | Amount | Levy | | Amount | Levy |
| 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% | 169,242 | 15,290,787 | 99.4% |
| 2021 | 17,553,631 | 17,093,205 | 97.4% | - | 17,093,205 | 97.4% |

¹ Source: Bartow County Tax Commissioner's Office

CITY OF CARTERSVILLE BOARD OF EDUCATION

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2021 *

| <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 | \$ 6,149,240 | 100% | \$ 6,149,240 |
| Bartow County, Georgia | 12,905,000 | 25% | 3,226,250 |
| Total overlapping debt | <u>\$ 19,054,240</u> | | <u>\$ 9,375,490</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, 2021 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>2020*</u> | | | <u>2012</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 | 25.06% | 950 | 2 | 13.97% |
| Bartow County Schools | 2,108 | 2 | 20.62% | 1,618 | 1 | 23.80% |
| Toyo Tire North America | 1,755 | 3 | 17.17% | 650 | 5 | 9.56% |
| Bartow County | 800 | 4 | 7.83% | 715 | 4 | 10.52% |
| Voestalpine | 712 | 5 | 6.96% | | | 0.00% |
| Anheuser-Busch | 571 | 6 | 5.59% | 571 | 6 | 8.40% |
| Quest Global | 419 | 7 | 4.10% | | | 0.00% |
| Cartersville School System | 500 | 8 | 4.89% | 490 | 7 | 7.21% |
| Kennesaw Transportation | 400 | 9 | 3.91% | | | 0.00% |
| Georgia Power | 396 | 10 | 3.87% | 390 | 8 | 5.74% |
| Cartersville Medical | | | 0.00% | 650 | 3 | 9.56% |
| Walmart | | | 0.00% | 385 | 9 | 5.66% |
| Gerdau Ameristeel | | | 0.00% | 380 | 10 | 5.59% |
| | <u>10,223</u> | | <u>100.00%</u> | <u>6,799</u> | | <u>100.00%</u> |

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, 2021 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

| Fiscal Year | School System | Total ADA/FEE** (1) | Local Appropriation for Education*** | Cartersville City Assessed Value of Taxable Property*** | Education % of Assessed Value | Appropriation Per Child |
|-------------|---------------|------------------------|--------------------------------------|---|-------------------------------|-------------------------|
| 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 |
| 2021 | Cartersville | 4,509 | 20,227,326 | 1,367,905,280 | 1.48% | 4,486 |

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 | | | | | | Cartersville City Assessed Value of |
|-------------|---------------|--------------------|-------------------------|-----------------------|-----------------------------|----|--|
| | | Total ADA/FEE** | Total Cost Per Child | Tax Base Per Child | Cost/Tax Base Percentage | | Taxable Property*** |
| 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 | 12,421 | 256,126 | 4.85% | | 1,180,485,023 |
| 2021 | Cartersville | 4,509 | 12,679 | 303,372 | 4.18% | | 1,367,905,280 |

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

| Fiscal Year | Population**(1) | Personal Income | Per Capita Income(1) | Median Age(1) | School Enrollment(2) |
|--------------------|------------------------|----------------------------|---------------------------------|--------------------------|---------------------------------|
| 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 | 107,738 | 2,770,159,456 | 25,712 | 37.9 | 4,609 |
| 2021 | * | * | * | * | 4,509 |

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, 2021 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

| Fiscal Year | Professional Personnel (1) | Other Operating Personnel (2) | Service Personnel (3) | Total Personnel | Average Daily Enrollment (4) | Ratio of Pupils to Professional Personnel |
|--------------------|---------------------------------------|--|--------------------------------------|----------------------------|---|--|
| 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 |
| 2021 | 300 | 98 | 44 | 442 | 4,509 | 15.03 |

- (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 |
|--------------------|-------------------------------|---------------|------------|-------------|----------------|------------------|----------------|-----------------|
| 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 |
| 2021 | 58% | *** | 551 | 536 | *** | 1,087 | 1,077 | 1,038 |

* 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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------------|------|--------|------|------|------|------|------|------|------|------|
| Cartersville Primary School | | | | | | | | | | |
| Classroom Teachers | 88 | 83 | 83 | 81 | 79 | 78 | 78 | 77 | 80 | 81 |
| Support Personnel | 58 | 21 (1) | 19 | 20 | 20 | 17 | 17 | 17 | 18 | 20 |
| Administrators | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| Cartersville Elementary School | | | | | | | | | | |
| Classroom Teachers | 67 | 65 | 64 | 63 | 61 | 62 | 62 | 62 | 63 | 63 |
| Support Personnel | 38 | 18 (1) | 16 | 16 | 17 | 17 | 19 | 19 | 19 | 19 |
| Administrators | 2 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| Cartersville Middle School | | | | | | | | | | |
| Classroom Teachers | 61 | 57 | 59 | 61 | 63 | 66 | 68 | 63 | 64 | 64 |
| Support Personnel | 31 | 21 (1) | 19 | 18 | 18 | 17 | 18 | 18 | 20 | 20 |
| Administrators | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Cartersville High School | | | | | | | | | | |
| Classroom Teachers | 61 | 58 | 58 | 60 | 61 | 62 | 63 | 67 | 72 | 74 |
| Support Personnel | 30 | 18 (1) | 17 | 18 | 18 | 18 | 20 | 20 | 20 | 20 |
| Administrators | 4 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Central Office | | | | | | | | | | |
| Support Personnel | 14 | 13 | 12 | 11 | 13 | 12 | 12 | 12 | 13 | 13 |
| Administrators | 5 | 4 | 4 | 4 | 6 | 6 | 6 | 5 | 5 | 5 |
| Maintenance Facility | 7 | 7 | 7 | 7 | 6 | 5 | 5 | 6 | 6 | 6 |
| Other Auxiliary Facility | | | | | | | | | | |
| Support Personnel | 4 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 5 | 5 |
| Administrators | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Transportation | 37 | 34 | 34 | 36 | 36 | 37 | 37 | 36 | 36 | 38 |
| School Board Members | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| | 520 | 422 | 415 | 419 | 422 | 421 | 429 | 426 | 441 | 449 |

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 |
|-------------|-----------|-----------|--|-----------------------|
| 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 | 0.0% | N/A |
| 2021 | 41,381 | 90,452 | 0.0% | 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, 2021.

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 |
|-------------|---------------|------------------------------|-------------------------|----------------------|------------------------|---|
| 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 |
| 2021 | 57,248,690 | 4,509 | 12,697 | 11.05% | 300 | 15.03 |

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 | <u>Student Lunch Prices</u> | | Average # of Breakfasts Served Daily | <u>Student Breakfast Prices</u> | | Breakfast Sites | Free and Reduced Eligibility |
|-------------|---|--------------------------------|-------------------------|--|---|----------------|--------------------|------------------------------------|
| | | Elementary & Primary School | Middle & High School | | Elementary, Middle & Primary School | High School | | |
| 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% |
| 2021 | 2,408 | 2.25 | 2.50 | 1,700 | 1.25 | 1.50 | 4 | 44.26% |

** 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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Cartersville Primary School (1967) | | | | | | | | | | |
| Square Feet | 125,193 | 125,193 | 125,193 | 125,193 | 125,193 | 125,193 | 133,949 | 133,949 | 133,949 | 133,949 |
| Capacity* | | | | | | | | | | |
| Enrollment | 992 | 1,112 | 1,070 | 889 | 897 | 942 | 933 | 937 | 1,005 | 974 |
| 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 | 1,035 | 1,003 | 987 | 977 | 954 | 952 | 939 | 1,011 | 965 |
| Cartersville Middle School (1993) | | | | | | | | | | |
| Square Feet | 169,972 | 169,972 | 169,972 | 169,972 | 169,972 | 169,972 | 169,972 | 169,972 | 169,972 | 169,972 |
| Capacity* | | | | | | | | | | |
| Enrollment | 939 | 915 | 990 | 1,024 | 1,056 | 1,098 | 1,116 | 1,127 | 1,104 | 1,060 |
| Cartersville High School (1953) | | | | | | | | | | |
| Square Feet | 239,587 | 239,587 | 239,587 | 239,587 | 23,587 | 239,587 | 239,587 | 249,621 | 262,182 | 267,196 |
| Capacity* | | | | | | | | | | |
| Enrollment | 1,103 | 1,065 | 1,114 | 1,147 | 1,198 | 1,260 | 1,360 | 1,457 | 1,489 | 1,510 |

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***

**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, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated February 18, 2022.

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.

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
February 18, 2022

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

**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, 2021. 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.

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, 2021.

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.

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
February 18, 2022

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, 2021

| FUNDING AGENCY PROGRAM/GRANT | ASSISTANCE LISTING NUMBER | PASS- THROUGH ENTITY ID NUMBER | EXPENDITURES |
|--|--|---|---------------------|
| U.S. Department of Agriculture | | | |
| Child Nutrition Cluster | | | |
| Pass-Through From Georgia Department of Education: | | | |
| Food and Nutrition Program | | | |
| Food Services | | | |
| National School Lunch Program: | | | |
| Cash Assistance | 10.555 | 215GA324N1100 | \$ 2,105,607 |
| Non-Cash Assistance (Commodities) (2) | 10.555 | 215GA324N1100 | 55,971 |
| National School Lunch Program | | | <u>2,161,578</u> |
| Summer Food Service Program for Children | 10.559 | 215GA324N1099 | 245,481 |
| Total Child Nutrition Cluster | | | <u>2,407,059</u> |
| Total U.S. Department of Agriculture | | | <u>2,407,059</u> |
| U.S. Department of Defense | | | |
| Junior R.O.T.C | 12.112 | N/A | <u>76,343</u> |
| Total U.S. Department of Defense | | | <u>76,343</u> |
| U.S. Department of Education | | | |
| Special Education Cluster (IDEA) | | | |
| Pass-Through From Georgia Department of Education: | | | |
| Part B-Exceptional Student | | | |
| Flow Through | 84.027 | H027A200073 | 786,079 |
| Flow Through | 84.027 | H027A190073 | 139,895 |
| Preschool | 84.173 | H173A200081 | 19,618 |
| IDEA Supplemental Relief | 84.027 | H027A200073 | 6,981 |
| Total Special Education Cluster (IDEA) | | | <u>952,573</u> |
| Title I Part A | | | |
| Pass-Through From Georgia Department of Education: | | | |
| Title I Part A | | | |
| Grants to Local Educational Agencies | 84.010 | S010A190010 | 49,126 |
| Grants to Local Educational Agencies | 84.010 | S010A200010 | 888,521 |
| | | | <u>937,647</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 | 15,515 |
| Education for Homeless Children and Youth | 84.196 | S206A200011 | 51,629 |
| | | | <u>67,144</u> |
| Other Programs | | | |
| Pass-Through From Georgia Department of Education: | | | |
| Title II | | | |
| Improving Teacher Quality | 84.367 | S367A200001 | 120,733 |
| | | | <u>120,733</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, 2021

| FUNDING AGENCY PROGRAM/GRANT | ASSISTANCE LISTING NUMBER | PASS- THROUGH ENTITY ID NUMBER | EXPENDITURES |
|---|---------------------------------|---|--------------|
| Title III | | | |
| Limited English Proficient | 84.365 | S365A190010 | 2,360 |
| Limited English Proficient | 84.365 | S365A200010 | 54,596 |
| Immigrant | 84.365 | S365A190010 | 119 |
| | | | 57,075 |
| Title IV Part A | | | |
| Student Support and Academic Enrichment | 84.424 | S42A200011 | 67,621 |
| | | | 67,621 |
| Vocational Education-Basic Grants to States | | | |
| Perkins IV Carryover | 84.048 | V048A200010 | 4,200 |
| Program Improvement | 84.048 | V048A200010 | 31,050 |
| Program IV Plus | 84.048 | V048A200010 | 3,951 |
| Total Vocational Education | | | 39,201 |
| Elementary and Secondary School Emergency Relief Fund Cluster | | | |
| Pass-Through From Georgia Department of Education: | | | |
| COVID-19 - ESSER | 84.425D | S425D200012 | 730,199 |
| COVID-19 - ESSER - CTAE Extended Day | 84.425D | S425D200012 | 423 |
| COVID-19 - ESSER - CTAE Apprenticeship | 84.425D | S425D200012 | 1,814 |
| COVID-19 - ESSER - CTAE Supervision | 84.425D | S425D200012 | 1,430 |
| COVID-19 - ESSER - Equitable Services | 84.425D | S425D200012 | 1,314 |
| COVID-19 - ESSER - School Nurse | 84.425D | S425D200012 | 12,185 |
| COVID-19 - ESSER - CARES II | 84.425D | S425D200012 | 273,900 |
| COVID-19 - ESSER - Educator Bonus | 84.425U | S425U200012 | 423,047 |
| COVID-19 - ESSER - DECAL Educator Bonus | 84.425U | S425U200012 | 12,174 |
| Total Elementary and Secondary School Emergency Relief Fund (ESSER) Cluster | | | 1,456,486 |
| Total U.S. Department of Education | | | 3,698,480 |
| Total Expenditures of Federal Awards | | | \$ 6,181,882 |

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.

The School District received \$9,555 of donated personal protective equipment (PPE) from FEMA in fiscal year 2021.

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 | \$ 937,647 |
| Title II - Improving Teacher Quality | 120,733 |
| Title III - Limited English Proficient | 56,956 |
| Title III - Immigrant | 119 |
| Title IV, Part A - Student Support and Academic Enrichment | 67,621 |

(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 represent 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, 2021

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

IDEA Special Education Cluster

COVID-19 Elementary & Secondary School Emergency Relief (ESSER)

Assistance Listing Number

84.027 and 84.173

84.425D and 84.425U

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, 2021

Section II – Financial Statement Findings and Responses

None noted

Section III – Federal Award Findings and Questioned Costs

None noted